Calendar No. 367

105TH CONGRESS
2d Session

SENATE

REPORT
105–189

DEPARTMENT OF DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

REPORT

[TO ACCOMPANY S. 2060]

ON

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1999 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

TOGETHER WITH

ADDITIONAL VIEWS

COMMITTEE ON ARMED SERVICES
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U.S. GOVERNMENT PRINTING OFFICE
48–264 WASHINGTON : 1998

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(105th Congress, 2d Session)

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Calendar No. 367

105TH CONGRESS, 2d Session | SENATE | REPORT 105–189

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1999 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

MAY 11, 1998.—Ordered to be printed

Mr. THURMOND, from the Committee on Armed Services, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 2060]

The Committee on Armed Services reports favorably an original bill to authorize appropriations during the fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the armed forces, and for other purposes, and recommends that the bill do pass.

PURPOSE OF THE BILL

This bill would:

(1) authorize appropriations for (a) procurement, (b) research, development, test and evaluation, (c) operation and maintenance and the revolving and management funds of the Department of Defense for fiscal year 1999;

(2) authorize the personnel end strengths for each military active duty component of the armed forces for fiscal year 1999;

(3) authorize the personnel end strengths for the Selected Reserve of each of the reserve components of the armed forces for fiscal year 1999;

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(4) authorize the annual average military training student loads for the active and reserve components of the armed forces for fiscal year 1999;

(5) impose certain reporting requirements;

(6) impose certain limitations with regard to specific procurement and research, development, test and evaluation actions and manpower strengths; provide certain additional legislative authority, and make certain changes to existing law;

(7) authorize appropriations for military construction programs of the Department of Defense for fiscal year 1999; and

(8) authorize appropriations for national security programs of the Department of Energy for fiscal year 1999.

Committee overview and recommendations

In the Second Session of the 105th Congress, the Committee on Armed Services continued its efforts to ensure, within the constraints of the new balanced budget agreement, an adequate balance between the current and long-term readiness of the armed forces. While this historic agreement between the Congress and the President to achieve a balanced budget by fiscal year 2002 protects our military forces from "top line" cuts, it does not guarantee immunity from the unplanned costs that have served to undermine programmed investments in our military. Accordingly, the committee remains concerned that the funding levels for defense may not be sufficient to sustain the military capability required to support the current foreign policy as well as the personnel, quality of life, readiness, and modernization programs critical to our armed forces.

The committee believes that the limitations of the balanced budget agreement and the continual, demanding requirements of increasingly frequent contingency deployments have stretched our military forces to the breaking point. A disparity in outlay estimates for fiscal year 1999 between the Office of Management and Budget and the Congressional Budget Office required a decrease in recommended authorizations that will further strain our military. The committee is obligated to assess the impact of these factors on our military forces and recommend adjustments to the funding level for defense in the balanced budget agreement when necessary.

In the National Defense Authorization Bill for Fiscal Year 1999, the committee worked to achieve an appropriate balance between near-term and long-term readiness through investments in modernization, infrastructure and research; the development and maintenance of sufficient endstrengths for all grade levels and specialties; policies supporting the recruitment and retention of high quality personnel; fielding of the types and quantities of weapons systems and equipment needed to fight and win decisively with acceptable risk to our troops; and ensuring an adequate, safe and reliable nuclear weapons capability.

The committee modified the budget request to improve operations and achieve greater efficiencies and savings. The committee sought to eliminate defense spending that does not contribute directly to the national security of the United States. Savings were realized by accelerating programs where appropriate, and by limiting new program starts.

The committee worked to protect the quality of life of our military personnel and their families. Quality of life initiatives include provisions designed to provide equitable pay and benefits to military personnel, including a 3.1 percent pay raise and the restoration of appropriate levels of funding for the construction and maintenance of troop billets and military family housing.

The committee notes with concern the combined effects of supporting operations and maintenance at the expense of essential modernization along with a foreign policy that imposes high operational tempos on increasingly scarce military resources. There is clear evidence that the combat readiness of the armed forces is at greater risk due to two key factors: older and harder-to-maintain equipment resulting from inadequate modernization and the overuse of a smaller force structure. To ensure that the United States remains the preeminent military power in the world, current readiness requirements must be adequately funded without diverting critical funding from procurement and research, development, testing and evaluation accounts. The committee believes that a more robust, progressive modernization effort will not only provide the requisite capabilities for future military operations, but will also lower future operational and maintenance costs.

The committee has increased investment in a broad spectrum of research and development activities to ensure that U.S. military forces remain superior in technology to that of any potential adversary. The committee believes that effective development of advanced technologies will be a key factor in ensuring U.S. armed forces dominate any future battlefield, whether it be primarily on the ground, on the sea, in the air, in space, or in cyberspace. A program of stable, long-term investment in science and technology will remain vital to guaranteeing U.S. dominance of threats in any medium.

The committee continues to monitor the resources provided to the reserve components. While the Department of Defense continues to provide testimony on the importance of these components, and has improved integration of reserve component requirements, their chronic underfunding has been apparent in several critical areas. The ability of reserve component forces to be ready and relevant depends on proper funding to reduce backlogs in maintenance and repair of equipment; provide an appropriate quantity and quality of training; enhance infrastructure and base operations programs; and maintain adequate stocks of supplies, repair parts, fuel, and ammunition. Additionally, America's citizen-soldiers have been ordered to active duty in substantial numbers and for substantial periods of time in support of ongoing contingencies and operations, and the effects of repeated call-ups for such missions are forcing reservists to choose between being "citizens" or "soldiers." The committee strongly cautions against any policy that drives a wedge between our community-based force and the grassroots support of the American public.

The Department's template for the future—the 1997 Quadrennial Defense Review (QDR)—is based on a strategy that retains the requirement for a capability to win two concurrent major regional contingencies. However, even with the higher funding provided in the outyears of the budget agreement, the QDR recommended pay-

ing for essential modernization by eliminating up to 130,000 military personnel as well as reducing other key modernization programs. Given the effects of the high operational and personnel tempos due to the operations in Bosnia and Southwest Asia, and other ongoing activities, the committee is concerned that the armed forces, even if enhanced with the capabilities envisioned in the QDR, may not be able to execute the strategy without excessive risks and casualties.

The committee intends to provide adequately for our men and women in uniform to defend our nation even within the balanced budget agreement. The committee will continue to examine the adequacy of the funds allocated to our national security, and provide increases when necessary. At the same time, the committee strongly encourages the Department of Defense to continue its efforts to improve the efficiency and effectiveness of defense programs to achieve savings that can be devoted to the operational needs of our armed forces.

National security remains the federal government's most important obligation to its citizens. The Committee on Armed Services recognizes its critical role within the Senate in carrying out the constitutional powers of the Congress to provide for the "common defense." The members of the committee further understand the importance of the committee's jurisdiction within the Senate over matters relating to the Department of Defense, the military departments, and the national security programs of the Department of Energy. Accordingly, in developing defense authorization legislation for fiscal year 1999, the committee, in its traditional bipartisan manner, placed the national security interests of the United States and the American people above other considerations. The National Defense Authorization Bill for Fiscal Year 1999 reflects a bipartisan approach to these priorities, and continues the committee's efforts to provide a clear basis and direction for U.S. national security policies and programs into the 21st century.

Explanation of funding summary

The administration's budget request for the national defense function of the federal budget for fiscal year 1999 was $270.9 billion (as estimated by the Congressional Budget Office), of which $200.1 billion was for programs which require specific funding authorization.

The following table summarizes both the direct authorizations and equivalent budget authority levels for fiscal year 1999 defense programs. The columns relating to the authorization request do not include funding for the following items: military personnel funding; military construction authorizations provided in prior years; and other small portions of the defense budget that are not within the jurisdiction of this committee or which do not require an annual authorization. As explained above, funding for military personnel is included in the amounts authorized by the committee, but not in the total funding requested for authorization.

Funding for all programs in the national defense function is reflected in the columns relating to the budget authority request and the total budget authority implication of the authorizations in this bill. The committee recommends funding for national defense pro-

grams totaling $270.6 billion in budget authority, which is consistent with the fiscal year 1999 Budget Resolution.

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended	BA Request	BA Senate
DIVISION A					
TITLE I					
PROCUREMENT					
Aircraft Procurement, Army	1,325,943	140,565	1,466,508	1,325,943	1,466,508
Missile Procurement, Army	1,205,768	(30,229)	1,175,539	1,205,768	1,175,539
Procurement of Weapons and Tracked Combat Vehicles, Army	1,433,608	9,500	1,443,108	1,433,608	1,443,108
Procurement of Ammunition, Army	1,008,855	1,300	1,010,155	1,008,855	1,010,155
Other Procurement, Army	3,198,811	380,700	3,579,511	3,198,811	3,579,511
Chemical Agents and Munitions Destruction, Army					
Operation & Maintenance	531,650	(531,650)	0	531,650	0
Procurement	140,670	(140,670)	0	140,670	0
Research, Development, Test & Evaluation	182,780	(182,780)	0	182,780	0
Aircraft Procurement, Navy	7,466,734	33,200	7,499,934	7,466,734	7,499,934
Weapons Procurement, Navy	1,327,545	42,500	1,370,045	1,327,545	1,370,045
Procurement of Ammunition, Navy and Marine Corps	429,539	30,000	459,539	429,539	459,539
Shipbuilding and Conversion, Navy	6,252,672	(185,400)	6,067,272	6,252,672	6,067,272
Other Procurement, Navy	3,937,737	130,170	4,067,907	3,937,737	4,067,907
Procurement, Marine Corps	745,858	169,700	915,558	745,858	915,558
Aircraft Procurement, Air Force	7,756,475	547,364	8,303,839	7,756,475	8,303,839
Procurement of Ammunition, Air Force	384,161		384,161	384,161	384,161
Missile Procurement, Air Force	2,359,803	16,000	2,375,803	2,359,803	2,375,803
Other Procurement, Air Force	6,974,387	(182,306)	6,792,081	6,974,387	6,792,081
Procurement, Defense-wide	2,041,650	(12,400)	2,029,250	2,041,650	2,029,250
Procurement, National Guard and Reserve Equipment		60,000	60,000		60,000
Chemical Agents and Munitions Destruction, Defense					

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended	BA Request	BA Senate
Operation & Maintenance		491,700	491,700		491,700
Procurement		115,670	115,670		115,670
Research, Development, Test & Evaluation		172,780	172,780		172,780
Procurement, Defense Health Program	402,387		402,387		0
Procurement, Office of the Inspector General	1,300		1,300		0
Defense Export Loan Guarantee Program	1,250		1,250	1,250	1,250
Reappropriation (sec 8057 of FY 98 Appropos)	2,000	(2,000)	0	2,000	0
Total Procurement	49,111,583	1,073,714	50,185,297	48,707,896	49,781,610
TITLE II					
RESEARCH, DEVELOPMENT, TEST & EVALUATION					
Research, Development, Test & Evaluation, Army	4,780,545	55,600	4,836,145	4,780,545	4,836,145
Research, Development, Test & Evaluation, Navy	8,108,923	89,079	8,198,002	8,108,923	8,198,002
Research, Development, Test & Evaluation, Air Force	13,598,093	(199,100)	13,398,993	13,598,093	13,398,993
Research, Development, Test & Evaluation, Defense-wide	9,314,665	248,748	9,563,413	9,314,665	9,563,413
Operational Test & Evaluation, Defense	25,245		25,245	25,245	25,245
Developmental Test & Evaluation, Defense	251,106	(2,000)	249,106	251,106	249,106
Total Research, Development, Test & Evaluation	36,078,577	192,327	36,270,904	36,078,577	36,270,904
TITLE III					
PERATION AND MAINTENANCE & WORKING CAPITAL FUNDS					
Operation and Maintenance, Army	17,273,063	122,500	17,395,563	17,273,063	17,395,563
Operation and Maintenance, Navy	21,927,202	74,100	22,001,302	21,927,202	22,001,302
Operation and Maintenance, Marine Corps	2,523,703	115,000	2,638,703	2,523,703	2,638,703
Operation and Maintenance, Air Force	19,177,004	36,400	19,213,404	19,177,004	19,213,404
Operation and Maintenance, Special Operations Command	1,238,853	12,650	1,251,503	1,238,853	1,251,503

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended	BA Request	BA Senate
Operation and Maintenance, Defense-wide	9,511,848	(486,250)	9,025,598	9,511,848	9,025,598
Operation and Maintenance, Army Reserve	1,202,622	15,000	1,217,622	1,202,622	1,217,622
Operation and Maintenance, Navy Reserve	928,639	15,000	943,639	928,639	943,639
Operation and Maintenance, Marine Corps Reserve	114,593	20,000	134,593	114,593	134,593
Operation and Maintenance, Air Force Reserve	1,744,696	15,000	1,759,696	1,744,696	1,759,696
Operation and Maintenance, Army National Guard	2,436,815	40,000	2,476,815	2,436,815	2,476,815
Operation and Maintenance, Air National Guard	3,093,933	20,000	3,113,933	3,093,933	3,113,933
Office of the Inspector General	130,764		130,764	132,064	132,064
United States Court of Appeals for the Armed Forces	7,324		7,324	7,324	7,324
Environmental Restoration, Army	377,640	(7,000)	370,640	377,640	370,640
Environmental Restoration, Navy	281,600	(7,000)	274,600	281,600	274,600
Environmental Restoration, Air Force	379,100	(7,000)	372,100	379,100	372,100
Environmental Restoration, Defense-Wide	26,091	(3,000)	23,091	26,091	23,091
Environmental Restoration, Formerly Used Defense Sites	195,000		195,000	195,000	195,000
Overseas Humanitarian, Disaster, & Civic Aid	63,311	(13,311)	50,000	63,311	50,000
Drug Interdiction and Counter-drug Activities, Defense	727,582		727,582	727,582	727,582
Defense Health Program	9,653,435		9,653,435	10,055,822	10,055,822
Former Soviet Union Threat Reduction	442,400	(2,000)	440,400	442,400	440,400
Payment to Kaho' Olawe Island Fund	15,000		15,000	15,000	15,000
Overseas Contingency Operation Transfer Fund	746,900		746,900	746,900	746,900
Impact Aid		35,000	35,000		35,000
General Reduction (Fuel Price Inflation Change)		(304,000)	(304,000)		(304,000)
Overseas Military Facility Investment				38,006	38,006
Disposal of DoD Real Property				6,413	6,413
Lease of DoD Real Property				18,200	18,200

Summary of
National Defense Authorization for FY 1999
(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended	BA Request	BA Senate
Restoration of Rocky Mountain Arsenal				8,000	8,000
National Science Center, Army				120	120
Defense Burdensharing-Allies/Nato				92,000	92,000
Subtotal Operation and Maintenance	94,219,118	(308,911)	93,910,207	94,785,544	94,476,633
REVOLVING FUNDS					
Defense Working Capital Fund (Air Force)	30,800		30,800	30,800	30,800
Military Commisary Revolving Fund	63,700		63,700	63,700	63,700
National Defense Sealift Fund	418,166	251,400	669,566	418,166	669,566
Reserve Moblization Insurance Fund	37,300	(37,300)	0	37,300	0
National Defense Stockpile Transaction Fund (Routine & Ongoing Sales)				(150,000)	(150,000)
Transfer from National Stockpile to WCF	350,000	(350,000)	0	350,000	0
National Defense Stockpile Transaction Fund (Excess of Routine Sales)				(100,000)	(100,000)
Subtotal Working Capital Funds	899,966	(135,900)	764,066	649,966	514,066
Total Operation and Maintenance & Working Capital Funds	95,119,084	(444,811)	94,674,273	95,435,510	94,990,699
TITLES IV-V-VI					
MILITARY PERSONNEL					
Total Military Personnel	70,777,086	(342,700)	70,434,386	70,777,086	70,434,386
GENERAL PROVISIONS					
DIVISION B					
MILITARY CONSTRUCTION					
Military Construction, Army	790,876	(26,398)	764,478	790,876	764,478
Military Construction, Navy	468,150	70,565	538,715	468,150	538,715
Military Construction, Air Force	454,810	137,520	592,330	454,810	592,330
Military Construction, Defense-wide	491,675	80,300	571,975	491,675	571,975

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended	BA Request	BA Senate
Military Construction, Army National Guard	47,675	47,720	95,395	47,675	95,395
Military Construction, Air National Guard	34,761	127,171	161,932	34,761	161,932
Military Construction, Army Reserve	71,287	36,091	107,378	71,287	107,378
Military Construction, Naval Reserve	15,271		15,271	15,271	15,271
Military Construction, Air Force Reserve	10,535	9,690	20,225	10,535	20,225
Base Realignment and Closure II, III, IV	1,730,704		1,730,704	1,730,704	1,730,704
NATO Infrastructure	185,000	(26,000)	159,000	185,000	159,000
General Reductions		(12,714)	(12,714)	0	(12,714)
Total Military Construction	4,300,744	443,945	4,744,689	4,300,744	4,744,689
FAMILY HOUSING					
Family Housing Construction, Army	103,440	18,540	121,980	103,440	121,980
Family Housing Support, Army	1,104,733		1,104,733	1,104,733	1,104,733
Family Housing Construction, Navy and Marine Corps	280,790		280,790	280,790	280,790
Family Housing Support, Navy and Marine Corps	915,293		915,293	915,293	915,293
Family Housing Construction, Air Force	226,035	36,790	262,825	226,035	262,825
Family Housing Support, Air Force	789,995		789,995	789,995	789,995
Family Housing Construction, Defense-wide	345		345	345	345
Family Housing Support, Defense-wide	36,899		36,899	36,899	36,899
Family Housing Construction, Navy and Marine Corps		(6,000)	(6,000)	6,000	0
Homeowners Assistance Fund	12,800		12,800	12,800	12,800
DoD Family Housing Improvement Fund	7,000		7,000	7,000	7,000
Total Family Housing	3,477,330	49,330	3,526,660	3,483,330	3,532,660

DIVISION C
TITLE XXXI-XXXII

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended	BA Request	BA Senate
ATOMIC ENERGY DEFENSE ACTIVITIES (053)					
Weapons Activities	4,500,000	(125,300)	4,374,700	4,500,000	4,374,700
Defense Environmental Restoration and Waste Management	4,259,903	1,042,240	5,302,143	4,259,903	5,302,143
Defense Nuclear Waste Disposal	190,000		190,000	190,000	190,000
Other Defense Actitivities	1,667,160	(15,000)	1,652,160	1,667,160	1,652,160
Defense Facilities Closure Projects	1,006,240	(1,006,240)	0	1,006,240	0
Defense Environmental Management Privatization	516,857	(275,000)	241,857	516,857	241,857
Formerly Utilized Site Remediation	140,000		140,000	140,000	140,000
Defense Nuclear Facilities Safety Board	17,500		17,500	17,500	17,500
Total Atomic Energy Defense Activities (053)	12,297,660	(379,300)	11,918,360	12,297,660	11,918,360
Recapitulation					
Department of Defense (Division A)	251,086,330	478,530	251,564,860	250,999,069	251,477,599
Department of Defense (Division B)	7,778,074	493,275	8,271,349	7,784,074	8,277,349
Net Other Funds	6,000	(6,000)	0	324,600	318,600
Transfer Authority sec 1001 [Memo Entry]	2,000,000		2,000,000	2,000,000	2,000,000
Offsetting Receipts				(1,590,250)	(1,590,250)
Total Department of Defense Military (051)	258,870,404	965,805	259,836,209	257,517,493	258,483,298
Total Atomic Energy Defense Activities (053)	12,297,660	(379,300)	11,918,360	12,297,660	11,918,360
Total Defense Related Activities (054)	43,000	(43,000)	0	1,088,190	1,045,190
Asset Sales/Transfers					(823,000)
TOTAL NATIONAL DEFENSE FUNCTION (050)	271,211,064	543,505	271,754,569	270,903,343	270,623,848
Authorization of Funding for Operations in Bosnia (Emergency Funding)	1,858,600		1,858,600		

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

The Department of Defense modernization program, as currently outlined, cannot be sustained. Former Secretary of Defense James Schlesinger, in recent testimony before the committee on the report of the National Defense Panel, stated "quite simply you can't get there, that desired point in the 21st century, from here given the apparent fiscal limits." Both General Shalikashvili and General Shelton, the former and current Chairmen of the Joint Chiefs of Staff, after consultation with service chiefs, established a baseline requirement of $60 billion dollars per year to meet essential modernization priorities. Unfortunately, the Administration has yet to submit a budget request for the Department of Defense that satisfies this requirement even though the Future Years Defense Program indicates that the requirement would be satisfied in fiscal year 2001.

For the last several years, testimony before the congressional defense committees suggests that our forces are living on the edge and relying on investments made years ago in modernization accounts. In brief, it is fairly clear that the Department of Defense is continuing to suffer from a series of procurement deficient budgets. This is explained, in part, by continually planned but unrealized savings from "efficiencies" projected by the Department of Defense. However, the costs associated with continued extended deployments not resourced by supplemental funding, especially when it forces the displacement of funds from modernization accounts to operation and maintenance accounts, are also crippling service modernization programs, and thereby our current and future military capabilities.

The committee is becoming increasingly concerned that, despite these continued delays in meeting minimum modernization funding levels, the services continue to program for modernization requirements that cannot be supported by the elusive date associated with meeting the $60 billion dollar procurement goal, phantom "efficiencies," and uncertain acquisition reform and future BRAC savings. Department of Defense plans to develop future generation systems, when tied to future funding of legacy system modernization requirements, have caused what many have referred to as a procurement "bow wave." Continued annual delays of procurement create a very large and insurmountable unfunded procurement requirement.

In an effort to quantify the scope of the bow wave problem for one of the services, the committee requested extended planning program data for the 2004 through 2010 time frame for that service's research, development, and acquisition programs. In reply, the

committee received a copy of a memorandum, signed by the service secretary, that stated that the data "had not been adequately reviewed by the Service and OSD leadership." The only conclusion that can be drawn is that the Department of Defense has not even tried to quantify the nature and scope of the bow wave problem.

Recent independent analysis suggests that the Department of Defense modernization plan could exceed available funding by as much as $26 billion a year during the ten-year period following that covered by the 1999 through 2003 future years defense program. While some argue that there has always been a mismatch between available or projected funding and funds called for in service modernization programs, it is clear that the funding limitations will cripple active programs and delay, if not prevent, the military transformation called for by both the Quadrennial Defense Review and the National Defense Panel.

The committee believes that the time has come for the Department of Defense, along with the services, to review both modernization plans and projected resources available in future years and make the tough calls necessary to better align programs with funding. The committee believes this review should be conducted in a joint environment that considers future warfighting requirements, efficiencies resulting from a focus on joint warfighting, and enhancements that future technologies may provide. Until this happens, the Congress will be forced to continue to make critical decisions on how to allocate increasingly scarce resources without insight into the overall scope and nature of the modernization "bow wave" and how service programs are linked to transformation initiatives.

Overview

The committee continues to give priority to buying essential core requirements, investing to achieve savings and investing in the future. Particular emphasis was given to Marine Corps programs in response to the level of concern raised by General Krulak in his testimony before the committee and in his March 25, 1998 letter to the Congress. It is clear, however, that the Department of Defense modernization plan in existence today cannot be supported by even the best case projections of available research, development, and acquisition funding.

The committee was pleased with the level of funding provided in the budget request for the reserve components. In the fiscal year 1999 request, the Department requested more funding for reserve component modernization than had been previously provided for reserve component shortfalls in previous years, even after Congressional increases. The committee recognizes that both active and reserve component funding shortfalls are likely to continue, but believes that the fiscal year 1999 budget request reflects a good faith effort to move in the right direction. The committee believes that both components must continue to work together to meet the common goal of ensuring our total force is prepared for a challenging future.

Explanation of tables

The tables in this title display items requested by the administration for fiscal year 1999 for which the committee either increased or decreased the requested amounts. As in the past, the administration may not exceed the amounts approved by the committee (as set forth in the tables or, if unchanged from the administration request, as set forth in the Department of Defense's budget justification documents) without a reprogramming action in accordance with established procedures. Unless noted explicitly in the report, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended
PROCUREMENT			
Aircraft Procurement, Army	1,325,943	140,565	1,466,508
Missile Procurement, Army	1,205,768	(30,229)	1,175,539
Procurement of Weapons and Tracked Combat Vehicles, Army	1,433,608	9,500	1,443,108
Procurement of Ammunition, Army	1,008,855	1,300	1,010,155
Other Procurement, Army	3,198,811	380,700	3,579,511
Chemical Agents and Munitions Destruction, Army			
Operation & Maintenance	531,650	(531,650)	0
Procurement	140,670	(140,670)	0
Research, Development, Test & Evaluation	182,780	(182,780)	0
Aircraft Procurement, Navy	7,466,734	33,200	7,499,934
Weapons Procurement, Navy	1,327,545	42,500	1,370,045
Procurement of Ammunition, Navy and Marine Corps	429,539	30,000	459,539
Shipbuilding and Conversion, Navy	6,252,672	(185,400)	6,067,272
Other Procurement, Navy	3,937,737	130,170	4,067,907
Procurement, Marine Corps	745,858	169,700	915,558
Aircraft Procurement, Air Force	7,756,475	547,364	8,303,839
Procurement of Ammunition, Air Force	384,161		384,161
Missile Procurement, Air Force	2,359,803	16,000	2,375,803

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended
Other Procurement, Air Force	6,974,387	(182,306)	6,792,081
Procurement, Defense-wide	2,041,650	(12,400)	2,029,250
Procurement, National Guard and Reserve Equipment		60,000	60,000
Chemical Agents and Munitions Destruction, Defense			
Operation & Maintenance		491,700	491,700
Procurement		115,670	115,670
Research, Development, Test & Evaluation		172,780	172,780
Procurement, Defense Health Program	402,387		402,387
Procurement, Office of the Inspector General	1,300		1,300
Defense Export Loan Guarantee Program	1,250		1,250
Reappropriation (sec 8057 of FY 98 Appropos)	2,000	(2,000)	0
Total Procurement	49,111,583	1,073,714	50,185,297

Sec. 107. Chemical Demilitarization Program.

The budget request for the Army included $855.1 million for the chemical agents and munitions destruction program for operation and maintenance ($531.7 million), procurement ($140.7), and research and development ($182.8 million).

The Congress directed in section 1412 of the National Defense Authorization Act for Fiscal Year 1986 (P.L. 99–145) that the Secretary of Defense carry out the destruction of the lethal chemical agents and munitions in the U.S. stockpile. Pursuant to that direction, the committee recommends that the chemical agents and munitions destruction program continue to be funded in the defense accounts. The committee recommends the following reductions to the budget request: $40.0 million for operation and maintenance, $25.0 million for procurement, and $10.0 million for research and development.

The committee recommends that an additional $3.0 million in the budget request for research and development be made available to accelerate the development and fielding of the Army's mobile munitions assessment systems.

The committee also recommends a provision that would amend section 1412(g)(2) to require the Department of Defense to provide an annual report on the travel costs of members of the Chemical Demilitarization Citizen's Advisory Commission.

Chemical Weapons Convention (CWC)

On April 29, 1997, the Chemical Weapons Convention entered into force for countries that ratified the Treaty. As a State Party to the CWC, the United States is obligated to carry out all requirements of the Treaty. In May 1997, the United States submitted the required General Destruction Plan to the international monitoring agency, the Organization for the Prevention of Chemical Weapons (OPCW). Under the CWC, the United States is required to destroy its declared chemical stockpile by April 29, 2007 for the unitary stockpile and 2004 for the non-stockpile items.

In fiscal year 1997, the Congress provided authority in section 8065 of Public Law 103–208 for the Department of Defense to conduct a pilot program to identify and demonstrate no fewer than two alternative technologies for the destruction of assembled chemical weapons.

The Secretary of Defense is required to submit a report to the congressional defense committees on the effectiveness of each alternative technology identified and demonstrated under the pilot program and its ability to meet applicable safety and environmental requirements. Funds for construction of baseline incineration facilities at Pueblo Chemical Depot, Colorado and the Blue Grass Depot, Kentucky may not be obligated until 180 days after receipt of the Secretary's report.

A decision by the Department on the technology to be implemented at the two facilities, whether it be incineration or an alternative, is required not later than June 30, 1999.

The committee understands that the Army has continued with the necessary environmental activities to implement an incineration-based technology at Pueblo and Newport. However, no decision will be made on which technology to implement until the As-

sembled Chemical Weapons Assessment (ACWA) program is completed.

Chemical Stockpile Emergency Preparedness Project (CSEPP)

In order to enhance the protection of the communities surrounding the stockpiles, workers involved in the destruction effort, and the environment during storage, movement and destruction of the U.S. unitary chemical stockpile, the Chemical Stockpile Emergency Preparedness Project (CSEPP) was established in 1988. Since that time, both the Army and the Federal Emergency Management Agency (FEMA) have assisted the civilian communities surrounding the eight chemical stockpile storage locations to enhance their emergency response capabilities.

The committee understands that the Army and FEMA have reached an agreement on management of the CSEPP. As a result of the agreement, FEMA will have authority and responsibility for the off-post communities, while the Army remains responsible for on-post emergency preparedness. The committee understands that both the Army and FEMA agree that coordination, integration and the joint nature of the CSEPP, particularly at the community level, must be preserved. Of the funds available for CSEPP in the Department of Defense operation and maintenance account, $25.0 million is available to FEMA for off-post community activities.

Defense Threat Reduction Agency (DTRA)

In November 1997, as part of its Defense Reform Initiative (DRI), the Department of Defense recommended the establishment of a single agency, the Defense Threat Reduction Agency (DTRA), to carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and to provide nuclear weapon stockpile and related support. The formation of this agency is to be accomplished through the consolidation of several agencies, and several functions from the office of the Secretary of Defense (OSD) involved in the management of associated programs, to including the chemical and biological defense program and the counterproliferation support program. Consistent with the DRI recommendation, the committee recommends the transfer of the chemical demilitarization program to the Defense Threat Reduction Agency (DTRA).

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	AIRCRAFT PROCUREMENT, ARMY						
	AIRCRAFT						
	FIXED WING						
1	ARL (TIARA)		13,133	-	-		13,133
2	C-XX (MEDIUM RANGE) AIRCRAFT		-	3	15,865		15,865
3	GUARDRAIL COMMON SENSOR (TIARA)		1,931	-	-		1,931
	ROTARY			-	-		
4	UH-60 BLACKHAWK (MYP)	22	243,820	8	78,500	30	322,320
4	LESS: ADVANCE PROCUREMENT (PY)		(25,000)	-	-		(25,000)
5	ADVANCE PROCUREMENT (CY)		-	-	-		-
	MODIFICATION OF AIRCRAFT						
	MODIFICATION OF AIRCRAFT						
6	GUARDRAIL MODS (TIARA)		36,079	-	-		36,079
7	AH1F MODS		512	-	-		512
8	AH-64 MODS		52,902	-	-		52,902
9	CH-47 CARGO HELICOPTER MODS (MYP)		101,176	-	-		101,176
10	C-12 CARGO AIRPLANE MODS		2,658	-	6,000		8,658
11	OH-58 MODS		90	-	-		90
12	C-20 AIRCRAFT MODS		799	-	-		799
13	LONGBOW		607,028	-	40,200		647,228
13	LESS: ADVANCE PROCUREMENT (PY)		(36,932)	-	-		(36,932)
14	ADVANCE PROCUREMENT (CY)		41,683	-	-		41,683

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
15	UH-1 MODS		3,789	-	-		3,789
16	UH-60 MODS		21,657	-	-		21,657
17	KIOWA WARRIOR		40,446	-	-		40,446
18	EH-60 QUICKFIX MODS		3,015	-	-		3,015
19	AIRBORNE AVIONICS		56,335	-	-		56,335
20	ASE MODS		2,743	-	-		2,743
21	MODIFICATIONS LESS THAN $2.0M		1,660	-	-		1,660
	SPARES AND REPAIR PARTS						
	SPARES AND REPAIR PARTS						
22	SPARES AND REPAIR PARTS		36,047		-		36,047
	SUPPORT EQUIPMENT AND FACILITIES						
	GROUND SUPPORT AVIONICS						
23	AIRCRAFT SURVIVABILITY EQUIPMENT		5,144	-	-		5,144
	OTHER SUPPORT						
24	AIRBORNE COMMAND & CONTROL		24,421	-	-		24,421
25	AVIONICS SUPPORT EQUIPMENT		2,555	-	-		2,555
26	TRAINING DEVICES		-	-	-		-
27	COMMON GROUND EQUIPMENT		30,107	-	-		30,107
28	AIRCREW INTEGRATED SYSTEMS		9,050	-	-		9,050
29	AIR TRAFFIC CONTROL		5,691	-	-		5,691
30	INDUSTRIAL FACILITIES		1,493	-	-		1,493
31	AIRBORNE COMMUNICATIONS		41,911	-	-		41,911

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	TOTAL AIRCRAFT PROCUREMENT, ARMY		1,325,943		140,565		1,466,508
	MISSILE PROCUREMENT, ARMY						
	OTHER MISSILES						
	SURFACE-TO-AIR MISSILE SYSTEM						
1	ENHANCED FIBER OPTIC GUIDED MISSILE (EFOGM)	96	13,716	(96)	(13,716)	-	-
2	AVENGER SYSTEM SUMMARY	18	35,269	-	-	18	35,269
	AIR-TO-SURFACE MISSILE SYSTEM						
3	HELLFIRE SYS SUMMARY	2,000	360,625	-	-	2,000	360,625
	ANTI-TANK/ASSAULT MISSILE SYSTEM						
4	JAVELIN (AAWS-M) SYSTEM SUMMARY	3,316	319,988	-	-	3,316	319,988
4	LESS: ADVANCE PROCUREMENT (PY)		-	-	-		-
5	ADVANCE PROCUREMENT (CY)		-	-	-		-
6	TOW 2 SYSTEM SUMMARY		-	-	-		-
7	MLRS ROCKET	522	16,513	(522)	(16,513)	-	-
8	MLRS LAUNCHER SYSTEMS	24	85,387	-	-	24	85,387
9	ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	96	90,585	-	-	96	90,585
10	ATACMS/BAT	30	49,083	-	-	30	49,083
11	BAT	420	100,425	-	-	420	100,425
	MODIFICATION OF MISSILES						
	MODIFICATIONS						
12	PATRIOT MODS		15,259	-	-		15,259

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
13	STINGER MODS		13,924	-	-		13,924
14	AVENGER MODS		8,425	-	-		8,425
15	ITAS/TOW MODS		62,478	-	-		62,478
16	DRAGON MODS		-	-	-		-
17	MLRS MODS		2,193	-	-		2,193
	SPARES AND REPAIR PARTS						
	SPARES AND REPAIR PARTS						
18	SPARES AND REPAIR PARTS		23,718	-	-		23,718
	SUPPORT EQUIPMENT AND FACILITIES						
	SUPPORT EQUIPMENT AND FACILITIES						
19	AIR DEFENSE TARGETS		2,534	-	-		2,534
20	ITEMS LESS THAN $2.0M (MISSILES)		922	-	-		922
21	MISSILE DEMILITARIZATION		1,466	-	-		1,466
22	PRODUCTION BASE SUPPORT		3,258	-	-		3,258
23	CLOSED ACCOUNT ADJUSTMENTS		-	-	-		-
	TOTAL MISSILE PROCUREMENT, ARMY		1,205,768		(30,229)		1,175,539
	PROCUREMENT OF W&TCV, ARMY						
	TRACKED COMBAT VEHICLES						
	TRACKED COMBAT VEHICLES						
1	ABRAMS TRNG DEV MOD		8,536	-	-		8,536
2	BRADLEY BASE SUSTAINMENT		285,844	-	-		285,844

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
3	BRADLEY FVS TRAINING DEVICES		12,728	-	-		12,728
4	HAB TRAINING DEVICES		386	-	-		386
5	BRADLEY FVS TRAINING DEVICES (MOD)		2,075	-	-		2,075
6	FIELD ARTILLERY AMMUNITION SUPPORT VEH		-	-	-		-
7	ABRAMS TANK TRAINING DEVICES		13,411	-	-		13,411
8	COMMAND & CONTROL VEHICLE	10	44,241	-	-	10	44,241
	MODIFICATION OF TRACKED COMBAT VEHICLES						
9	CARRIER, MOD		54,454	-	-		54,454
10	FIST VEHICLE (MOD)		20,720	-	-		20,720
11	BFVS SERIES (MOD)		58,998	-	-		58,998
12	HOWITZER, MED SP FT 155MM M109A6 (MOD)		11,339	-	-		11,339
13	HOWITZER, MED SP FT 155MM M109A5 (MOD)		-	-	-		-
14	FAASV PIP TO FLEET		3,157	-	-		3,157
15	IMPROVED RECOVERY VEHICLE (M88 MOD)		38,175	-	-		38,175
16	HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)		50,401	-	-		50,401
17	ARMORED VEH LAUNCH BRIDGE (AVLB) (MOD)		969	-	-		969
18	M1 ABRAMS TANK (MOD)		53,301	-	-		53,301
19	ABRAMS UPGRADE PROGRAM		666,195	-	-		666,195
19	LESS: ADVANCE PROCUREMENT (PY)		(253,534)	-	-		(253,534)
20	ADVANCE PROCUREMENT (CY)		262,942	-	-		262,942
21	MODIFICATIONS LESS THAN $2.0M (TCV-WTCV)		-	-	-		-
	SUPPORT EQUIPMENT AND FACILITIES						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
22	ITEMS LESS THAN $2.0M (TCV-WTCV)		132	-	-		132
23	PRODUCTION BASE SUPPORT (TCV-WTCV)		8,861	-	-		8,861
24	REGIONAL MAINTENANCE TRAINING SITES-EQUIP		-	-	-		-
	WEAPONS AND OTHER COMBAT VEHICLES						
	WEAPONS AND OTHER COMBAT VEHICLES						
25	ARMOR MACHINE GUN, 7.62MM M240 SERIES	673	6,496	-	6,500	673	12,996
26	MACHINE GUN, 5.56MM (SAW)	1,525	4,494	-	-	1,525	4,494
27	GRENADE LAUNCHER, AUTO, 40MM, MK19-3	697	12,191	-	3,000	697	15,191
28	M16 RIFLE	16,067	6,829	-	-	16,067	6,829
29	5.56 CARBINE M4	6,310	4,230	-	-	6,310	4,230
	MOD OF WEAPONS AND OTHER COMBAT VEH						
30	M4 CARBINE MODS		5,149	-	-		5,149
31	M119 MODIFICATIONS		4,812	-	-		4,812
32	M16 RIFLE MODS		6,241	-	-		6,241
33	MODIFICATIONS LESS THAN $2.0M (WOCV-WTCV)		1,128	-	-		1,128
	SUPPORT EQUIPMENT AND FACILITIES						
34	ITEMS LESS THAN $2.0M (WOCV-WTCV)		1,164	-	-		1,164
35	PRODUCTION BASE SUPPORT (WOCV-WTCV)		5,140	-	-		5,140
36	INDUSTRIAL PREPAREDNESS		3,959	-	-		3,959
37	SMALL ARMS (SOLDIER ENH PROG)		5,233	-	-		5,233
38	CLOSED ACCOUNT ADJUSTMENTS		-	-	-		-
	SPARE AND REPAIR PARTS						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	SPARES						
39	SPARES AND REPAIR PARTS (WTCV)		23,211	-	-		23,211
	TOTAL PROCUREMENT OF W&TCV, ARMY		1,433,608		9,500		1,443,108
	PROCUREMENT OF AMMUNITION, ARMY						
	AMMUNITION						
	SMALL/MEDIUM CAL AMMUNITION						
1	CTG, 5.56MM, ALL TYPES		91,620	-	(28,100)		63,520
2	CTG 5.56MM ARMOR PIERCING M995	1,314	1,926	-	-	1,314	1,926
3	CTG, 7.62MM, ALL TYPES		10,463	-	(6,400)		4,063
4	CTG 7.62MM ARMOR PIERCING XM993	922	1,926	-	-	922	1,926
5	CTG, 9MM, ALL TYPES		1,907	-	-		1,907
6	CTG, .45 CAL, ALL TYPES		2	-	-		2
7	CTG, .50 CAL, ALL TYPES		18,544	-	-		18,544
8	CTG CAL .50 API MK211 MOD 0		-	-	-		-
9	CTG, 20MM, ALL TYPES		-	-	-		-
10	CTG, 25MM, ALL TYPES		59,618	-	20,800		80,418
11	CTG, 30MM, ALL TYPES		9,061	-	-		9,061
12	CTG, 40MM, ALL TYPES		35,618	-	-		35,618
	MORTAR AMMUNITION						
13	CTG MORTAR 60MM 1/10 PRAC M766		-	-	-		-
14	CTG MORTAR 60MM ILLUM M721/M767		-	-	-		-

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
15	CTG MORTAR 60MM SMOKE WP M722		375	-	-		375
16	CTG MORTAR 60MM HE M720/M720A1 W/M734 FUZE	47	20,528	-	-	47	20,528
17	CTG 81MM INFRARED (IR) ILLUM XM816	10	9,366	-	-	10	9,366
18	CTG MORTAR 120MM FULL RANGE PRACTICE M931	97	39,703	-	-	97	39,703
19	CTG MORTAR 120MM HE M934 W/MO FUZE	33	29,087	-	-	33	29,087
20	CTG MORTAR 120MM ILLUM XM930 W/MTSQ FZ		-	-	-		-
21	CTG MORTAR 120MM SMOKE M929 W/MO FUZE		-	-	-		-
	TANK AMMUNITION						
22	CTG 120MM APFSDS-T M829A2/M829E3	2	9,732	-	-	2	9,732
23	CTG 120MM HEAT-MP-T M830A1		-	-	15,000		15,000
24	CTG TANK 120MM TP-T M831/M831A1	105	60,386	-	-	105	60,386
25	CTG TANK 120MM TPCSDS-T M865	240	129,914	-	-	240	129,914
	ARTILLERY AMMUNITION						
26	CTG ARTY 75MM BLANK M337A1	34	1,566	-	-	34	1,566
27	CTG ARTY 105MM DPICM XM915		-	-	-		-
28	CTG ARTY 105MM HERA M913		532	-	-		532
29	PROJ ARTY 155MM SMOKE WP M825		-	-	-		-
30	PROJ ARTY 155MM HE M795		-	-	-		-
31	PROJ ARTY 155MM SADARM M898	550	56,542	-	-	550	56,542
32	PROJ ARTY 155MM HE M107	124	25,650	-	-	124	25,650
	ARTILLERY FUZES						
33	FUZE ARTY ELEC TIME M767		-	-	-		-

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
34	FUZE MULTI OPTION	2	1,514	-	-	2	1,514
	MINES						
35	MINE, TRAINING, ALL TYPES		973	-	-		973
36	MINE AT M87 (VOLCANO)		-	-	-		-
37	WIDE AREA MUNITIONS	65	9,625	-	-	65	9,625
	ROCKETS						
38	BUNKER DEFEATING MUNITION (BDM)		-	-	-		-
39	ROCKET, HYDRA 70, ALL TYPES		126,055	-	-		126,055
	OTHER AMMUNITION						
40	DEMOLITION MUNITIONS, ALL TYPES		8,800	-	-		8,800
41	GRENADES, ALL TYPES		21,382	-	-		21,382
42	SIGNALS, ALL TYPES		12,985	-	-		12,985
43	SIMULATORS, ALL TYPES		4,651	-	-		4,651
	MISCELLANEOUS						
44	AMMO COMPONENTS, ALL TYPES		7,241	-	-		7,241
45	CAD/PAD ALL TYPES		2,320	-	-		2,320
46	ITEMS LESS THAN $2 MILLION		1,009	-	-		1,009
47	AMMUNITION PECULIAR EQUIPMENT		10,368	-	-		10,368
48	ITEMS LESS THAN $2.0M (AMMO)		-	-	-		-
49	FIRST DESTINATION TRANSPORTATION (AMMO)		6,174	-	-		6,174
50	CLOSED ACCOUNT ADJUSTMENTS		-	-	-		-
	AMMUNITION PRODUCTION BASE SUPPORT						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	PRODUCTION BASE SUPPORT						
51	PROVISION OF INDUSTRIAL FACILITIES		47,660	-	-		47,660
52	COMPONENTS FOR PROVE-OUT		-	-	-		-
53	LAYAWAY OF INDUSTRIAL FACILITIES		15,362	-	-		15,362
54	MAINTENANCE OF INACTIVE FACILITIES		15,826	-	-		15,826
55	CONVENTIONAL AMMO DEMILITARIZATION		97,983	-	-		97,983
56	ARMS INITIATIVE		4,861	-	-		4,861
57	POST RETIREMENT BENEFITS		-	-	-		-
	TOTAL PROCUREMENT OF AMMUNITION, ARMY		1,008,855		1,300		1,010,155
	OTHER PROCUREMENT, ARMY						
	TACTICAL AND SUPPORT VEHICLES						
	TACTICAL VEHICLES						
1	TACTICAL TRAILERS/DOLLY SETS		11,948	-	-		11,948
2	SEMITRAILER FB BB/CONT TRANS 22 1/2 T	97	2,625	-	-	97	2,625
3	SEMITRAILER LB 40T M870A1 (CCE)	23	2,917	-	-	23	2,917
4	SEMITRAILER, TANK, 5000G	32	3,865	-	-	32	3,865
5	SEMITRAILER, TANK, 7500G, BULKHAUL	86	4,212	-	-	86	4,212
6	SEMITRAILER VAN CGO SUPPLY 12T 4WHL M129A2C	71	6,401	-	-	71	6,401
7	HI MOB MULTI-PURP WHLD VEH (HMMWV)	110	12,144	1,768	65,700	1,878	77,844
8	FAMILY OF MEDIUM TACTICAL VEH (FMTV)	2,038	332,044	600	88,000	2,638	420,044
9	FAMILY OF HEAVY TACTICAL VEHICLES (FHTV)		189,617	-	-		189,617

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
10	ARMORED SECURITY VEHICLES (ASV)		-	-	-		-
11	TRUCK, TRACTOR, LINE HAUL, M915/M916	440	59,503	-	-	440	59,503
12	TRUCK, TRACTOR, YARD TYPE, M878 (C/S)	57	4,852	-	-	57	4,852
13	MEDIUM TRUCK EXTENDED SVC PGM (ESP)	1,085	37,247	-	93,900	1,085	131,147
14	LINE HAUL ESP	62	4,883	-	-	62	4,883
15	HMMWV ESP	387	24,832	-	-	387	24,832
16	MODIFICATION OF IN SVC EQUIP		13,306	-	-		13,306
17	ITEMS LESS THAN $2.0M (TAC VEH)		186	-	-		186
	NON-TACTICAL VEHICLES						
18	HEAVY ARMORED SEDAN	54	5,956	-	-	54	5,956
19	PASSENGER CARRYING VEHICLES	37	867	-	-	37	867
20	GENERAL PURPOSE VEHICLES		1,059	-	-		1,059
21	SPECIAL PURPOSE VEHICLES		1,060	-	-		1,060
	SUPPORT EQUIPMENT AND FACILITIES						
22	SYSTEM FIELDING SUPPORT PEO		311	-	-		311
23	PROJECT MANAGEMENT SUPPORT		2,437	-	(1,000)		1,437
24	SYSTEM FIELDING SUPPORT (TACOM)		4,166	-	(1,000)		3,166
	COMMUNICATIONS AND ELECTRONICS EQUIP						
	COMM - JOINT COMMUNICATIONS						
25	COMBAT IDENTIFICATION PROGRAM		4,890	-	-		4,890
26	JCSE EQUIPMENT (USREDCOM)		3,148	-	-		3,148
	COMM - SATELLITE COMMUNICATIONS						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
27	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)		94,616	-	-		94,616
28	SHF TERM		25,328	-	-		25,328
29	SAT TERM, EMUT (SPACE)		2,485	-	-		2,485
30	NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)		6,866	-	-		6,866
31	GROUND COMMAND POST		-	-	-		-
32	SMART-T (SPACE)		57,743	-	-		57,743
33	SCAMP (SPACE)		4,708	-	-		4,708
34	GLOBAL BRDCST SVC - GBS		5,873	-	-		5,873
35	MOD OF IN-SVC EQUIP (TAC SAT)		1,474	-	-		1,474
	COMM - COMBAT SUPPORT COMM						
36	MSE MOD IN SERVICE		-	-	-		-
	COMM - C3 SYSTEM						
37	COMMAND CENTER IMPROVEMENT PROG (CCIP)		-	-	-		-
38	SOUTHCOM HQ RELOCATION		-	-	-		-
39	ARMY GLOBAL CMD & CONTROL SYS (AGCCS)		20,562	-	-		20,562
	COMM - COMBAT COMMUNICATIONS						
40	ARMY DATA DISTRIBUTION SYSTEM (ADDS)		24,048	-	28,000		52,048
41	MOBILE SUBSCRIBER EQUIP (MSE)		-	-	-		-
42	SINCGARS FAMILY		13,212	-	61,900		75,112
43	JOINT TACTICAL AREA COMMS SYS		9,925	-	-		9,925
44	ACUS MOD PROGRAM (WIN-T/T)		97,080	-	47,800		144,880
45	TAC RADIO		-	-	-		-

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
46	C-E CONTINGENCY/FIELDING EQUIP		2,166	-	-		2,166
47	SOLDIER ENHANCEMENT PROGRAM COMM/ELECTRONICS		4,593	-	-		4,593
48	COMBAT SURVIVOR EVADER LOCATOR (CSEL)		13,712	-	-		13,712
49	MEDICAL COMM FOR CBT CASUALTY CARE (MC4)		9,440	-	-		9,440
	COMM - INTELLIGENCE COMM						
50	JWICS CONNECTIVITY		-	-	-		-
51	CI AUTOMATION ARCHITECTURE		2,319	-	-		2,319
52	CI CONUS BASED LAN		-	-	-		-
	INFORMATION SECUTITY						
53	TSEC - ARMY KEY MGT SYS (AKMS)		10,315	-	-		10,315
54	INFORMATION SYSTEM SECURITY PROGRAM - ISSP		29,714	-	-		29,714
	COMM - LONG HAUL COMMUNICATIONS						
55	TERRESTRIAL TRANSMISSION		1,953	-	-		1,953
56	BASE SUPPORT COMMUNICATIONS		1,124	-	-		1,124
57	ARMY DISN ROUTER		3,614	-	-		3,614
58	ELECTROMAG COMP PROG (EMCP)		452	-	-		452
59	WW TECH CON IMP PROG (WWTCIP)		2,031	-	-		2,031
	COMM - BASE COMMUNICATIONS						
60	INFORMATION SYSTEMS		91,213	-	-		91,213
61	DEFENSE MESSAGE SYSTEM (DMS)		16,723	-	-		16,723
62	LOCAL AREA NETWORK (LAN)		9,978	-	-		9,978
63	PENTAGON INFORMATION MGT AND TELECOM		39,195	-	-		39,195

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	ELECT EQUIP - NAT FOR INT PROG (NFIP)						
64	FOREIGN COUNTERINTELLIGENCE PROG (FCI)		876	-	-		876
65	GENERAL DEFENSE INTELL PROG (GDIP)		21,562	-	-		21,562
66	ITEMS LESS THAN $2.0M (INTEL SPT) - TIARA		-	-	-		-
	ELECT EQUIP - TACT INT REL ACT (TIARA)						
67	ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)		24,117	-	-		24,117
68	JTT/CIBS-M (TIARA)	56	5,340	-	-	56	5,340
69	IEW - GND BASE COMMON SENSORS (TIARA)		25,388	-	-		25,388
70	JOINT STARS (ARMY) (TIARA)		87,229	-	-		87,229
71	NATO-AGS		-	-	-		-
72	INTEGRATED BROADCAST TERMINAL MODS (TIARA)		6,487	-	-		6,487
73	DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA)	12	21,230	-	-	12	21,230
74	DRUG INTERDICTION PROGRAM (DIP) (TIARA)		-	-	-		-
75	TACTICAL EXPLOITATION OF NATIONAL CAPABILITY		1,690	-	-		1,690
76	JOINT TACTICAL GROUND STATION MODS		2,638	-	-		2,638
77	TROJAN (TIARA)		3,991	-	-		3,991
78	MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)		4,891	-	-		4,891
79	CI HUMINT AUTOMATED TOOL SET (CHATS) (TIARA)		3,700	-	-		3,700
80	ITEMS LESS THAN $2.0M (TIARA)		530	-	-		530
	ELECT EQUIP - ELECTRONIC WARFARE (EW)						
81	SHORTSTOP		-	-	-		-
82	COUNTERINTELLIGENCE/SECURITY COUNTERMEASURES		1,725	-	-		1,725

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	ELECT EQUIP - TACTICAL SURV. (TAC SURV)						
83	SENTINEL (FAAD GBS)	23	58,247	-	-	23	58,247
84	TARGET LOCATION OBSERVATION SYSTEM (TLOS)	238	11,787	-	-	238	11,787
85	NIGHT VISION DEVICES		29,636	-	13,500		43,136
86	LTWT VIDEO RECON SYSTEM (LWVRS)	110	3,364	-	-	110	3,364
87	NIGHT VISION, THERMAL WPN SIGHT	1,522	36,110	-	-	1,522	36,110
88	ARTILLERY ACCURACY EQUIP		11,004	-	-		11,004
89	MOD OF IN-SVC EQUIP (TAC SURV)		5,477	-	-		5,477
90	COMPUTER BALLISTICS; XM-30		-	-	-		-
91	INTEGRATED MET SYS SENSORS (IMETS) - TIARA	5	4,890	-	-	5	4,890
	ELECT EQUIP - TACTICAL C2 SYSTEMS						
92	TACTICAL OPERATIONS CENTERS		26,703	-	-		26,703
93	ADV FIELD ARTILLERY TACT DATA SYS (AFATDS)	212	36,671	-	-	212	36,671
94	FIRE SUPPORT ADA CONVERSION		-	-	-		-
95	CMBT SVC SUPT CONTROL SYS (CSSCS)	122	9,332	-	-	122	9,332
96	FAAD C2	2	14,204	-	-	2	14,204
97	FORWARD ENTRY DEVICE (FED)		25,040	-	-		25,040
98	STRIKER-COMMAND AND CONTROL SYSTEM	15	6,025	-	-	15	6,025
99	LIFE CYCLE SOFTWARE SUPPORT (LCSS)		1,174	-	-		1,174
100	LOGTECH		3,238	-	-		3,238
101	TC AIMS II		445	-	-		445
102	GUN LAYING AND POS SYS (GLPS)	126	11,781	-	-	126	11,781

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
103	ISYSCON EQUIPMENT		34,175	-	-		34,175
104	MANEUVER CONTROL SYSTEM (MCS)	96	13,033	-	-	96	13,033
105	STAMIS TACTICAL COMPUTERS (STACOMP)	1,633	48,248	-	-	1,633	48,248
106	STANDARD INTEGRATED CMD POST SYSTEM		26,827	-	-		26,827
	ELECT EQUIP - AUTOMATION						
107	ARMY TRAINING XX1 MODERNIZATION		32,635	-	-		32,635
108	AUTOMATED DATA PROCESSING EQUIP		130,712	-	-		130,712
109	RESERVE COMPONENT AUTOMATION SYS (RCAS)		108,192	-	-		108,192
	ELECT EQUIP - AUDIO VISUAL SYS (A/V)						
110	AFRTS		487	-	-		487
111	ITEMS LESS THAN $2.0M (A/V)		4,597	-	-		4,597
	ELECT EQUIP-TEST MEAS&DIAG EQUIP (TMDE)						
112	CALIBRATION SETS EQUIPMENT		-	-	-		-
113	INTEGRATED FAMILY OF TEST EQUIP (IFTE)		-	-	-		-
114	TEST EQUIPMENT MODERNIZATION (TEMOD)		-	-	-		-
	ELECT EQUIP - SUPPORT						
115	INSTALLATION C4 UPGRADE (ICU)		-	-	-		-
116	PRODUCTION BASE SUPPORT (C-E)		403	-	-		403
	OTHER SUPPORT EQUIPMENT						
	CHEMICAL DEFENSIVE EQUIPMENT						
117	GEN SMK MECH:MTRZD DUAL PURP M56	76	15,110	-	-	76	15,110
118	GENERATOR, SMOKE, MECH M58	38	10,622	-	-	38	10,622

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
119	GEN SET, SMOKE, MECH: PUL JET, M157 SERIES		-	-	-		-
120	LT VEH OBSCURANT SMK SYS	2,363	4,633	-	-	2,363	4,633
	BRIDGING EQUIPMENT						
121	RIBBON BRIDGE		8,824	-	-		8,824
	ENGINEER (NON-CONSTRUCTION) EQUIPMENT						
122	METALLIC MINE DETECTOR, VEHICLE MOUNTED	2	3,775	-	-	2	3,775
123	BN COUNTERMINE SIP		3,670	-	-		3,670
124	M-9 ARMORED COMBAT EARTHMOVER (ACE)		-	-	-		-
125	ITEMS LESS THAN $2.0M(ENG NON-CONST)		-	-	-		-
	COMBAT SERVICE SUPPORT EQUIPMENT						
126	AIR CONDITIONERS VARIOUS SIZE/CAPACITY		4,650	-	-		4,650
127	KITCHEN, CONTAINERIZED, FIELD (CK)	77	7,435	-	-	77	7,435
128	SANITATION CENTER, FIELD FEEDING (FSC)	108	1,364	-	-	108	1,364
129	FIRETRUCKS		15,000	-	-		15,000
130	TRUCK, FIREFIGHTING, MULTI-PURPOSE	6	1,708	-	-	6	1,708
131	ARMY SPACE HEATER, 120,000 BTU (ASH)	110	1,061	-	-	110	1,061
132	LAUNDRY ADVANCED SYSTEM (LADS)	19	7,216	-	-	19	7,216
133	FLOODLIGHT SET, ELEC, TRL MTD, 3 LIGHTS	113	1,944	-	-	113	1,944
134	SOLDIER ENHANCEMENT		4,832	-	-		4,832
135	LAND WARRIOR	255	51,380	-	-	255	51,380
136	FORCE PROVIDER	4	24,418	-	-	4	24,418
137	REFRIGERATION EQUIPMENT		1,930	-	-		1,930

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
138	ITEMS LESS THAN $2.0M (CSS-EQ)		4,749	-	-		4,749
	PETROLEUM EQUIPMENT						
139	TANK ASSEMBLY FAB COLL POL 50000 G	17	7,393	-	-	17	7,393
140	PUMP ASSY, REGULATED, 350 GPM	10	358	-	-	10	358
141	INLAND PETROLEUM DISTRIBUTION SYSTEM		8,342	-	-		8,342
142	FORWARD AREA REFUELING SYS ADV AVIATION	18	5,329	-	-	18	5,329
143	ITEMS LESS THAN $2.0M (POL)		4,657	-	-		4,657
	WATER EQUIPMENT						
144	SMALL MOBILE WATER CHILLER (SMWC)	310	2,897	-	-	310	2,897
145	ITEMS LESS THAN $2.0M (WATER EQ)		1,255	-	-		1,255
	MEDICAL EQUIPMENT						
146	COMBAT SUPPORT MEDICAL		25,807	-	-		25,807
	MAINTENANCE EQUIPMENT						
147	SHOP EQ CONTACT MAINTENANCE TRK MTD (MYP)	180	7,897	-	-	180	7,897
148	WELDING SHOP, TRAILER MTD	55	3,044	-	-	55	3,044
149	ITEMS LESS THAN $2.0M (MAINT EQ)		4,754	-	-		4,754
	CONSTRUCTION EQUIPMENT						
150	DIST, BITUM MATERIAL 1500G TRK MTD	20	4,377	-	-	20	4,377
151	ROLLER, VIBRATORY, SELF-PROPELLED (CCE)		-	-	-		-
152	HYDRAULIC EXCAVATOR	26	6,402	-	-	26	6,402
153	DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	23	9,388	-	-	23	9,388
154	TRUCK, DUMP, 20T (CCE)	66	13,305	-	-	66	13,305

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
155	CRUSHING/SCREENING PLANT, 150 TPH	2	3,801	-	-	2	3,801
156	CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT	47	11,553	-	-	47	11,553
157	ITEMS LESS THAN $2.0M (CONST EQUIP)		1,929	-	-		1,929
	RAIL FLOAT CONTAINERIZATION EQUIPMENT						
158	PUSHER TUG, SMALL	1	4,269	-	-	1	4,269
159	FLOATING CRANE, 100-250 TON		-	-	-		-
160	CONTAINERIZED MAINTENANCE FACILITY	1	5,300	-	-	1	5,300
161	CAUSEWAY SYSTEMS		17,083	-	-		17,083
162	RAILWAY CAR, FLAT, 100 TON	148	12,804	-	-	148	12,804
163	ITEMS LESS THAN $2.0M (FLOAT/RAIL)		3,235	-	-		3,235
	GENERATORS						
164	GENERATORS AND ASSOCIATED EQUIP		82,749	-	-		82,749
	MATERIAL HANDLING EQUIPMENT						
165	TRUCK, FORK LIFT, DE, PT, RT, 50000 LB	101	20,588	-	-	101	20,588
166	ALL TERRAIN LIFTING ARTICULATING SYSTEM	47	15,228	-	-	47	15,228
167	ROUGH TERRAIN CONTAINER CRANE	30	13,615	-	-	30	13,615
168	ITEMS LESS THAN $2.0M (MHE)		1,672	-	-		1,672
	TRAINING EQUIPMENT						
169	COMBAT TRAINING CENTERS SUPPORT		47,395	-	-		47,395
170	TRAINING DEVICES, NONSYSTEM		56,755	-	(16,100)		40,655
171	SIMNET/CLOSE COMBAT TACTICAL TRAINER		113,927	-	-		113,927
172	FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER		28,124	-	-		28,124

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	TEST MEASURE AND DIG EQUIPMENT (TMD)						
173	CALIBRATION SETS EQUIPMENT		9,984	-	-		9,984
174	INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)		54,051	-	-		54,051
175	TEST EQUIPMENT MODERNIZATION (TEMOD)		13,797	-	-		13,797
	OTHER SUPPORT EQUIPMENT						
176	RECONFIGURABLE SIMULATORS		1,967	-	-		1,967
177	PHYSICAL SECURITY SYSTEMS (OPA3)		16,164	-	-		16,164
178	SYSTEM FIELDING SUPPORT (OPA-3)		7,143	-	-		7,143
179	BASE LEVEL COM'L EQUIPMENT		9,697	-	-		9,697
180	TRANSPORTATION AUTOMATED MEASURING SYS (TRAMS)		-	-	-		-
181	ELECTRONIC REPAIR SHELTER	2	3,694	-	-	2	3,694
182	MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)		17,667	-	-		17,667
183	PRODUCTION BASE SUPPORT (OTH)		2,274	-	-		2,274
184	SPECIAL EQUIPMENT FOR USER TESTING		15,062	-	-		15,062
185	OPA INITIAL SPARES		-	-	-		-
186	MA8975		6,020	-	-		6,020
187	CLOSED ACCOUNT ADJUSTMENTS		-	-	-		-
	SPARE AND REPAIR PARTS						
	OPA1						
188	INITIAL SPARES - TSV		4,433	-	-		4,433
	OPA2						
189	INITIAL SPARES - C&E		73,362	-	-		73,362

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
	OPA3						
190	INITIAL SPARES - OTHER SUPPORT EQUIP		1,174	-	-		1,174
	TOTAL OTHER PROCUREMENT, ARMY		3,198,811		380,700		3,579,511
	CHEM AGENTS & MUNITIONS DESTRUCTION, ARMY						
	CHEM AGENTS & MUNITIONS DESTRUCT-RDT&E						
	RESEARCH AND DEVELOPMENT						
1	CHEM DEMILITARIZATION - RDTE		182,780		(182,780)		-
	CHEM AGENTS & MUNITIONS DESTRUCT-PROC						
	PROCUREMENT						
2	CHEM DEMILITARIZATION - PROC		140,670		(140,670)		-
	CHEM AGENTS & MUNITIONS DESTRUCT-O&M						
	OPERATION AND MAINTENANCE						
3	CHEM DEMILITARIZATION - O&M		531,650		(531,650)		-
	TOTAL CHEM AGENTS & MUNITIONS DESTR, ARMY		855,100		(855,100)		-

Sec. 111. Multiyear procurement authority for Longbow Hellfire missile program.

The committee recommends a provision that would authorize the Army to enter into a multiyear procurement contract, beginning in fiscal year 1999, for procurement of the Longbow Hellfire missile. The committee understands this action can be accomplished with existing funds for this program and that this multiyear authority will ultimately reduce program costs.

Sec. 113. Armored system modernization.

The committee recommends a provision which would prohibit the expenditure of $20.3 million of the funds authorized to be appropriated to the Army for Weapons and Tracked Combat Vehicles and intended for the M1A1D (Applique Integration Kit) modification to the Abrams tank until such time as the Army provides an assessment and justification for its M1A2 fielding plan and an assessment of armored system modernization requirements through the 2020 time frame.

The committee is concerned about Army plans for continued tank modernization as it moves toward its objective of the Army After Next (AAN). Army budget documents provided to the committee indicate that the M1A2 System Enhancement Program (SEP) upgrade program will be terminated in 2003, having produced a total of 1,150 M1A2 SEP tanks, but leaving two-thirds of the active Army and all of the National Guard with less capable tanks.

The committee is aware that the National Defense Panel (NDP) has called for a lighter, quicker, and more agile tank for the Army After Next and has questioned continuing the upgrade of the M1A1 tank. For risk mitigation, however, the NDP did recommend that the M1A2 be deployed to III Corps and the forward based force while the balance of the Army transitions to the Army After Next.

While reserving judgment on the design and technologies associated with a future tank, the committee believes the Army should consider a range of alternatives in its modernization review, including a possible concentration of modernized, and not simply digitized Abrams tanks in III Corps. Current Army plans call for the six active heavy divisions to be composed of one brigade of M1A2 SEP tanks and two brigades of M1A1D tanks with applique digitized capability. This would force a division commander to contend with a high-low mix of tanks with vastly different operational capabilities and substantially different logistical support requirements.

The committee also understands that Army plans for the two major theater-of-war contingencies allocate roughly half of the Army's heavy divisions and National Guard Enhanced Brigades to each of the contingencies. Should the second contingency not materialize, and if the Army continues with the planned distribution of M1A2 SEP tanks throughout the active heavy divisions in limited numbers rather than concentrating them in one corps, the Army may face the situation of fighting a war with nearly half of its most modern tanks not committed to the fight, or of concentrating all modernized brigades in committed divisions at the last minute, thereby degrading the cohesiveness of units forged through habitual relationships in peacetime training. The committee believes it

reasonable to take some risk that the second contingency would not materialize, and concentrate M1A2 tanks in completely modernized divisions allocated to the first contingency. This option would also facilitate a subsequent Army decision, should it be feasible, to adopt another of the NDP's recommendations and move more rapidly with the remainder of the Army toward AAN organizations and weapon systems, eventually leaping in capability over the modernized Army XXI divisions and corps.

From a broader perspective, although the committee supports the long term goal of AAN, testimony before the committee clearly indicates that the technological foundation required to produce a future combat system to replace the current tank may not be available until at least 2020. This suggests that continued modernization or upgrade of the Abrams tank should be considered to ensure that a viable industrial base is maintained to support the operational forces until the required technologies become available to begin procurement of a future combat system.

The committee is aware that alternatives currently available for consideration by the Army include a proposal to modernize III Corps with a combination of M1A2 SEP tanks and M1A2 SEP Part 1 tanks and provide a digitized capability by 2004. This alternative would appear to meet the Army's goal of a digitized corps by its self-imposed deadline, as well as field a vastly more capable corps equipped entirely with modernized M1A2 tanks. The committee understands that a decision to concentrate the M1A2 Abrams tanks in III Corps would have to be made in a larger context of fielding all of the armor-related modernized combat systems, including the M2A3 Bradley fighting vehicle. However, the committee believes that the Army should give this alternative serious consideration.

The committee directs the Army to identify alternatives for continued modernization of its primary ground combat systems, conduct an assessment of those alternatives and provide a report to the defense committees by January 31, 1999. Additionally, the committee further directs the Army to ensure that the armored system assessment includes a review of future warfighting capabilities, the impact of joint warfighting efficiencies, and overall armored system modernization requirements through the 2020 time frame. This report should outline requirements, budget projections, and industrial base implications for future service modernization requirements.

Sec. 114. Reactive armor tiles.

The committee recommends a provision that would require the Secretary of Defense to conduct, with input from the Army and Marine Corps, a detailed assessment of requirements for reactive armor tiles for Army and Marine Corps armored vehicles. This study will assess requirements for reactive armor tiles and provide a cost-benefit analysis of the procurement and installation of tiles on selected armored vehicles. The Secretary of Defense shall include the comments of the Secretaries of the Army and the Navy on the results of this study, and for those vehicles for which a requirement exists for reactive armor tiles, the Secretary of Defense shall make recommendations on the number of vehicles that should be equipped with such tiles. The Secretary of Defense will provide

the results of this study and his corresponding recommendations to the Congressional defense committees no later than April 1, 1999. This provision would preclude any expenditure of funds for reactive armor tiles until 30 days after the date on which the Secretary of Defense submits the results of the study to the Congress.

Sec. 116. Extension of authority to carry out Armament Retooling and Manufacturing Support Initiative.

The committee recommends a provision that would extend the armament retooling and manufacturing support initiative through fiscal year 1999.

OTHER ARMY PROGRAMS

Army Aircraft

UC–35

The budget request did not include funds for UC–35A aircraft (formerly known as the C–XX). The UC–35A is a fast, medium range air transport aircraft. The Army has a requirement for 35 UC–35A's, and has a total of 17 UC–35 aircraft either on hand or on order. The committee notes that there is an approved Mission Needs Statement and Operational Requirements Document to support the program, and that the Army has programmed for the procurement of the aircraft in the Future Years Defense Program. The committee recommends an increase of $15.9 million to procure an additional three UC–35A aircraft in fiscal year 1999.

UH–60 Blackhawk

The budget request included $243.8 million to procure 22 UH–60 Blackhawk helicopters. The committee continues to be concerned about the pace and scope of the Army aviation modernization effort. The committee notes the recently acknowledged requirement to procure an additional 90 UH–60 Blackhawk helicopters to meet requirements for a third assault company in each light division as identified in the recent total Army analysis, and is concerned that only 50 aircraft have been funded in the future years defense program (FYDP). Additionally, the committee notes that combined Army and Navy procurement falls eight short of the economic production rate of 36 aircraft per year. Therefore, the committee recommends an increase of $78.5 million to procure eight additional UH–60 aircraft to achieve the most economical production rate. The committee expects the Army to fund the remaining 32 aircraft, currently unfunded in the FYDP, in future budget submissions.

C–12 Flight Maintenance System

The budget request included $2.6 million for C–12 aircraft modification program. The Army operates a fleet of 93 C–12 fixed wing aircraft, which have been procured over the years and comprise four different models with cockpit instrumentation from the 1960's. The varied configurations require frequent retraining for aviators operating the aircraft. With a modest investment, the entire fleet could be brought to a common configuration, while replacing out-

dated systems with a modern, digital flight management system. The upgrade will provide for better standardization and decreased operational costs. Accordingly, the committee recommends an increase of $6.0 million to complete the C–12 modification program in the shortest practical time.

Longbow

The budget request included $607.0 million to support ongoing modification efforts for AH–64 Apache Longbow helicopters. The committee notes outstanding requirements for Longbow training devices and an ongoing program to convert the T701 engine to the T701C configuration. Longbow training devices are required to support operator and maintenance training at institutional training facilities. The committee understands that these training devices will promote an estimated $4.0 million each year in cost avoidance savings.

The engine conversion effort is necessary to provide commonality in the fleet and additional power for the aircraft. The committee notes an outstanding requirement to conduct qualification tests on T701C engine conversion kits. Application of these kits will be necessary to enhance the performance of existing engines required to support the application of fire control radars to Army National Guard Apache Longbow aircraft.

The committee recommends an additional $38.7 million for Longbow training devices and an additional $1.5 million to procure two engine kits and fund qualification testing that will establish the viability of upgrade kits and avoid costly procurement of new engines that would otherwise be required. The committee recommends a total authorization of $647.2 million for Apache Longbow requirements.

Army Missile

Enhanced fiber optic guided missile

The budget request included $13.7 million to procure 96 enhanced fiber optic guided munition (EFOG–M) rockets. The committee is still concerned about ongoing development and fielding plans for the EFOG–M system and escalating costs for EFOG–M missiles. The committee notes problems encountered with recent Army testing of the missile system and has seen no indication that the Army intends to pursue fielding this system beyond those capabilities obtained to support the advanced concept technology demonstration (ACTD). The committee also is concerned about the large number of precision guided munitions either in development or in the field and believe that the current Army program cannot be sustained by future budgets. The committee, therefore, recommends a decrease of $13.7 million to eliminate procurement of EFOG–M missiles.

Multiple launch rocket system rocket

The budget request includes $16.5 million to procure extended range multiple launch rocket system (MLRS) rockets. The committee is concerned about excessively high costs associated with specific rocket components and believes the Army should reconsider

planned procurement of the extended range rocket in 1999 and solve component cost issues before resuming production. Clearly, the Army's ultimate objective is to begin production and ultimately field the guided MLRS rocket in 2002 which will increase the range and accuracy of this system and provide a quantum leap in capability. The committee also notes that ongoing domestic production and projected international production requirements are sufficient to meet minimum production levels for 1999. Therefore, the committee recommends a decrease of $16.5 million to eliminate procurement of extended range rockets for fiscal year 1999 and directs the Army to provide a report to the defense committees on the resolution of component cost issues no later than January 31, 1999.

Weapons and Tracked Combat Vehicles

Small arms programs

The committee continues to monitor the small arms industrial base and continues to be concerned about the ability of current and future budgets to sustain this industrial base.

The budget request included $6.5 million to procure 673 M240B machine guns and $12.2 million for the MK–19 Grenade machine gun. The committee notes an unfilled requirement to provide a more rapid fielding of this weapon to both active Army units and Army National Guard Enhanced Brigades. The committee also notes an unfilled requirement for new mounts for the MK–19 to meet prepositioned equipment requirements.

The committee, therefore, recommends an increase of $6.5 million to stabilize M240B procurement and meet critical warfighting requirements and an increase of $3.0 million to procure 800 of the MK64 mounts for the MK–19 Grenade machine gun required to support Army requirements.

Army Ammunition

Small arms ammunition

The committee is concerned with the impact of dramatic changes in ammunition procurement on the small arms ammunition industrial base. The skyrocketing procurement of 5.56 mm and 7.62 mm ammunition over the past few years demonstrates one side of these dramatic changes. The administration's budget request for each of these has grown by approximately 300 percent (from $29.7 million to $91.6 million) between fiscal years 1997 and 1999. The committee believes that the Army should seek to stabilize funding for these programs and take greater advantage of the training opportunities afforded by available small arms simulation devices. Therefore, the committee recommends a reduction of $28.1 million in the budget request for 5.56 mm, and $6.4 million in the budget request for 7.62 mm ammunition. This will provide the same level of funding for these two programs that was provided for fiscal year 1998.

M919 25mm ammunition

The M919 25mm cartridge is used by the Bradley Fighting Vehicle and, therefore, would likely receive extensive use in any major

theater of war. Unfortunately, there is a "significant shortage of the M919 cartridge" currently in the Army inventory. Therefore, the committee recommends an increase of $20.8 million to procure additional rounds in order to reduce this shortage.

M830A1 tank ammunition

The committee supports the recent decision of the Army to convert 4,500 rounds of its M830A1 tank ammunition into demolition rounds for potential obstacles in the Korean War scenario. Unfortunately, this has led to a shortfall in the Army's war reserves for these rounds. Therefore, the committee recommends an increase of $15.0 million to the Army's budget request in order to eliminate this shortfall.

Other Army Procurement

High mobility multipurpose wheeled vehicle

The budget request included $12.1 million to modify 100 high mobility multipurpose wheeled vehicle (HMMWV) chassis and 10 enhanced cargo vehicles by installing armor protection and support fielding requirements. The committee notes a shortage of 18,000 vehicles for the Army, ongoing analysis of future requirements and alternatives, and a requirement to maintain a viable production line for both Army and Marine Corps future requirements. The committee, therefore, recommends an increase of $65.7 million for a total of $77.8 million for HMMWV production and support.

Family of medium tactical vehicles

The budget request included $332.0 million for procurement of family of medium tactical vehicle (FMTV) trucks. The committee continues to strongly support the fielding of new FMTV trucks to replace an aging fleet that suffers from escalating operations and maintenance costs. The committee notes that existing funding for the FMTV program is inadequate to meet economic production rates and meet both active and reserve shortfalls. This issue is compounded with the stated Army intent to qualify a second source for future FMTV procurement. A fixed defense budget and overly ambitious modernization program suggest the Army does not have the resources necessary to continue to qualify a second source for FMTV. In fact, dual sourcing is normally required only when a current producer cannot meet production demands or provide a product at a fair price. In fiscal year 1999, FMTV funding constraints will create a short break in production and extremely low production rates while at the same time, the trucks that are being fielded have been well received by soldier operators, are affordable, and are saving precious operations and support funding. The committee directs the Secretary of the Army to review the proposed second source initiative and conduct a cost and benefit analysis on the costs associated with continuing on the present course to qualify a second source. If it is determined that the second source initiative will result in cost savings to the government, the Secretary of the Army will provide certification of that fact to the Congressional defense committees. For fiscal year 1999, the committee believes that the production break should be eliminated and recommends an in-

crease of $88.0 million to meet a production rate of 200 per month, while reducing unit costs by at least 5 percent. The committee directs that the vehicles procured with this additional funding be fielded to high priority National Guard and Reserve units. The committee encourages the Army to ensure that minimum production levels are maintained in future budget submissions.

Medium truck extended service program

The budget request included $37.2 million for medium truck remanufacture requirements necessary to reduce operation and support costs of an aging truck fleet. Current Army funding for new truck procurement is not adequate to meet force requirements and mandates that a portion of the existing fleet be remanufactured to support operational requirements and reduce operating costs. The budget request for 1999 includes $10.8 million for five ton truck requirements and $26.4 million for two and one-half ton truck requirements. The committee understands that funding requested for the two and one-half ton truck requirement is inadequate and recommends an increase of $93.9 million to meet medium truck extended service program minimum economic rate requirements and field critically needed trucks to the reserve components. Of this increase, 30 percent will be available for the National Guard to support an ongoing effort to determine the viability of National Guard depots to perform a portion of this work to established standards at reduced cost.

The committee further directs the Secretary of the Army to review the medium tactical vehicle extended service program to determine whether it is cost effective to continue with this effort. The committee supports the remanufacturing program as a means to provide reserve component units with much needed upgrades to an aging fleet. The committee understands that the goal for this program is to remanufacture a portion of the truck fleet, at a cost significantly lower than new vehicle procurement, in order to reduce operations and maintenance costs until new trucks could be manufactured in sufficient quantities to meet all active and reserve component requirements. The committee notes that this program has been underfunded for the past two years and that future funding projections also fall far short of minimum sustaining rate requirements. If this program is considered to be a viable program by the Army, the committee would expect the Army to fund it at the level required to sustain production. If the Army is unable to meet these minimum funding requirements, the committee would expect this effort to be terminated. The committee directs the Secretary of the Army to report on the results of this assessment and report findings to the defense committees no later than January 31, 1999.

Project management support

The budget request included $2.4 million for program manager support functions. The committee notes the proposed funding is to be used, in part, for planning and control purposes for two programs with limited activity in 1999. These programs include the Armored Security Vehicle and the High Mobility Multi-purpose Wheeled Vehicle Extended Service Program. The committee, there-

fore, recommends a decrease of $1.0 million for a total authorization of $1.4 million in 1999.

System fielding support

The budget request included $4.2 million for system fielding support requirements. The committee notes no fielding requirements for one of the systems supported by the requested funding. Therefore, the committee recommends a decrease of $1.0 million in 1999 and authorizes a total of $3.2 million.

Army data distribution system

The budget request included $24.0 million to procure 201 additional enhanced position location reporting system (EPLRS) radios and continue fielding of prior year hardware procurements. The committee has consistently supported fielding of EPLRS units and understands that outstanding requirements exist for both active and reserve component units. The committee also recognizes the importance of the EPLRS system to ongoing digitization activities. The committee, therefore, recommends an increase of $28.0 million for a total of $52.0 million to procure additional EPLRS units required for both active and reserve component units.

Single channel ground and airborne radio system family

The budget request included $13.2 million for single channel ground and airborne radio system (SINCGARS) system support. The committee notes that the Army has outstanding requirements for SINCGARS Advanced System Improvement Package (ASIP) radios for the reserve components that have not been filled. In light of evolving demand for digitization communication pipelines for voice and data transmission within the Enhanced Brigades, the committee recommends an increase of $61.9 million to support procurement of SINCGARS ASIP radios necessary to meet critical requirements within the Army National Guard.

Area common user system modernization program

The budget request included $97.1 million to support ongoing efforts to provide ground-based, networked, battlefield communications support required by the Army digitization effort and Force XXI command and control systems. The committee notes that, although programmed funding supports the fielding requirements of the first digitized division by 2000, unfunded aspects of this program remain. Specifically, the committee is concerned that Army efforts to downsize the shelters for warfighter information network systems is currently unfunded. The committee, therefore, recommends an increase of $47.8 million to continue the critical downsizing effort necessary to ensure the effectiveness of fielded warfighter information network systems.

Night vision equipment

The budget request included $29.6 million for night vision equipment. The committee recognizes the advantage that modern night vision equipment provides to ground force effectiveness on the battlefield and believes that continued fielding of these devices is es-

sential. The committee recommends an increase of $13.5 million to procure the following:

(1) $9.0 million for AN/PEQ–2A infrared target pointer/illuminator devices;

(2) $4.5 million for AN/PEQ–4C infrared aiming light devices.

Multiple integrated laser engagement system 2000

The budget request contained $56.8 million for Army training systems. Of this amount, $16.1 million is for procurement of the Multiple Integrated Laser Engagement System (MILES) 2000. The committee is concerned about inadequate Army plans to procure these training device upgrades. The Army currently uses a legacy MILES system that is rapidly aging and is becoming increasingly difficult to maintain. However, the committee notes significant problems with the new MILES 2000 training devices throughout the development and testing phase and the subsequent Army decision to delay the obligation of $34.4 million in fiscal year 1998 funding due to problems that occurred in user testing. The committee believes that replacement of MILES training devices is critical to support training requirements yet does not believe that the Army development and fielding plan has reviewed all available options. In fact, the committee notes the availability of at least two other training systems that could be used for this purpose. The committee therefore recommends a decrease of $16.1 million for fiscal year 1999 procurement and directs the Army to use fiscal year 1998 funding to meet short term testing and fielding requirements. The committee also directs the Army to review current procurement plans that call for "attrition-based" replacement of MILES training devices and provide the Congress, no later than 1 March 1999, with an assessment of both Army and Joint Service requirements, alternative training device systems, and procurement options to support fielding of fully functional training devices.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	AIRCRAFT PROCUREMENT, NAVY						
	COMBAT AIRCRAFT						
	COMBAT AIRCRAFT						
1	AV-8B (V/STOL)HARRIER	12	300,192	-	-	12	300,192
1	LESS: ADVANCE PROCUREMENT (PY)		(17,479)	-	-		(17,479)
2	ADVANCE PROCUREMENT (CY)		55,686	-	-		55,686
3	F/A-18C/D (FIGHTER) HORNET		-	-	-		-
4	F/A-18E/F (FIGHTER) HORNET	30	2,876,129	-	-	30	2,876,129
4	LESS: ADVANCE PROCUREMENT (PY)		(88,346)	-	-		(88,346)
5	ADVANCE PROCUREMENT (CY)		109,438	-	-		109,438
6	V-22 (MEDIUM LIFT)	7	671,428	-	-	7	671,428
6	LESS: ADVANCE PROCUREMENT (PY)		(60,662)	-	-		(60,662)
7	ADVANCE PROCUREMENT (CY)		54,020	-	-		54,020
8	SH-60B (ASW HELICOPTER) SEAHAWK		-	-	-		-
9	E-2C (EARLY WARNING) HAWKEYE	3	225,407	-	-	3	225,407
9	LESS: ADVANCE PROCUREMENT (PY)		(19,023)	-	-		(19,023)
10	ADVANCE PROCUREMENT (CY)		182,947	-	-		182,947
	AIRLIFT AIRCRAFT						
	AIRLIFT AIRCRAFT						
11	CH-60	4	106,027	-	-	4	106,027
12	ADVANCE PROCUREMENT (CY)		26,160	-	-		26,160
	TRAINER AIRCRAFT						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	TRAINER AIRCRAFT						
13	T-45TS (TRAINER) GOSHAWK	15	288,755	-	-	15	288,755
13	LESS: ADVANCE PROCUREMENT (PY)		(6,088)	-	-		(6,088)
14	ADVANCE PROCUREMENT (CY)		60,159	-	-		60,159
	OTHER AIRCRAFT						
	OTHER AIRCRAFT						
15	KC-130J		-	-	-		-
	MODIFICATION OF AIRCRAFT						
	MODIFICATION OF AIRCRAFT						
16	EA-6 SERIES		75,735	-	-		75,735
17	AV-8 SERIES		99,109	-	-		99,109
18	F-14 SERIES		223,661	-	8,000		231,661
19	ADVERSARY		1,292	-	-		1,292
20	ES-3 SERIES		5,172	-	-		5,172
21	F-18 SERIES		198,049	-	-		198,049
22	H-46 SERIES		31,863	-	-		31,863
23	AH-1W SERIES		22,394	-	11,000		33,394
24	H-53 SERIES		37,829	-	-		37,829
25	SH-60 SERIES		137,997	-	-		137,997
26	H-1 SERIES		18,220	-	-		18,220
27	H-3 SERIES		34	-	-		34
28	EP-3 SERIES		5,437	-	2,000		7,437

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
29	P-3 SERIES		268,633	-	12,200		280,833
30	S-3 SERIES		45,997	-	-		45,997
31	E-2 SERIES		91,502	-	-		91,502
32	TRAINER A/C SERIES		7,399	-	-		7,399
33	C-2A		18,113	-	-		18,113
34	C-130 SERIES		4,040	-	-		4,040
35	FEWSG		557	-	-		557
36	CARGO/TRANSPORT A/C SERIES		27,179	-	-		27,179
37	E-6 SERIES		64,660	-	-		64,660
38	EXECUTIVE HELICOPTERS SERIES		26,147	-	-		26,147
39	SPECIAL PROJECT AIRCRAFT		17,729	-	-		17,729
40	T-45 SERIES		8,499	-	-		8,499
41	POWER PLANT CHANGES		15,283	-	-		15,283
42	MISC FLIGHT SAFETY CHANGES		-	-	-		-
43	COMMON ECM EQUIPMENT		37,375	-	-		37,375
44	COMMON AVIONICS CHANGES		104,697	-	-		104,697
	AIRCRAFT SPARES AND REPAIR PARTS						
	AIRCRAFT SPARES AND REPAIR PARTS						
45	SPARES AND REPAIR PARTS		727,838	-	-		727,838
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE						
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
46	CANCELLED ACCOUNT ADJUSTMENTS (M)		-	-	-		-

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
47	CANCELLED ACCOUNT ADJUSTMENTS (88)		-	-	-		-
48	CANCELLED ACCOUNT ADJ (89)		-	-	-		-
49	CANCELLED ACCOUNT ADJUSTMENTS (87)		-	-	-		-
50	COMMON GROUND EQUIPMENT		330,952	-	-		330,952
51	AIRCRAFT INDUSTRIAL FACILITIES		13,753	-	-		13,753
52	WAR CONSUMABLES		11,197	-	-		11,197
53	OTHER PRODUCTION CHARGES		7,552	-	-		7,552
54	SPECIAL SUPPORT EQUIPMENT		14,377	-	-		14,377
55	FIRST DESTINATION TRANSPORTATION		1,713	-	-		1,713
	TOTAL AIRCRAFT PROCUREMENT, NAVY		7,466,734		33,200		7,499,934
	WEAPONS PROCUREMENT, NAVY						
	BALLISTIC MISSILES						
	BALLISTIC MISSILES						
1	TRIDENT II	5	284,236	-	-	5	284,236
1	LESS: ADVANCE PROCUREMENT (PY)		(23,584)	-	-		(23,584)
2	ADVANCE PROCUREMENT (CY)		62,800	-	-		62,800
	SUPPORT EQUIPMENT AND FACILITIES						
3	MISSILE INDUSTRIAL FACILITIES		198	-	-		198
	OTHER MISSILES						
	STRATEGIC MISSILES						
4	TOMAHAWK	114	129,758	-	-	114	129,758

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
5	ESSM	28	35,672	-	-	28	35,672
	TACTICAL MISSILES						
6	AMRAAM	115	62,641	-	-	115	62,641
7	JSOW	328	125,207	-	-	328	125,207
8	STANDARD MISSILE	120	225,702	-	-	120	225,702
9	RAM	100	44,766	-	-	100	44,766
10	HELLFIRE		-	-	-		-
11	PENGUIN		-	-	7,500		7,500
12	AERIAL TARGETS		75,474	-	-		75,474
13	DRONES AND DECOYS		298	-	10,000		10,298
14	OTHER MISSILE SUPPORT		15,238	-	-		15,238
	MODIFICATION OF MISSILES						
15	TOMAHAWK MODS		-	-	-		-
16	SPARROW MODS		-	-	-		-
17	SIDEWINDER MODS		-	-	-		-
18	HARPOON MODS		39,506	-	-		39,506
19	STANDARD MISSILES MODS		45,303	-	-		45,303
	SUPPORT EQUIPMENT AND FACILITIES						
20	WEAPONS INDUSTRIAL FACILITIES		27,133	-	-		27,133
21	FLEET SATELLITE COMM (MYP) (SPACE)		-	-	-		-
	ORDNANCE SUPPORT EQUIPMENT						
22	ORDNANCE SUPPORT EQUIPMENT		6,210	-	-		6,210

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	TORPEDOES AND RELATED EQUIPMENT						
	TORPEDOES AND RELATED EQUIPMENT						
23	ASW TARGETS		4,152	-	-		4,152
24	VERTICAL LAUNCHED ASROC (VLA)		-	-	-		-
	MOD OF TORPEDOES AND RELATED EQUIP						
25	MK-46 TORPEDO MODS		15	-	-		15
26	MK-48 TORPEDO ADCAP MODS		52,813	-	-		52,813
	SUPPORT EQUIPMENT						
27	TORPEDO SUPPORT EQUIPMENT		24,206	-	-		24,206
28	ASW RANGE SUPPORT		14,672	-	-		14,672
	DESTINATION TRANSPORTATION						
29	FIRST DESTINATION TRANSPORTATION		1,979	-	-		1,979
	OTHER WEAPONS						
	GUNS AND GUN MOUNTS						
30	SMALL ARMS AND WEAPONS		874	-	-		874
	MODIFICATION OF GUNS AND GUN MOUNTS						
31	CIWS MODS		2,778	-	10,000		12,778
32	5/54 GUN MOUNT MODS		909	-	15,000		15,909
33	MK-75 76MM GUN MOUNT MODS		1,951	-	-		1,951
34	MODS UNDER $2 MILLION		1,279	-	-		1,279
	OTHER						
35	PIONEER		19,441	-	-		19,441

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
36	CANCELLED ACCOUNT ADJUSTMENTS		-	-	-		-
37	CANCELLED ACCOUNT ADJUSTMENTS		-	-	-		-
38	CANCELLED ACCOUNT ADJUSTMENTS		-	-	-		-
39	JUDGEMENT FUND		-	-	-		-
	SPARES AND REPAIR PARTS						
	SPARES AND REPAIR PARTS						
40	SPARES AND REPAIR PARTS		45,918	-	-		45,918
	TOTAL WEAPONS PROCUREMENT, NAVY		1,327,545		42,500		1,370,045
	PROCUREMENT AMMUNITION, NAVY & MARINE CORP						
	PROC AMMO, NAVY						
	NAVY AMMUNITION						
1	GENERAL PURPOSE BOMBS		22,904	-	-		22,904
2	JDAM	898	41,363	-	-	898	41,363
3	2.75 INCH ROCKETS		16,147	-	-		16,147
4	MACHINE GUN AMMUNITION		8,816	-	-		8,816
5	PRACTICE BOMBS		40,134	-	-		40,134
6	CARTRIDGES & CART ACTUATED DEVICES		25,982	-	-		25,982
7	AIRCRAFT ESCAPE ROCKETS		10,370	-	-		10,370
8	AIR EXPENDABLE COUNTERMEASURES		29,059	-	-		29,059
9	MARINE LOCATION MARKERS		1,350	-	-		1,350
10	JATOS		3,893	-	-		3,893

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
11	5 INCH/54 GUN AMMUNITION		21,853	-	-		21,853
12	EXTENDED RANGE GUIDED MUNITIONS (ERGM)		27,452	-	-		27,452
13	CIWS AMMUNITION		660	-	-		660
14	76MM GUN AMMUNITION		3,761	-	-		3,761
15	OTHER SHIP GUN AMMUNITION		4,548	-	-		4,548
16	SMALL ARMS & LANDING PARTY AMMO		7,752	-	-		7,752
17	PYROTECHNIC AND DEMOLITION		8,938	-	-		8,938
18	MINE NEUTRALIZATION DEVICES		7,884	-	-		7,884
19	CANCELLED ACCOUNT ADJUSTMENTS (87)		-	-	-		-
	PROC AMMO, MC						
	MARINE CORPS AMMUNITION						
20	5.56 MM, ALL TYPES		25,750	-	500		26,250
21	7.62 MM, ALL TYPES		196	-	700		896
22	LINEAR CHARGES, ALL TYPES		7,603	-	-		7,603
23	.50 CALIBER		1,180	-	500		1,680
24	40 MM, ALL TYPES		11,565	-	-		11,565
25	60 MM HE M888		-	-	-		-
26	81 MM HE		-	-	-		-
27	81MM, ALL TYPES		16,076	-	-		16,076
28	81 MM SMOKE SCREEN		-	-	-		-
29	120MM, ALL TYPES		14,054	-	4,800		18,854
30	120MM TPCSDS-T M865		-	-	-		-

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
31	120 MM TP-T M831		-	-	-		-
32	CTG 25MM, ALL TYPES		3,860	-	1,000		4,860
33	9 MM ALL TYPES		2,332	-	1,000		3,332
34	GRENADES, ALL TYPES		4,893	-	1,000		5,893
35	ROCKETS, ALL TYPES		21,346	-	18,000		39,346
36	DEMOLITION MUNITIONS, ALL TYPES		7,737	-	-		7,737
37	FUZE, ALL TYPES		13,645	-	2,500		16,145
38	NON LETHALS		984	-	-		984
39	AMMO MODERNIZATION		12,007	-	-		12,007
40	ITEMS LESS THAN $2 MIL		3,445	-	-		3,445
	PROCUREMENT AMMUNITION, NAVY/MARINE CORP		429,539		30,000		459,539
	SHIPBUILDING & CONVERSION, NAVY						
	OTHER WARSHIPS						
	OTHER WARSHIPS						
1	CARRIER REPLACEMENT PROGRAM		-	-	-		-
2	ADVANCE PROCUREMENT (CY)		124,515	-	-		124,515
3	SSN-21		-	-	-		-
4	NEW SSN	1	2,195,783	-	-	1	2,195,783
4	LESS: ADVANCE PROCUREMENT (PY)		(697,618)	-	-		(697,618)
5	ADVANCE PROCUREMENT (CY)		504,736	-	-		504,736
6	CVN REFUELING OVERHAULS		-	-	-		-

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
6	LESS: ADVANCE PROCUREMENT (PY)		-	-	-		-
7	ADVANCE PROCUREMENT (CY)		274,980	-	-		274,980
8	DDG-51	3	2,799,029	-	-	3	2,799,029
8	LESS: ADVANCE PROCUREMENT (PY)		(126,951)	-	-		(126,951)
9	ADVANCE PROCUREMENT (CY)		7,396	-	-		7,396
	AMPHIBIOUS SHIPS						
	AMPHIBIOUS SHIPS						
10	LPD-17	1	734,886	-	-	1	734,886
10	LESS: ADVANCE PROCUREMENT (PY)		(96,106)	-	-		(96,106)
11	ADVANCE PROCUREMENT (CY)		-	-	-		-
	LHD-8 ADVANCE PROCUREMENT				50,000		50,000
	AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAM						
	AUXILIARIES, CRAFT AND PRIOR YEAR PROGRAM						
12	AE(CONV)		-	-	-		-
13	OCEANOGRAPHIC SHIPS	1	75,936	-	-	1	75,936
13	LESS: ADVANCE PROCUREMENT (PY)		(15,595)	-	-		(15,595)
14	ADVANCE PROCUREMENT (CY)		-	-	-		-
15	SERVICE CRAFT		-	-	-		-
16	STRATEGIC SEALIFT	1	251,400	(1)	(251,400)	-	-
17	LCAC LANDING CRAFT		-	-	16,000		16,000
18	OUTFITTING		95,680	-	-		95,680
19	POST DELIVERY		123,277	-	-		123,277

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
20	FIRST DESTINATION TRANSPORTATION		1,324	-	-		1,324
	TOTAL SHIPBUILDING & CONVERSION, NAVY		6,252,672		(185,400)		6,067,272
	OTHER PROCUREMENT, NAVY						
	SHIPS SUPPORT EQUIPMENT						
	SHIP PROPULSION EQUIPMENT						
1	LM-2500 GAS TURBINE		8,700	-	-		8,700
2	ALLISON 501K GAS TURBINE		6,737	-	-		6,737
3	STEAM PROPULSION IMPROVEMENT		617	-	-		617
4	OTHER PROPULSION EQUIPMENT		10,336	-	-		10,336
	GENERATORS						
5	OTHER GENERATORS		9,637	-	-		9,637
	PUMPS						
6	OTHER PUMPS		1,017	-	-		1,017
	PROPELLERS						
7	SUBMARINE PROPELLERS		7,937	-	-		7,937
8	OTHER PROPELLERS AND SHAFTS		2,460	-	-		2,460
	NAVIGATION EQUIPMENT						
9	OTHER NAVIGATION EQUIPMENT		45,259	-	12,000		57,259
	UNDERWAY REPLENISHMENT EQUIPMENT						
10	UNDERWAY REPLENISHMENT EQUIPMENT		7,658	-	-		7,658
	PERISCOPES						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
11	SUB PERISCOPES & IMAGING EQUIP		31,864	-	-		31,864
	OTHER SHIPBOARD EQUIPMENT						
12	FIREFIGHTING EQUIPMENT		10,067	-	-		10,067
13	COMMAND AND CONTROL SWITCHBOARD		9,787	-	-		9,787
14	POLLUTION CONTROL EQUIPMENT		149,669	-	-		149,669
15	SUBMARINE SILENCING EQUIPMENT		3,456	-	-		3,456
16	SUBMARINE BATTERIES		8,651	-	-		8,651
17	SSN21 CLASS SUPPORT EQUIPMENT		15,475	-	-		15,475
18	STRATEGIC PLATFORM SUPPORT EQUIP		10,345	-	-		10,345
19	DSSP EQUIPMENT		10,470	-	-		10,470
20	MINESWEEPING EQUIPMENT		394	-	-		394
21	HM&E ITEMS UNDER $2 MILLION		58,121	-	-		58,121
22	SURFACE IMA		661	-	-		661
23	RADIOLOGICAL CONTROLS		-	-	-		-
24	MINI/MICROMINI ELECTRONIC REPAIR		518	-	-		518
	REACTOR PLANT EQUIPMENT						
25	REACTOR POWER UNITS		227,338	-	-		227,338
26	REACTOR COMPONENTS		211,382	-	-		211,382
	OCEAN ENGINEERING						
27	DIVING AND SALVAGE EQUIPMENT		5,688	-	-		5,688
28	EOD UNDERWATER EQUIPMENT		8,174	-	-		8,174
	SMALL BOATS						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
29	STANDARD BOATS		1,389	-	-		1,389
	TRAINING EQUIPMENT						
30	OTHER SHIPS TRAINING EQUIPMENT		1,842	-	-		1,842
	PRODUCTION FACILITIES EQUIPMENT						
31	PRODUCTION SUPPORT FACILITIES		-	-	-		-
32	OPERATING FORCES IPE		673	-	-		673
	OTHER SHIP SUPPORT						
33	NUCLEAR ALTERATIONS		96,752	-	-		96,752
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
	SHIP RADARS						
34	AN/SPS-40		23	-	-		23
35	AN/SPS-48		-	-	-		-
36	AN/SPS-49		1,036	-	-		1,036
37	AN/SYS-()		-	-	-		-
38	MK-23 TARGET ACQUISITION SYSTEM		1	-	-		1
39	RADAR SUPPORT		1,260	-	9,000		10,260
40	TISS		11,756	-	-		11,756
	SHIP SONARS						
41	SURFACE SONAR SUPPORT EQUIPMENT		15	-	-		15
42	AN/SQQ-89 SURF ASW COMBAT SYSTEM		27,432	-	-		27,432
43	SSN ACOUSTICS		133,535	-	25,000		158,535
44	SURFACE SONAR WINDOWS AND DOME		1	-	-		1

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
45	SONAR SUPPORT EQUIPMENT		8,915	-	-		8,915
46	SONAR SWITCHES AND TRANSDUCERS		12,785	-	-		12,785
	ASW ELECTRONIC EQUIPMENT						
47	SUBMARINE ACOUSTIC WARFARE SYSTEM		7,326	-	-		7,326
48	SSTD		836	-	-		836
49	ACOUSTIC COMMUNICATIONS		401	-	-		401
50	FIXED SURVEILLANCE SYSTEM		9,553	-	-		9,553
51	SURTASS		12,712	-	-		12,712
52	ASW OPERATIONS CENTER		2,658	-	-		2,658
53	CARRIER ASW MODULE		443	-	-		443
	ELECTRONIC WARFARE EQUIPMENT						
54	AN/SLQ-32		1,469	-	-		1,469
55	AN/WLR-1		1,809	-	-		1,809
56	INFORMATION WARFARE SYSTEMS		4,312	-	-		4,312
57	EW SUPPORT EQUIPMENT		-	-	-		-
58	C-3 COUNTERMEASURES		6,080	-	-		6,080
	RECONNAISSANCE EQUIPMENT						
59	SHIPBOARD CRYPTOLOGIC SYSTEMS		40,238	-	-		40,238
60	COMBAT DF		-	-	-		-
61	OUTBOARD		-	-	-		-
62	BATTLE GROUP PASSIVE HORIZON EXTEN		73,542	-	-		73,542
	SUBMARINE SURVEILLANCE EQUIPMENT						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
63	AN/WLQ-4		2,858	-	-		2,858
64	SUBMARINE SUPPORT EQUIPMENT PROG		3,936	-	-		3,936
	OTHER SHIP ELECTRONIC EQUIPMENT						
65	NAVY TACTICAL DATA SYSTEM		34	-	-		34
66	COOPERATIVE ENGAGEMENT CAPABILITY		47,332	-	-		47,332
67	JMCIS AFLOAT		38,324	-	-		38,324
68	NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTCSS)		73,333	-	-		73,333
69	ATDLS		33,021	-	-		33,021
70	MINESWEEPING SYSTEM REPLACEMENT		32,934	-	-		32,934
71	SHALLOW WATER MCM		8,913	-	-		8,913
72	NAVSTAR GPS RECEIVERS (SPACE)		9,542	-	-		9,542
73	HF LINK-11 DATA TERMINALS		-	-	-		-
74	ARMED FORCES RADIO AND TV		16,069	-	-		16,069
75	STRATEGIC PLATFORM SUPPORT EQUIP		12,687	-	-		12,687
	TRAINING EQUIPMENT						
76	OTHER SPAWAR TRAINING EQUIPMENT		1,040	-	-		1,040
77	OTHER TRAINING EQUIPMENT		29,424	-	-		29,424
	AVIATION ELECTRONIC EQUIPMENT						
78	MATCALS		10,123	-	-		10,123
79	SHIPBOARD AIR TRAFFIC CONTROL		8,588	-	-		8,588
80	AUTOMATIC CARRIER LANDING SYSTEM		10,095	-	-		10,095
81	NATIONAL AIR SPACE SYSTEM		28,201	-	-		28,201

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
82	TACAN		-	-	-		-
83	AIR STATION SUPPORT EQUIPMENT		6,776	-	-		6,776
84	MICROWAVE LANDING SYSTEM		5,249	-	-		5,249
85	FACSFAC		4,633	-	-		4,633
86	ID SYSTEMS		15,330	-	-		15,330
87	SURFACE IDENTIFICATION SYSTEMS		5,321	-	-		5,321
88	TAC A/C MISSION PLANNING SYS(TAMPS)		23,666	-	-		23,666
	OTHER SHORE ELECTRONIC EQUIPMENT						
89	JMCIS ASHORE		4,517	-	-		4,517
90	JMCIS OED		343	-	-		343
91	TADIX-B		12,377	-	-		12,377
92	JMCIS TACTICAL/MOBILE		3,982	-	-		3,982
93	RADIAC		4,035	-	-		4,035
94	GPETE		9,659	-	-		9,659
95	INTEG COMBAT SYSTEM TEST FACILITY		4,482	-	2,000		6,482
96	CALIBRATION STANDARDS		1,871	-	-		1,871
97	EMI CONTROL INSTRUMENTATION		7,536	-	-		7,536
98	SHORE ELEC ITEMS UNDER $2 MILLION		2,559	-	-		2,559
	SHIPBOARD COMMUNICATIONS						
99	SHIPBOARD TACTICAL COMMUNICATIONS		34,397	-	-		34,397
100	PORTABLE RADIOS		10,913	-	-		10,913
101	SINCGARS		27,888	-	-		27,888

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
102	SHIP COMMUNICATIONS AUTOMATION		90,638	-	20,000		110,638
103	SHIP COMM ITEMS UNDER $2 MILLION		24,220	-	-		24,220
	SUBMARINE COMMUNICATIONS						
104	SHORE LF/VLF COMMUNICATIONS		13,028	-	-		13,028
105	SUBMARINE COMMUNICATION EQUIPMENT		64,583	-	15,000		79,583
106	ADVANCED VLF RECEIVER		17,171	-	-		17,171
	SATELLITE COMMUNICATIONS						
107	SATCOM SHIP TERMINALS (SPACE)		145,193	-	-		145,193
108	SATCOM SHORE TERMINALS (SPACE)		71,077	-	-		71,077
	SHORE COMMUNICATIONS						
109	JCS COMMUNICATIONS EQUIPMENT		3,363	-	-		3,363
110	NSIPS		7,707	-	-		7,707
111	JEDMICS		-	-	10,000		10,000
112	GCCS EQUIPMENT		2,944	-	-		2,944
113	NAVAL SHORE COMMUNICATIONS		113,546	-	20,000		133,546
	CRYPTOGRAPHIC EQUIPMENT						
114	SECURE VOICE SYSTEM		-	-	-		-
115	SECURE DATA SYSTEM		-	-	-		-
116	INFO SYSTEMS SECURITY PROGRAM (ISSP)		45,990	-	-		45,990
117	KEY MANAGEMENT SYSTEMS		-	-	-		-
	CRYPTOLOGIC EQUIPMENT						
118	CRYPTOLOGIC COMMUNICATIONS EQUIP		21,216	-	-		21,216

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
	DRUG INTERDICTION SUPPORT						
119	OTHER DRUG INTERDICTION SUPPORT		-	-	-		-
	AVIATION SUPPORT EQUIPMENT						
	SONOBUOYS						
120	AN/SSQ-36 (BT)		1,360	-	-		1,360
121	AN/SSQ-53 (DIFAR)		37,257	-	-		37,257
122	AN/SSQ-57 (SPECIAL PURPOSE)		2,435	-	-		2,435
123	AN/SSQ-62 (DICASS)		20,698	-	-		20,698
124	AN/SSQ-101 (ADAR)		16,550	-	-		16,550
125	AN/SSQ-110		-	-	-		-
126	SIGNAL, UNDERWATER SOUND (SUS)		1,302	-	-		1,302
	AIRCRAFT SUPPORT EQUIPMENT						
127	WEAPONS RANGE SUPPORT EQUIPMENT		8,064	-	-		8,064
128	EXPEDITIONARY AIRFIELDS		5,019	-	-		5,019
129	AIRCRAFT REARMING EQUIPMENT		12,912	-	-		12,912
130	AIRCRAFT LAUNCH & RECOVERY EQUIPMENT		39,749	-	-		39,749
131	PREDATOR UAV (DARP)		-	-	-		-
132	PIONEER UAV (DARP)		-	-	-		-
133	METEOROLOGICAL EQUIPMENT		32,892	-	-		32,892
134	OTHER PHOTOGRAPHIC EQUIPMENT		623	-	-		623
135	AVIATION LIFE SUPPORT		22,277	-	22,600		44,877
136	AIRBORNE MINE COUNTERMEASURES		39,406	-	-		39,406

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
137	LAMPS MK III SHIPBOARD EQUIPMENT		-	-	-		-
138	REWSON PHOTOGRAPHIC EQUIPMENT		855	-	-		855
139	STOCK SURVEILLANCE EQUIPMENT		-	-	-		-
140	OTHER AVIATION SUPPORT EQUIPMENT		4,264	-	-		4,264
	ORDNANCE SUPPORT EQUIPMENT						
	SHIP GUN SYSTEM EQUIPMENT						
141	GUN FIRE CONTROL EQUIPMENT		20,203	-	-		20,203
	SHIP MISSILE SYSTEMS EQUIPMENT						
142	MK-92 FIRE CONTROL SYSTEM		961	-	-		961
143	HARPOON SUPPORT EQUIPMENT		-	-	-		-
144	TARTAR SUPPORT EQUIPMENT		1	-	-		1
145	POINT DEFENSE SUPPORT EQUIPMENT		38	-	-		38
146	AIRBORNE ECM/ECCM		-	-	-		-
147	ENGAGEMENT SYSTEMS SUPPORT		307	-	-		307
148	NATO SEASPARROW		5,156	-	-		5,156
149	RAM GMLS		59,760	-	-		59,760
150	SHIP SELF DEFENSE SYSTEM		22,944	-	-		22,944
151	AEGIS SUPPORT EQUIPMENT		83,169	-	20,000		103,169
152	SURFACE TOMAHAWK SUPPORT EQUIPMENT		90,209	-	-		90,209
153	SUBMARINE TOMAHAWK SUPPORT EQUIP		3,961	-	-		3,961
154	VERTICAL LAUNCH SYSTEMS		7,791	-	-		7,791
	FBM SUPPORT EQUIPMENT						

Title I - Procurement

(Dollars in Thousands)

LN		FY 1999 Request		Change		Recommended	
No.	Title	QTY	COST	QTY	COST	QTY	COST
155	STRATEGIC PLATFORM SUPPORT EQUIP		2,972	-	-		2,972
156	STRATEGIC MISSILE SYSTEMS EQUIP		283,612	-	-		283,612
157	ANTI-SHIP MISSILE DECOY SYSTEM		21,504	-	1,000		22,504
	ASW SUPPORT EQUIPMENT						
158	SSN COMBAT CONTROL SYSTEMS		17,460	-	-		17,460
159	SUBMARINE ASW SUPPORT EQUIPMENT		3,740	-	-		3,740
160	SURFACE ASW SUPPORT EQUIPMENT		4,967	-	-		4,967
161	ASW RANGE SUPPORT EQUIPMENT		4,562	-	-		4,562
	OTHER ORDNANCE SUPPORT EQUIPMENT						
162	EXPLOSIVE ORDNANCE DISPOSAL EQUIP		7,274	-	-		7,274
163	UNMANNED SEABORNE TARGET		1,954	-	-		1,954
164	INDUSTRIAL FACILITIES (CALIBRATION EQUIPMENT		1,034	-	-		1,034
165	STOCK SURVEILLANCE EQUIPMENT		1,421	-	-		1,421
	OTHER EXPENDABLE ORDNANCE						
166	FLEET MINE SUPPORT EQUIPMENT		11	-	-		11
167	SURFACE TRAINING DEVICE MODS		5,891	-	-		5,891
168	SUBMARINE TRAINING DEVICE MODS		23,801	-	-		23,801
169	INDUSTRIAL DEPOT MAINTENANCE		-	-	-		-
	CIVIL ENGINEERING SUPPORT EQUIPMENT						
	CIVIL ENGINEERING SUPPORT EQUIPMENT						
170	ARMORED SEDANS		255	-	-		255
171	PASSENGER CARRYING VEHICLES	246	3,224	-	-	246	3,224

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
172	SPECIAL PURPOSE VEHICLES		4,120	-	-		4,120
173	CONSTRUCTION & MAINTENANCE EQUIP		2,322	-	-		2,322
174	FIRE FIGHTING EQUIPMENT		1,034	-	-		1,034
175	TACTICAL VEHICLES		1,251	-	-		1,251
176	AMPHIBIOUS EQUIPMENT		27,688	-	-		27,688
177	COMBAT CONSTRUCTION SUPPORT EQUIP		1,125	-	-		1,125
178	MOBILE UTILITIES SUPPORT EQUIPMENT		425	-	-		425
179	COLLATERAL EQUIPMENT		-	-	-		-
180	OCEAN CONSTRUCTION EQUIPMENT		419	-	-		419
181	POLLUTION CONTROL EQUIPMENT		28,039	-	-		28,039
182	OTHER CIVIL ENG SUPPORT EQUIPMENT		-	-	-		-
	SUPPLY SUPPORT EQUIPMENT						
	SUPPLY SUPPORT EQUIPMENT						
183	FORKLIFT TRUCKS		-	-	-		-
184	MATERIALS HANDLING EQUIPMENT		6,824	-	-		6,824
185	OTHER MATERIALS HANDLING EQUIPMENT		-	-	-		-
186	OTHER SUPPLY SUPPORT EQUIPMENT		1,951	-	-		1,951
187	FIRST DESTINATION TRANSPORTATION		4,419	-	-		4,419
188	SPECIAL PURPOSE SUPPLY SYSTEMS		95,711	-	(26,430)		69,281
	PERSONNEL AND COMMAND SUPPORT EQUIPMENT						
	TRAINING DEVICES						
189	TRAINING SUPPORT EQUIPMENT		2,174	-	-		2,174

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	COMMAND SUPPORT EQUIPMENT						
190	COMMAND SUPPORT EQUIPMENT		17,916	-	-		17,916
191	MEDICAL SUPPORT EQUIPMENT		2,536	-	-		2,536
192	INTELLIGENCE SUPPORT EQUIPMENT		21,684	-	-		21,684
193	OPERATING FORCES SUPPORT EQUIPMENT		4,684	-	-		4,684
194	NAVAL RESERVE SUPPORT EQUIPMENT		-	-	-		-
195	ENVIRONMENTAL SUPPORT EQUIPMENT		16,666	-	-		16,666
196	PHYSICAL SECURITY EQUIPMENT		-	-	-		-
	OTHER						
197	CANCELLED ACCOUNT ADJUSTMENTS		-	-	-		-
198	CANCELLED ACOCUNT ADJUSTMENT (87)		-	-	-		-
199	CANCELLED ACCOUNT ADJUSTMENT (88)		-	-	-		-
200	CANCELLED ACCOUNT ADJ (89)		-	-	-		-
	SPARES AND REPAIR PARTS						
	SPARES AND REPAIR PARTS						
201	SPARES AND REPAIR PARTS		279,028	-	-		279,028
	TOTAL OTHER PROCUREMENT, NAVY		3,937,737		130,170		4,067,907
	PROCUREMENT, MARINE CORPS						
	WEAPONS AND COMBAT VEHICLES						
	TRACKED COMBAT VEHICLES						
1	AAV7A1 PIP		89,934	-	-		89,934

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
2	LAV PIP		1,384	-	-		1,384
3	LIGHT ARMORED VEHICLE		-	-	-		-
4	MODIFICATION KITS (TRKD VEH)		5,726	-	4,600		10,326
5	ITEMS UNDER $2M (TRKD VEH)		97	-	-		97
	ARTILLERY AND OTHER WEAPONS						
6	MOD KITS (ARTILLERY)		1,809	-	-		1,809
7	ITEMS UNDER $2M (ALL OTHER)		105	-	-		105
8	MARINE ENHANCEMENT PROGRAM		2,075	-	-		2,075
	WEAPONS						
9	155MM LIGHTWEIGHT TOWED HOWITZER		10,002	-	-		10,002
	GUIDED MISSILES AND EQUIPMENT						
	GUIDED MISSILES						
10	HAWK MOD		981	-	-		981
11	JAVELIN	741	82,842	-	-	741	82,842
12	PEDESTAL MOUNTED STINGER (PMS) (MYP)		218	-	7,600		7,818
	OTHER SUPPORT						
13	MODIFICATION KITS		-	-	-		-
14	ITEMS LESS THAN $2 MILLION		-	-	-		-
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
	REPAIR AND TEST EQUIPMENT						
15	AUTO TEST EQUIP SYS		19,312	-	-		19,312
16	GENERAL PURPOSE ELECTRONIC TEST EQUIP.		9,240	-	-		9,240

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	INTELL/COMM EQUIPMENT (NON-TEL)						
17	AN/TPQ-36 FIRE FINDER RADAR UPGRADE		155	-	-		155
18	INTELLIGENCE SUPPORT EQUIPMENT		10,363	-	-		10,363
19	MOD KITS (INTEL)		4,791	-	-		4,791
20	ITEMS LESS THAN $2M (INTELL)		-	-	-		-
	REPAIR AND TEST EQUIPMENT (NON-TEL)						
21	GENERAL PURPOSE MECHANICAL TMDE		4,416	-	-		4,416
	OTHER COMM/ELEC EQUIPMENT (NON-TEL)						
22	NIGHT VISION EQUIPMENT		11,563	-	11,100		22,663
	OTHER SUPPORT (NON-TEL)						
23	COMMAND POST SYSTEMS		7,134	-	-		7,134
24	MANEUVER C2 SYSTEMS		19,307	-	-		19,307
25	RADIO SYSTEMS		52,902	-	-		52,902
26	COMM SWITCHING & CONTROL SYSTEMS		75,781	-	-		75,781
27	COMM & ELEC INFRASTRUCTURE SUPPORT		57,862	-	84,100		141,962
28	MOD KITS MAGTF C41		27,427	-	-		27,427
29	ITEMS LESS THAN $2M MAGTF C41		2,436	-	-		2,436
30	MODIFICATION KITS (OTHER)		-	-	-		-
31	ITEMS LESS THAN $2M (OTHER)		4,332	-	-		4,332
32	AIR OPERATIONS C2 SYSTEMS		11,505	-	-		11,505
	SUPPORT VEHICLES						
	ADMINISTRATIVE VEHICLES						

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
33	COMMERCIAL PASSENGER VEHICLES	37	1,248	-	-	37	1,248
34	COMMERCIAL CARGO VEHICLES		8,821	-	-		8,821
	TACTICAL VEHICLES						
35	5/4T TRUCK HMMWV (MYP)		1,745	-	-		1,745
36	MEDIUM TACTICAL VEHICLE REPLACEMENT	240	83,717	-	-	240	83,717
37	LT TACTICAL VEHICLE REMANUFACTURE (LTRV)		39,263	-	37,000		76,263
38	LOGISTICS VEHICLE SYSTEM REP		3,106	-	-		3,106
39	TRAILERS		-	-	-		-
	OTHER SUPPORT						
40	MODIFICATION KITS		-	-	-		-
41	ITEMS LESS THAN $2 MIL		3,594 *	-	-		3,594
	ENGINEER AND OTHER EQUIPMENT						
	ENGINEER AND OTHER EQUIPMENT						
42	ENVIRONMENTAL CONTROL EQUIP ASSORT		3,013	-	-		3,013
43	BULK LIQUID EQUIPMENT		-	-	-		-
44	ADVANCED DEMOLITION KITS		2,949	-	-		2,949
45	POWER EQUIPMENT ASSORTED		5,097	-	9,500		14,597
46	SHOP EQ CONTACT MAINTENANCE (SECM)		5,972	-	5,400		11,372
	MATERIALS HANDLING EQUIPMENT						
47	COMMAND SUPPORT EQUIPMENT		514	-	-		514
48	AMPHIBIOUS RAID EQUIPMENT		3,723	-	-		3,723
49	PHYSICAL SECURITY EQUIPMENT		1,856	-	-		1,856

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
50	GARRISON MOBILE ENGR EQUIP		5,509	-	-		5,509
51	WAREHOUSE MODERNIZATION		1,495	-	-		1,495
52	MATERIAL HANDLING EQUIP		6,453	-	10,400		16,853
53	FIRST DESTINATION TRANSPORTATION		1,864	-	-		1,864
	GENERAL PROPERTY						
54	FIELD MEDICAL EQUIPMENT		2,184	-	-		2,184
55	TRAINING DEVICES		3,305	-	-		3,305
56	CONTAINER FAMILY		7,074	-	-		7,074
	OTHER SUPPORT						
57	MODIFICATION KITS		1,228	-	-		1,228
58	ITEMS LESS THAN $2 MIL		1,853	-	-		1,853
59	CANCELLED ACCOUNT ADJUSTMENT (M)		-	-	-		-
	SPARES AND REPAIR PARTS						
	SPARES AND REPAIR PARTS						
60	SPARES AND REPAIR PARTS		36,576	-	-		36,576
	TOTAL PROCUREMENT, MARINE CORPS		745,858		169,700		915,558

Sec. 121. CVN–77 nuclear aircraft carrier program.

The budget request included $124.5 million for CVN–77 Advance Procurement. The National Defense Authorization Act for Fiscal Year 1998 contained a provision that authorized $50.0 million for the advance procurement and construction of components for CVN–77. To continue the effort begun in fiscal year 1998 to produce savings in the CVN–77 program, the committee recommends a provision that would authorize $124.5 million for the advance procurement and construction of components, including nuclear components, for the CVN–77 aircraft carrier program.

Sec. 122. Increased amount to be excluded from cost limitation for Seawolf submarine program.

The National Defense Authorization Act for Fiscal Year 1998 contained a provision requiring $272.4 million to be excluded from the cost limitation for the Seawolf submarine program for initial class design costs that were previously allocated to other canceled ships in the class. In addition, the Department of Defense Inspector General (DOD IG) was directed to provide a report which included the following:

(1) audit $745.4 million identified by the Secretary of the Navy as having been obligated for canceled Seawolf-class submarines;

(2) construction cost growth of SSN–21, SSN–22 and SSN–23 that had not been reported to Congress before the date of the DOD IG report; and

(3) current cost estimates for the completion of SSN–21, SSN–22 and SSN–23.

The committee received the DOD IG audit March 13, 1998, which reported the following:

(1) of the $745.4 million audited, the Navy obligated $557.6 million in costs that did not result in components that the Navy could use in the construction of the Seawolf class submarine;

(2) the Seawolf program has not experienced an unreported cost growth in the Shipbuilding and Conversion, Navy funding levels since Congress established the cost limitation in fiscal year 1996; and

(3) the Seawolf Program Management Office estimates the cost to complete construction of the SSN–21, SSN–22, and SSN–23 at the cost limitation and the Seawolf Independent Cost Review Team estimate is $67.3 million under the cost limitation.

The DOD IG verified that a total of $557.6 million obligated did not result in components the Navy could use in construction of the SSN–21, SSN–22, or SSN–23. Therefore, the committee recommends a provision that would amend section 123(a) of the National Defense Authorization Act for Fiscal Year 1998 by striking the amount of $272.4 million and replacing it with the amount of $557.6 million as the amount excluded from the Seawolf cost limitation.

Sec. 123. Multiyear procurement authority for the medium tactical vehicle replacement.

The committee recommends a provision that would authorize the Marine Corps to enter into a multiyear procurement contract, for a term of up to five years and beginning in fiscal year 1999, for procurement of the medium tactical vehicle replacement. The committee understands this action can be accomplished with existing funds for this program and that this multiyear authority will ultimately reduce program costs.

OTHER NAVY PROGRAMS

Navy Aircraft

F–14 pods

The budget request included $223.7 million for F–14 modifications. Included in those modifications is an initiative, called the F–14 precision strike program, to fulfill an urgent fleet requirement to maintain a capacity for long range high payload strike missions in the F–14. The precision strike program makes use of an Air Force developed forward looking infrared (FLIR) pod, called a low altitude navigation and targeting infrared at night (LANTIRN) pod. To lower cost and shorten schedule, the Navy uses the pod as a stand alone sensor.

The committee understands that the incorporation of these nondevelopmental pods could be accelerated, but that constrained funding prevented the most efficient acquisition of the pods and associated test equipment. Accordingly, the committee recommends an addition of $8.0 million to the budget request for that purpose.

AH–1W series

The budget request included $9.1 million for the Marine Corps AH–1W Super Cobra attack helicopter. The committee notes a requirement to complete installation of night targeting systems for 10 additional aircraft and meet the established acquisition objective of 188 systems. The night targeting system kit provides night/adverse weather and autonomous missile capabilities for AH–1W attack helicopter platforms. The committee recommends an additional $11.0 million to procure the remaining 10 kits and meet acquisition objectives.

EP–3 spares

The budget request included $5.4 million for EP–3 modifications. The EP–3 is a land based, long range aircraft, with electronic intercept devices. The budget request includes funds to improve EP–3 operational capability through expanded frequency coverage, as well as for flight tests of the high band prototype of the joint signals intelligence avionics family (JSAF). It is anticipated that those tests will shortly lead to an operational deployment of the system. However, the committee understands that the EP–3 funding request did not include sufficient funds for spares to support that operational deployment. Accordingly, the committee recommends an increase of $2.0 million to the EP–3 request to ensure sufficient spares are available for the deployment.

P–3C antisurface warfare improvement program

The budget request included $120.7 million for the procurement of P–3C antisurface warfare improvement program (AIP) kits and for associated installation, logistics support, engineering change proposals and training. While the primary mission of the aircraft during the Cold War was antisubmarine warfare, its role as a surveillance asset is now emphasized. The P–3C antisurface warfare improvement program (AIP), begun in fiscal year 1994, is designed to provide a commercial off-the-shelf (COTS)/nondevelopmental item (NDI) upgrade to the Navy's existing fleet of P–3C aircraft to improve its capability to conduct antisurface warfare (ASUW), over-the-horizon (OTH) targeting, and command and control interface with other command centers and fleet units. The P–3C AIP gives the aircraft a much better capability to execute littoral warfare missions at a reasonable price.

An operational requirement calls for the procurement of 68 kits between fiscal years 1996 and 2001 at an economical procurement rate of 12 kits per year. The committee recommends an increase of $12.2 million for procurement of P–3C AIP kits.

Navy Weapons

Penguin missile program

Neither the budget request nor the Future Years Defense Program included funding for additional procurement of Penguin missiles.

The National Defense Authorization Act for Fiscal Year 1997 contained a provision that authorized the Navy to enter into a contract for multiyear procurement of not more than 106 Penguin missiles and limited the amount that could be expended for such procurement to $84.8 million. This provision was based on the existing shortfall in Penguin missile inventory and the premise that the Navy would be able to negotiate a very favorable price at around 55 percent of the average unit procurement cost for previous lots. Congress subsequently appropriated $7.0 million to procure Penguin missiles in fiscal year 1997 and $7.5 million in fiscal year 1998.

Penguin is the only operational Navy helicopter-launched missile in the Navy's weapon inventory. It provides Navy surface combatants with a defense against surface threats armed with antiship missiles. A principal operational advantage of Penguin is its relatively long operational range, which permits a helicopter armed with Penguin to remain outside the launch envelopes of potential targets.

The committee has concluded that additional funding in fiscal year 1999 could be used to exercise a procurement initiative that takes advantage of labor learning and production stability. The committee recommends an increase of $7.5 million for procurement of additional missiles to satisfy outstanding inventory objectives for both the tactical and telemetry variants.

Improved tactical air launched decoy

The Navy budget request included $0.3 million for drone and decoys. The request included no funds for procurement of the im-

proved tactical air launched decoy (ITALD). The committee understands that there is an approved operational requirements document for buying more of the ITALD units. However, the Navy has informed the committee that the Department chose not to buy any in fiscal year 1999 because of competing budget priorities.

The ITALD simulates a fighter/attack size aircraft better than current decoys. The present tactical air launch decoy is becoming less capable even when encountering existing threat integrated air defense systems (IADS). The committee believes that likely improvements in threat IADS require that the Navy have a more capable decoy than is currently available.

Therefore, the committee recommends an increase of $10.0 million for the acquisition of 70 ITALDs. The committee understands that this increase, in addition to ITALDs already funded, will yield roughly enough systems to support two carrier battle groups. The Navy has informed the committee that additional funding for ITALD beyond fiscal year 1999 will be needed to complete this procurement.

Close-in weapon system surface mode upgrade

The budget request included no funds for procurement of Phalanx surface mode (PSUM) upgrade kits for the close-in weapon system (CIWS). The committee has received information from at-sea commanders that the Block I upgrade to CIWS to include the PSUM capability would solve two long-standing surface ship war fighting deficiencies:

(1) engaging close-in, fast moving, small boats with an all-weather, unmanned stabilized weapon; and

(2) engaging a slow moving, close-in helicopter.

The National Defense Authorization Act for Fiscal Year 1998 authorized $15.0 million for PSUM. The committee recommends an increase of $10.0 million for procurement and installation of the surface mode upgrade.

The Secretary of the Navy is directed to report to the congressional defense committees no later than December 1, 1998 on the Navy's plan to procure and install PSUM in Navy ships. The Secretary's report should also describe how the Navy intends to satisfy this mission requirement on those ships that will not receive a CIWS installation, or are scheduled to have CIWS equipment replaced by rolling airframe missile (RAM) installations.

Surface ship gun mount rotatable pool

The budget request included $900,000 for procurement and installation of safety shock ordnance alterations to the 5-inch 54 gun installed on surface combatants. The Navy intends to upgrade the 5-inch 54 Mk 45 guns on AEGIS class cruisers as part of the cruiser conversion program which begins in fiscal year 2001. The conversion plan includes retrofitting two guns per ship to the Mod 4 version. To ensure timely removal and subsequent installation, it is prudent for the Navy to establish a rotatable pool of guns. Establishment of a pool of two guns in fiscal year 1999 will reduce risk in the cruiser conversion program and maintain critical gun overhaul skills at the gun overhaul facility. Therefore, the committee recommends an increase of $15.0 million for test facility prepara-

tion, procurement of long lead material and establishment of a 5-inch 54 Mod 4 rotatable gun pool.

Navy and Marine Corps Ammunition

Marine Corps ammunition

The committee is concerned that the budget request includes inadequate funding for ammunition procurement. Ammunition is an important contributor to military readiness; for training and in anticipation of conflict. The committee recommends the following adjustments to the budget request for Marine Corps ammunition procurement:

Item	*Millions*
5.56 mm	$0.5
7.62 mm	0.7
9 mm	1.0
25 mm	1.0
50 cal	0.5
Fuze	2.5
Grenades	1.0
SMAW	18.0
120 mm Tank	4.8
Subtotal	30.0

Navy Shipbuilding and Conversion

LHD–8 advance procurement

The Navy's current plan is to conduct a service life extension program (SLEP) overhaul on the *Tarawa* class amphibious assault (LHA) ships when they reach the 35 year point in their operating life. The SLEP would provide another 15 years of life at a cost of nearly $1.0 billion per SLEP. The SLEP would extend the machinery operating life and provide communications upgrades. However, stability would remain a main concern and the LHA has limited capabilities to support 21st century littoral warfare systems such as the landing craft air cushion (LCAC) and MV–22 Osprey tilt-rotor aircraft.

The LHA can transport one LCAC when the LCAC is placed in the well deck sideways, while the Wasp class amphibious assault (multipurpose) (LHD) ship carries two LCACs which drive in and drive out of the well deck fully loaded. The LHD has 20,000 more cubic feet storage capacity but 5,000 square feet less vehicle storage than an LHA. The LHD has more hangar and deck space than an LHA giving the LHD the capacity to carry three more CH–46 helicopters than the LHA. A Marine Expeditionary Unit (MEU) with an LHA as the large deck amphibious ship requires three additional ships to provide the capabilities required of an MEU. When an LHD is the large deck amphibious ship in the MEU, one to two fewer ships are needed to support the MEU.

Replacing the LHA with an LHD would provide a platform with the capability to support 21st century requirements. The service life estimate for a LHD is 35 years while the LHA SLEP will add an additional 15 years of life. From a force capitalization perspective, the Navy will have 20 more years of ship life at a drastically reduced procurement cost per year of life by building the LHD instead of performing a SLEP on the LHA. In addition, authorizing

construction of a new LHD will leverage efficiencies gained by continuing an experienced workforce which will be completing LHD–7. The committee recommends an increase of $50.0 million for procurement of long lead materials for the construction of LHD–8 in lieu of a future SLEP for LHA–1.

Strategic sealift

The budget request included $251.4 million in the Shipbuilding and Conversion, Navy (SCN) account for one large medium-speed roll-on/roll-off (LMSR) strategic sealift ship. Section 2218 of title 10, United States Code, establishes the National Defense Sealift Fund (NDSF) to fund construction of sealift vessels.

Therefore, the committee authorizes the procurement of one LMSR and the $251.4 million requested for that purpose, but provides that authorization in the NDSF account.

Landing craft air cushioned service life extension

The budget request did not include any funding for landing craft air cushioned (LCAC) service life extension. The committee notes that funding for the LCAC service life extension activity is currently programmed for fiscal year 2000 and beyond. The LCAC currently serves as a primary conveyance of Marine Corps equipment and personnel from ship to shore. LCAC upgrades are required as these craft approach 15 years of service life with requisite increases in operating costs and decreases in availability. The committee believes that the service life extension program should be accelerated and recommends an increase of $16.0 million to complete upgrades to two LCACs in fiscal year 1999.

Other Navy Procurement

AN/WSN–7 inertial navigation system

The budget request included $21.8 million for procurement of AN/WSN–7 ring laser inertial navigation systems. The AN/WSN–7 continuously and automatically determines and indicates a ship's position, attitude (heading, roll, and pitch), and velocity. This system replaces three legacy navigation systems, providing equipment commonality between surface combatants, submarines, and aircraft carriers. The annual operating cost of the AN/WSN–7 is projected to be only 10 percent of the cost of operating the legacy navigation systems it replaces. Accelerated procurement of the AN/WSN–7 could produce a substantial savings in maintenance costs.

The committee recommends an increase of $12.0 million to the budget request for the procurement and installation of additional AN/WSN–7 navigation sets.

AN/BPS–15H surface search radar

There was no funding included in the budget request for the procurement of AN/BPS–15H submarine radar navigation sets. The Navy has been procuring the AN/BPS–15H, a commercial off-the-shelf (COTS) variant of the AN/BPS–15 radar navigation set, and its associated mast assembly for installation on new construction submarines and for backfit on SSN–688 class submarines. Procurement of the COTS variant has produced a substantial cost savings

over a comparable system built to military specifications, has enhanced operational performance, and has improved navigational safety. The Navy established a new specification to eliminate the manpower intensive requirement for paper navigation charts on ships. Instead of paper charts, all ships will have the Electronic Chart Display Information Systems (ECDIS–N). ECDIS–N requires an upgrade to navigation radar systems. Therefore, the committee recommends an increase of $9.0 million for AN/BPS–15(H) software and hardware upgrades to bring them into ECDIS–N compliance.

Submarine acoustic rapid commercial off-the-shelf insertion

The budget request included $70.0 million for submarine acoustic rapid commercial off-the-shelf insertion (A–RCI). This program provides cost-effective rapid insertion of technology which enables the operating submarine fleet to maintain acoustic superiority. A–RCI reduces operations and maintenance costs resulting in significantly lower life-cycle costs. The committee recommends an increase of $25.0 million to accelerate the introduction of A–RCI to the operating fleet.

Integration and test facility command and control initiative

The Navy is continuing an initiative to provide fully integrated and supportable command, control, communications, computer, and intelligence (C4I) systems at its integration and test facilities. These facilities are used for architecture design, systems engineering, integration, and to provide life-cycle support for the fleet's C4I systems.

The committee learned that the Navy's East coast in-service engineering Space Warfare System Center (SWSC) began the operation of the Integrated Product Center (IPC). The IPC has the ability to be configured to support almost every Navy laboratory including the Maritime Battle Center (MBC). Additional communication nodes and terminal devices, as well as an increase in existing network bandwidth to accommodate additional users, would permit the facility to support the wide variety of operational protocols and physical interfaces associated with new fleet tactical C4I systems.

The committee recommends an increase of $4.0 million above the budget request for engineering design; hardware and software procurement; and installation, testing, and documentation of the additional technical networking infrastructure for continued development of the SWSC's Integrated Products Center. Of this amount, $2.0 million would be for procurement and $2.0 million would be for operations and maintenance.

Information Technology–21

The budget request includes $74.7 million in ship communication automation procurement, $168.2 million in satellite communications ship terminals, and $71.7 million in Naval Shore Communications for Information Technology–21 (IT–21) equipment procurement and installation. IT–21 is a fleet-driven initiative, which is providing accelerated introduction of command, control, communications, and computer (C4I) innovations from the commercial marketplace.

Both the Quadrennial Defense Review and the National Defense Panel Report state that future information technologies have the potential to revolutionize Naval Warfare. Network centricity provides the capability to make sweeping changes in the way the services exchange and use information. Network centric operations will require connectivity sufficient to support offensive distributed firepower, to establish an intermediate and robust common tactical picture, conduct archival data retrieval for multi-warfare targeting, conduct two to three simultaneous video teleconferences, maintain a continuous equipment monitoring data transmission path, conduct distance learning and virtual immersion training, and establish afloat networked training communications paths. However, the committee believes that the information exchange required to enable these types of changes will require significant increases in data transfer rates.

The committee is concerned that the military satellite communications architecture may not be robust enough to support the high data rates required for future information exchange. Additionally, current high-bandwidth satellite communications (SATCOM) antennas are too large and unwieldy for installation on most surface combatants. However, future commercial systems such as low earth orbit (LEO) constellations offering high bandwidth communication paths are promising alternatives which may help solve the connectivity challenges. In addition, advanced technologies are being demonstrated that might result in significantly smaller high data rate antennas.

Visits to the first ships and staffs deploying with IT–21 revealed that IT–21 training is not phased properly with IT–21 equipment installation. In some cases, no IT–21 training was provided to ships ready to deploy with new IT–21 capabilities. The Navy is directed to provide IT–21 training to units scheduled to receive IT–21 equipment.

The committee is aware that Year 2000 software and hardware development has resulted in realignment of some IT–21 resources. To assist the Navy in achieving its goal of a fully outfitted fleet by the year 2000, the committee recommends an increase of $20.0 million for ship communication automation and an increase of $20.0 million in naval shore communications for IT–21 procurement, installation and training.

Submarine connectivity

The budget request included $64.6 million for submarine communications equipment. Submarines are vital to network centric warfare and fighting in the littorals in the 21st century. Establishing communications between the submarine and operational commanders leverages the submarine's stealth and firepower with other assets available in the area of operations. Increasing the submarine's ability to transmit and receive tactical data is a key to information exchange which will result in operational commanders controlling the battle. Therefore, the committee recommends an increase of $15.0 million for the procurement and installation of high data rate antennas and extremely high frequency (EHF) kits to improve communications connectivity equipment for submarines.

Joint Engineering Data Management and Information Control System

The budget request included no funding for Joint Engineering Data Management and Information Control System (JEDMICS), the designated Department of Defense standard system for management, control and storage of engineering drawings. It is designed as an open, client-server architecture and is nearing full deployment for global access to the data in its repositories. The 1998 program for JEDMICS will start procurement of a commercial off-the-shelf (COTS) security system to prevent unauthorized access to JEDMICS data. The committee recommends a $10.0 million increase for the continued security system procurement, integration and accreditation surveys for the JEDMICS system.

Aviation life support

The budget request included $22.3 million to procure aviation life support and night vision systems. The committee is aware of the limited capabilities that existing AN/AVS–6 OMNI II and III night vision goggles provide in overcast skies or in urban environments. The committee notes that an OMNI IV system virtually doubles the gain of currently fielded night vision goggles and that this system is critical to the overall effectiveness of Marine Corps rotary wing squadrons. The committee recommends an additional $22.6 million to meet retrofit requirements for the OMNI IV in all Marine Corps AN/AVS–6 night vision goggle systems.

AEGIS support equipment

The budget request included $83.2 million for AEGIS support equipment. The committee understands that the AEGIS Training and Readiness Center has introduced a new lesson authoring system that can operate in different computer operating environments to meet the Navy's embedded tactical training requirements. This lesson authoring system operates on the fleet's standard display console, the AN/UYQ–70, and is capable of providing multimedia, speech recognition and technologies for distant learning networks. Using such a system could permit the Navy to avoid spending critical resources to modify and update proprietary software systems to accommodate new technology applications. The committee recommends an increase of $8.0 million to expand this lesson authoring system to other tactical warfare systems, such as the Advanced Tomahawk Weapon Control System (ATWCS), Naval Surface Fire Support System (NSFSS), and the Joint Maritime Communications Information System (JMCIS).

Smart ship equipment

The budget request included $12.8 million to procure and install proven Smart Ship technology in operational Navy ships. The Navy's Smart Ship initiative is managed at fleet level and is designed to reduce crew workload and lower operating and support costs.

The committee has concluded that Smart Ship has proven considerable reductions in operating costs of the Navy's fleet units with no loss in operational effectiveness.

The committee recommends expanding Smart Ship to all AEGIS cruisers and *Arleigh Burke* class destroyers. Therefore, the committee recommends an increase of $12.0 million to procure and install Smart Ship equipment in AEGIS.

NULKA assembly qualification

The budget request included $21.5 million for procurement and installation of the NULKA antiship missile decoy program. NULKA depot maintenance presently requires the shipment of NULKA rounds to an overseas location. The overseas shipment is more expensive than performing the maintenance in the United States. The committee recommends an increase of $1.0 million to outfit and qualify a NULKA assembly facility in the United States.

Marine Corps Procurement

Modification kits for tracked vehicles

The budget request included $5.7 million for modification kits required to ensure the reliability, maintainability, and safety of Marine Corps tracked vehicles. The committee notes an outstanding requirement for a muzzle boresight device (MBD) that improves the accuracy of the M1 Abrams tank main gun. Escalating prices for these devices have created a shortfall in procurement. Additionally, the committee understands that the Marine Corps has been having problems with M1 tank nuclear, biological, and chemical (NBC) protection devicess that have occasionally caused fires on board due to inherent design deficiencies. The committee recognizes ongoing efforts to replace these devices with modern and safe components and believes this effort should be accelerated. The committee, therefore, recommends an increase of $4.6 million for a total authorization of $10.3 million. This increase will buy 403 MBD systems and 403 NBC modification kits.

Avenger

The budget request included $200,000 for Marine Corps Pedestal Mounted Stinger equipment support. The committee notes existing obsolescence and electro-magnetic interference problems with the forward looking infrared (FLIR) system found on this air defense platform. The committee understands that 81 of 235 fielded systems have received a fully modernized FLIR that eliminates the electro-magnetic interference problem. The Marine Corps still has an unfilled requirement to upgrade the remaining 154 Avengers with the fully modernized FLIR configuration. The committee, therefore, recommends an increase of $7.6 million to complete Marine Corps Avenger FLIR upgrade requirements in fiscal year 1999.

Night vision equipment

The budget request included $11.6 million for Marine Corps night vision equipment. The committee believes that modern night vision equipment serves as a combat multiplier and strongly supports night vision equipment procurement for land forces. Noted are outstanding requirements for night vision equipment. The committee recommends an increase of $11.1 million to procure the following:

(1) $6.1 million for generation III tubes to retrofit existing night vision equipment;
(2) $1.4 million for laser aiming modules;
(3) $2.6 million for medium power laser illuminators; and
(4) $1.0 million for borelights.

Communications and electronics infrastructure

The budget request included $57.9 million to support communications infrastructure activities. Of this amount, $16.3 million is for ongoing upgrades to Marine Corps base telecommunications infrastructure. The committee continues to support Marine Corps efforts to provide a modern backbone information transmission system at every Marine Corps base and station. This communications backbone will ensure that all installations are able to electronically transfer automated information. The committee notes an opportunity to complete upgrades for the entire Marine Corps infrastructure in fiscal year 1999 and recommends an increase of $64.1 million for this purpose. Additionally, the committee notes a critical requirement established by the Marine Corps to address the year 2000 compliancy issue for service computers. In support of an overall Marine Corps solution to this issue, the committee also recommends an additional $20.0 million to procure the 8,000 computer workstations necessary to meet the year 2000 compliance requirements. The committee recommends a total authorization of $142.0 million for communications and electronics infrastructure activities.

Light tactical vehicle remanufacturing

The budget request included $39.3 million to support efforts to replace aging high mobility multipurpose wheeled vehicles (HMMWVs). The committee continues to be concerned about an aging fleet of HMMWVs in the Marine Corps and understands that a recent analysis by the service established a critical replacement program that will procure new A2 configuration HMMWV's in lieu of upgrading the existing fleet. The A2 configuration HMMWV will improve safety, reliability, maintainability and will insert corrosion prevention measures in the manufacturing process necessary to protect these vehicles from the harsh environments in which they may operate. The committee recommends an increase of $37.0 million to accelerate the replacement process and field an additional 672 HMMWVs.

Power equipment

The budget request included $5.1 million for Marine Corps power generation equipment. The committee notes an ongoing joint program to provide clean and reliable mobile electric power to support command, control, and communications requirements. This Department of Defense program currently procures tactical quiet generators to replace existing military standard systems. The committee believes that replacement of existing systems should be accelerated and recommends an increase of $9.5 million to procure an additional 1,311 generators.

Shop equipment contact maintenance

The budget request included $6.0 million for the Marine Corps shop equipment contact maintenance (SECM) program. The committee notes an opportunity for the Marine Corps to achieve the acquisition objective for SECM platforms in fiscal year 1999. The committee, therefore, recommends an increase of $5.4 million to accelerate the final procurement of 47 systems and complete this program one year early.

Material handling equipment

The budget request included $6.5 million for material handling equipment. Material handling equipment is critical to Marine Corps logistics capabilities in support of unit deployments. The committee understands that rough terrain container handlers and 10,000 pound forklifts are old and need to be rebuilt or replaced. The Army has an existing program that rebuilds this equipment at roughly one third the cost of new vehicle procurement. The committee believes the Marine Corps should take advantage of this existing contract to begin rebuilding its existing fleet. The committee recommends an increase of $10.4 million for this purpose.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	AIRCRAFT PROCUREMENT, AIR FORCE						
	COMBAT AIRCRAFT						
	STRATEGIC OFFENSIVE						
1	B-1B (MYP)		-	-	-		-
2	B-2A (MYP)		-	-	-		-
	TACTICAL FORCES						
3	ADVANCED TACTICAL FIGHTER	2	668,058	-	-	2	668,058
3	LESS: ADVANCE PROCUREMENT (PY)		(72,964)	-	-		(72,964)
4	ADVANCE PROCUREMENT (CY)		190,210	-	-		190,210
5	F-15A		11,000	-	-		11,000
5	LESS: ADVANCE PROCUREMENT (PY)		(11,000)	-	-		(11,000)
6	ADVANCE PROCUREMENT (CY)		-	-	-		-
7	F-16 C/D (MYP)		-	-	-		-
	AIRLIFT AIRCRAFT						
	TACTICAL AIRLIFT						
8	C-17 (MYP)	13	2,924,192	-	-	13	2,924,192
8	LESS: ADVANCE PROCUREMENT (PY)		(327,200)	-	-		(327,200)
9	ADVANCE PROCUREMENT (CY)		303,500	-	-		303,500
10	EC-130J		-	1	85,000		85,000
	OTHER AIRLIFT						
11	C-130H		11,176	-	-		11,176
12	C-130J	1	63,782	2	157,564	3	221,346

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
13	WC-130		-	1	75,400		75,400
	TRAINER AIRCRAFT						
	OPERATIONAL TRAINERS						
14	JPATS	19	107,086	3	9,100	22	116,186
15	TANKER, TRANSPORT, TRAINER SYSTEM		-	-	-		-
	OTHER AIRCRAFT						
	HELICOPTERS						
16	HH-60G		-	-	-		-
17	V-22 OSPREY		22,276	-	-		22,276
	MISSION SUPPORT AIRCRAFT						
18	CIVIL AIR PATROL A/C	27	2,619	-	-	27	2,619
19	SMALL VCX		-	-	-		-
20	C-32A	2	160,901	-	-	2	160,901
21	DRUG INTERDICTION		-	-	-		-
	OTHER AIRCRAFT						
22	E-8C	2	578,209	-	-	2	578,209
22	LESS: ADVANCE PROCUREMENT (PY)		(115,158)	-	-		(115,158)
23	ADVANCE PROCUREMENT (CY)		-	-	72,000		72,000
24	PREDATOR UAV	15	114,492	-	-	15	114,492
	MODIFICATION OF INSERVICE AIRCRAFT						
	STRATEGIC AIRCRAFT						
25	B-2A		15,681	-	-		15,681

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
26	B-1B		91,614	-	-		91,614
27	B-52		38,308	-	-		38,308
28	F-117		25,654	-	-		25,654
	TACTICAL AIRCRAFT						
29	A-10		31,088	-	-		31,088
30	F/RF-4		-	-	-		-
31	F-15		196,579	-	50,000		246,579
32	F-16		229,319	-	13,300		242,619
33	EF-111		-	-	-		-
34	T/AT-37		90	-	-		90
	AIRLIFT AIRCRAFT						
35	C-5		63,635	-	-		63,635
36	C-9		9,462	-	-		9,462
37	C-17A		45,704	-	-		45,704
38	C-21		59,938	-	-		59,938
39	C-22		180	-	-		180
40	C-STOL		-	-	-		-
41	C-137		-	-	-		-
42	C-141		33,412	-	-		33,412
	TRAINER AIRCRAFT						
43	T-1		7,739	-	-		7,739
44	T-3 (EFS) AIRCRAFT		95	-	-		95

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
45	T-38		53,570	-	-		53,570
46	T-41 AIRCRAFT		95	-	-		95
47	T-43		2,233	-	-		2,233
	OTHER AIRCRAFT						
48	KC-10A (ATCA)		43,710	-	-		43,710
49	C-12		3,820	-	-		3,820
50	C-18		354	-	-		354
51	C-20 MODS		6,610	-	-		6,610
52	VC-25A MOD		7,424	-	-		7,424
53	C-130		119,592	-	-		119,592
54	C-135		291,070	-	-		291,070
55	DARP		139,242	-	68,000		207,242
56	E-3		114,181	-	-		114,181
57	E-4		13,987	-	-		13,987
58	E-8		44,179	-	-		44,179
59	H-1		1,911	-	-		1,911
60	H-60		17,224	-	-		17,224
61	OTHER AIRCRAFT		17,702	-	-		17,702
62	PREDATOR MODS		3,469	-	-		3,469
	OTHER MODIFICATIONS						
63	CLASSIFIED PROJECTS		7,517	-	-		7,517
	AIRCRAFT SPARES AND REPAIR PARTS						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	AIRCRAFT SPARES + REPAIR PARTS						
64	SPARES AND REPAIR PARTS		524,829	-	-		524,829
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
	COMMON SUPPORT EQUIPMENT						
65	COMMON SUPPORT EQUIPMENT		152,109	-	-		152,109
	POST PRODUCTION SUPPORT						
66	A-10		11,414	-	-		11,414
67	B-2A		189,869	-	-		189,869
68	C-5		28,502	-	-		28,502
69	F-15 POST PRODUCTION SUPPORT		7,851	-	-		7,851
70	F-16 POST PRODUCTION SUPPORT		27,289	-	-		27,289
71	H-1		-	-	-		-
	INDUSTRIAL PREPAREDNESS						
72	INDUSTRIAL PREPAREDNESS		19,109	-	-		19,109
	WAR CONSUMABLES			-	-		
73	WAR CONSUMABLES		49,396	-	-		49,396
	OTHER PRODUCTION CHARGES						
74	MISC PRODUCTION CHARGES		221,464	-	-		221,464
	COMMON ECM EQUIPMENT						
75	COMMON ECM EQUIPMENT		4,963	-	-		4,963
	OTHER PRODUCTION CHARGES - SOF						
76	CANCELLED ACCOUNT PY ADJUSTMENTS		-	-	-		-

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	DARP						
77	DARP		152,113	-	17,000		169,113
	TOTAL AIRCRAFT PROCUREMENT, AIR FORCE		7,756,475		547,364		8,303,839
	PROCUREMENT OF AMMUNITION, AIR FORCE						
	PROCUREMENT OF AMMO, AIR FORCE						
	ROCKETS						
1	2.75 INCH ROCKET MOTOR	6,139	3,399	-	-	6,139	3,399
2	2.75" ROCKET HEAD SIGNATURE		-	-	-		-
3	2.75 IN ROCKET, FLARE IR	2,530	2,693	-	-	2,530	2,693
4	ITEMS LESS THAN $2,000,000		2,042	-	-		2,042
	CARTRIDGES						
5	5.56 MM	20,026	5,394	-	-	20,026	5,394
6	20MM TRAINING		-	-	-		-
7	30 MM TRAINING	769	5,495	-	-	769	5,495
8	CARTRIDGE CHAFF RR-180	795	11,661	-	-	795	11,661
9	CARTRIDGE CHAFF RR-188	876	2,548	-	-	876	2,548
10	SIGNAL MK-4 MOD 3	260	760	-	-	260	760
11	ITEMS LESS THAN $2,000,000		5,447	-	-		5,447
	BOMBS						
12	MK-82 INERT/BDU-50	29,368	22,490	-	-	29,368	22,490
13	GBU-28 HARD TARGET PENETRATOR	163	24,256	-	-	163	24,256

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
14	GBU - 37	10	977	-	-	10	977
15	BOMB PRACTICE 25 POUND	266,801	3,842	-	-	266,801	3,842
16	2000 LB HE BOMB MK-84	1,928	9,391	-	-	1,928	9,391
17	MK-84 BOMB-EMPTY	2,894	7,138	-	-	2,894	7,138
18	SENSOR FUZED WEAPON	295	125,992	-	-	295	125,992
19	TTU-373A DIGITAL TEST SET		-	-	-		-
20	JOINT DIRECT ATTACK MUNITION	2,187	53,157	-	-	2,187	53,157
21	WIND CORRECTED MUNITIONS DISPENSER	676	13,862	-	-	676	13,862
22	ITEMS LESS THAN $2,000,000		2,149	-	-		2,149
	ITEMS LESS THAN $2,000,000						
23	ITEMS LESS THAN $2,000,000		-	-	-		-
	FLARE, IR MJU-7B						
24	ASTE (INFRARED EXPENDABLE)	34,154	4,886	-	-	34,154	4,886
25	FLARE, IR MJU-7B	355,826	8,882	-	-	355,826	8,882
26	MJU-10B	198,602	10,373	-	-	198,602	10,373
27	M-206 CARTRIDGE FLARE	881,944	11,430	-	-	881,944	11,430
28	CAD/PAD		14,275	-	-		14,275
29	LUU-19 FLARE	3,926	4,338	-	-	3,926	4,338
30	REPLENISHMENT SPARES		1,896	-	-		1,896
31	MODIFICATIONS		49	-	-		49
32	ITEMS LESS THAN $2,000,000		4,447	-	-		4,447
	FUZES						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
33	JOINT PROGRAMMABLE FUSE(JPF)	3,861	15,326	-	-	3,861	15,326
	WEAPONS						
	SMALL ARMS						
34	M-16 A2 RIFLE		4,450	-	-		4,450
35	9MM COMPACT PISTOL	345	232	-	-	345	232
36	M-9 PISTOL	1,576	767	-	-	1,576	767
37	ITEMS LESS THAN $2M		117	-	-		117
	TOTAL PROCUREMENT AMMUNITION, AIR FORCE		384,161		-		384,161
	MISSILE PROCUREMENT, AIR FORCE						
	BALLISTIC MISSILES						
	MISSILE REPLACEMENT EQUIPMENT - BALLISTIC						
1	MISSILE REPLACEMENT EQ-BALLISTIC		5,654	-	-		5,654
	OTHER MISSILES						
	STRATEGIC						
2	HAVE NAP		-	-	-		-
3	ADVANCED CRUISE MISSILE		1,395	-	-		1,395
	TACTICAL						
4	JOINT STANDOFF WEAPON	100	52,142	-	-	100	52,142
5	AMRAAM	180	114,627	-	-	180	114,627
6	AGM-130 POWERED GBU-15		341	-	-		341
	TARGET DRONES						

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
7	TARGET DRONES		36,263	-	-		36,263
	INDUSTRIAL FACILITIES						
8	INDUSTRIAL FACILITIES		3,152	-	-		3,152
	MISSILE REPLACEMENT EQUIPMENT - OTHER			-	-		
9	MISSILE REPLACEMENT EQ-OTHER		-	-	-		-
	MODIFICATION OF INSERVICE MISSILES						
	CLASS IV						
10	CONVENTIONAL ALCM		10,034	-	-		10,034
11	PEACEKEEPER (M-X)		9,615	-	-		9,615
12	AIM-9 SIDEWINDER		-	-	-		-
13	MM III MODIFICATIONS		90,618	-	46,000		136,618
14	AGM-65H MAVERICK		-	-	-		-
15	AGM-88C HARM		-	-	-		-
16	MODIFICATIONS UNDER $2.0M		.19	-	-		219
	SPARES AND REPAIR PARTS						
	MISSILE SPARES + REPAIR PARTS						
17	SPARES AND REPAIR PARTS		38,[illegible]	-	-		38,047
	OTHER SUPPORT						
	SPACE PROGRAMS						
18	CANCELLED ACCOUNT		-	-	-		-
19	SPACEBORNE EQUIP (COMSEC)		9,485	-	-		9,485
20	GLOBAL POSITIONING (MYP) SPACE		97,395	-	-		97,395

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
20	LESS: ADVANCE PROCUREMENT (PY)		-	-	-		-
21	ADVANCE PROCUREMENT (CY)		77,400	-	-		77,400
22	NUDET DETECTION SYSTEM		2,949	-	-		2,949
23	INERTIAL UPPER STAGES SPACE		48,012	-	-		48,012
24	TITAN SPACE BOOSTERS SPACE		578,540	-	(10,000)		568,540
25	MEDIUM LAUNCH VEHICLE SPACE	5	241,121	-	-	5	241,121
25	LESS: ADVANCE PROCUREMENT (PY)		(52,715)	-	-		(52,715)
26	ADVANCE PROCUREMENT (CY)		-	-	-		-
27	DEF METEOROLOGICAL SAT PROG SPACE		36,066	-	-		36,066
28	DEFENSE SUPPORT PROGRAM SPACE		89,904	-	-		89,904
29	DEFENSE SATELLITE COMM SYSTEM SPACE		28,969	-	-		28,969
29	LESS: ADVANCE PROCUREMENT (PY)		-	-	-		-
30	ADVANCE PROCUREMENT (CY)		-	-	-		-
	SPECIAL PROGRAMS						
31	SPECIAL UPDATE PROGRAMS		224,299	-	(20,000)		204,299
32	SPECIAL PROGRAMS		616,271	-	-		616,271
	TOTAL MISSILE PROCUREMENT, AIR FORCE		2,359,803		16,000		2,375,803
	OTHER PROCUREMENT, AIR FORCE						
	VEHICULAR EQUIPMENT						
	PASSENGER CARRYING VEHICLES						
1	SEDAN, 4 DR 4X2	54	780	-	-	54	780

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
2	STATION WAGON, 4X2	22	413	-	-	22	413
3	BUSES	92	5,174	-	-	92	5,174
4	AMBULANCES	4	306	-	-	4	306
5	LAW ENFORCEMENT VEHICLE	95	1,817	-	-	95	1,817
6	ARMORED SEDAN	1	239	-	-	1	239
	CARGO + UTILITY VEHICLES						
7	TRUCK, CARGO-UTILITY, 3/4T, 4X4	225	6,160	-	-	225	6,160
8	TRUCK, CARGO-UTILITY, 1/2T, 4X2	104	2,612	-	-	104	2,612
9	TRUCK, PICKUP, 1/2T, 4X2	222	3,379	-	-	222	3,379
10	TRUCK, PICKUP, COMPACT	196	2,445	-	-	196	2,445
11	TRUCK MULTI-STOP 1 TON 4X2	315	8,708	-	-	315	8,708
12	TRUCK CARRYALL	160	3,898	-	-	160	3,898
13	COMMERCIAL UTILITY CARGO VEHICLE		-	-	-		-
14	FAMILY MEDIUM TACTICAL VEHICLES		-	-	-		-
15	HIGH MOBILITY VEHICLE (MYP)	75	4,172	-	-	75	4,172
16	TRUCK TRACTOR, OVER 5T	55	3,611	-	-	55	3,611
17	TRUCK, UTILITY	124	3,347	-	-	124	3,347
18	CAP VEHICLES		744	-	-		744
19	ITEMS LESS THAN $2,000,000		3,843	-	-		3,843
	SPECIAL PURPOSE VEHICLES						
20	HMMWV, ARMORED		-	-	-		-
21	TRACTOR, TOW, FLIGHTLINE	279	8,001	-	-	279	8,001

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
22	ITEMS LESS THAN $2,000,000		12,680	-	-		12,680
	FIRE FIGHTING EQUIPMENT						
23	TRUCK CRASH P-19	13	6,023	-	-	13	6,023
24	ITEMS LESS THAN $2,000,000		2,287	-	-		2,287
	MATERIALS HANDLING EQUIPMENT						
25	TRUCK, F/L 6000 LB	84	2,328	-	-	84	2,328
26	TRUCK, F/L 10,000 LB	56	4,295	-	-	56	4,295
27	60K A/C LOADER	60	89,179	-	-	60	89,179
28	ITEMS LESS THAN $2,000,000		3,200	-	-		3,200
	BASE MAINTENANCE SUPPORT						
29	TRUCK, DUMP		-	-	-		-
30	RUNWAY SNOW REMOV AND CLEANING EQUIP	41	3,928	-	-	41	3,928
31	MODIFICATIONS		900	-	-		900
32	ITEMS LESS THAN $2,000,000		7,663	-	-		7,663
	CANCELLED ACCOUNT ADJUSTM						
33	CANCELLED ACCOUNT ADJUSTMENTS		-	-	-		-
	ELECTRONICS AND TELECOMMUNICATIONS EQUIP						
	COMM SECURITY EQUIPMENT(COMSEC)						
34	COMSEC EQUIPMENT		30,311	-	-		30,311
35	MODIFICATIONS (COMSEC)		487	-	-		487
	INTELLIGENCE PROGRAMS						
36	INTELLIGENCE DATA HANDLING SYS		17,574	-	-		17,574

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
37	INTELLIGENCE TRAINING EQUIPMENT		5,735	-	-		5,735
38	INTELLIGENCE COMM EQUIP		5,697	-	-		5,697
	ELECTRONICS PROGRAMS						
39	AIR TRAFFIC CTRL/LAND SYS (ATCALS)		-	-	-		-
40	NATIONAL AIRSPACE SYSTEM		45,308	-	-		45,308
41	THEATER AIR CONTROL SYS IMPROVEMENT		30,002	-	-		30,002
42	WEATHER OBSERV/FORECAST		18,581	-	-		18,581
43	STRATEGIC COMMAND AND CONTROL		10,848	-	-		10,848
44	CHEYENNE MOUNTAIN COMPLEX		896	-	-		896
45	TAC SIGINT SUPPORT		1,883	-	-		1,883
46	DRUG INTERDICTION PROGRAM		-	-	-		-
	SPECIAL COMM-ELECTRONICS PROJECTS						
47	AUTOMATIC DATA PROCESSING EQUIP		33,190	-	-		33,190
48	AF GLOBAL COMMAND & CONTROL SYS		5,819	-	-		5,819
49	MOBILITY COMMAND AND CONTROL		7,844	-	-		7,844
50	AIR FORCE PHYSICAL SECURITY SYSTEM		26,965	-	-		26,965
51	COMBAT TRAINING RANGES		13,194	-	-		13,194
52	MINIMUM ESSENTIAL EMERGENCY COMM NET		1,545	-	-		1,545
53	FORCE PROTECTION/ANTI-TERRORISM		-	-	-		-
54	C3 COUNTERMEASURES		10,228	-	-		10,228
55	JOINT SURVEILLANCE SYSTEM		11,137	-	-		11,137
56	BASE LEVEL DATA AUTO PROGRAM		28,876	-	-		28,876

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
57	THEATER BATTLE MGT C2 SYS		44,654	-	-		44,654
	AIR FORCE COMMUNICATIONS						
58	INFORMATION TRANSMISSION SYSTEMS		10,792	-	-		10,792
59	BASE INFORMATION INFRASTRUCTURE		159,383	-	-		159,383
60	USCENTCOM		4,458	-	-		4,458
61	AUTOMATED TELECOMMUNICATIONS PRG		14,884	-	-		14,884
	DISA PROGRAMS						
62	NAVSTAR GPS SPACE		1,447	-	-		1,447
63	DEFENSE METEOROLOGICAL SAT PROG SPAC		10,735	-	-		10,735
64	NUDET DETECTION SYS (NDS) SPACE		1,278	-	-		1,278
65	AF SATELLITE CONTROL NETWORK SPACE		26,007	-	-		26,007
66	EASTERN/WESTERN RANGE I&M SPACE		93,848	-	-		93,848
67	MILSATCOM SPACE		28,233	-	-		28,233
68	SPACE MODS SPACE		7,917	-	-		7,917
	ORGANIZATION AND BASE						
69	TACTICAL C-E EQUIPMENT		31,064	-	17,694		48,758
70	COMBAT SURVIVOR/EVADER LOCATER RADIO		13,757	-	-		13,757
71	RADIO EQUIPMENT		12,203	-	-		12,203
72	TV EQUIPMENT (AFRTV)		1,984	-	-		1,984
73	CCTV/AUDIOVISUAL EQUIPMENT		3,195	-	-		3,195
74	BASE COMM INFRASTRUCTURE		27,829	-	-		27,829
75	CAP COM & ELECT		378	-	-		378

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
76	ITEMS LESS THAN $2,000,000		7,106	-	-		7,106
	MODIFICATIONS						
77	COMM ELECT MODS		57,701	-	-		57,701
	OTHER BASE MAINTENANCE AND SUPPORT EQUIP						
	TEST EQUIPMENT						
78	BASE/ALC CALIBRATION PACKAGE		11,021	-	-		11,021
79	PRIMARY STANDARDS LABORATORY PACKAGE		1,064	-	-		1,064
80	ITEMS LESS THAN $2,000,000		6,706	-	-		6,706
	PERSONAL SAFETY AND RESCUE EQUIP						
81	NIGHT VISION GOGGLES		8,118	-	-		8,118
82	BREATHING APPARATUS TWO HOUR		-	-	-		-
83	UNIVERSAL WATER ACTIVATED REL SYS		-	-	-		-
84	ITEMS LESS THAN $2,000,000		3,528	-	-		3,528
	DEPOT PLANT + MATERIALS HANDLING EQ						
85	MECHANIZED MATERIAL HANDLING EQUIP		14,516	-	-		14,516
86	ITEMS LESS THAN $2,000,000		4,124	-	-		4,124
	ELECTRICAL EQUIPMENT						
87	GENERATORS-MOBILE ELECTRIC		1,411	-	-		1,411
88	FLOODLIGHTS		10,714	-	-		10,714
89	ITEMS LESS THAN $2,000,000		2,356	-	-		2,356
	BASE SUPPORT EQUIPMENT						
90	BASE PROCURED EQUIPMENT		5,644	-	-		5,644

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
91	MEDICAL/DENTAL EQUIPMENT		8,703	-	-		8,703
92	ENVIRONMENTAL PROJECTS		973	-	-		973
93	AIR BASE OPERABILITY		5,363	-	-		5,363
94	PALLET AIR CARGO		2,001	-	-		2,001
95	NET ASSEMBLY, 108"X88"		1,916	-	-		1,916
96	BLADDERS FUEL		1,329	-	-		1,329
97	AERIAL BULK FUEL DELIVERY SYSTEM		4,320	-	-		4,320
98	PHOTOGRAPHIC EQUIPMENT		5,576	-	-		5,576
99	PRODUCTIVITY INVESTMENTS		12,304	-	-		12,304
100	MOBILITY EQUIPMENT		35,973	-	-		35,973
101	DEPLOYMENT/EMPLOYMENT CONTAINERS		2,258	-	-		2,258
102	AIR CONDITIONERS		10,668	-	-		10,668
103	ITEMS LESS THAN $2,000,000		16,844	-	-		16,844
	SPECIAL SUPPORT PROJECTS						
104	INTELLIGENCE PRODUCTION ACTIVITY		72,605	-	-		72,605
105	TECH SURV COUNTERMEASURES EQ		2,035	-	-		2,035
106	DARP		-	-	-		-
107	DARP RC135		12,656	-	-		12,656
108	DARP, MRIGS		79,613	-	-		79,613
109	SELECTED ACTIVITIES		5,322,644	-	(200,000)		5,122,644
110	SPECIAL UPDATE PROGRAM		179,813	-	-		179,813
111	INDUSTRIAL PREPAREDNESS		1,162	-	-		1,162

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
112	MODIFICATIONS		170	-	-		170
113	FIRST DESTINATION TRANSPORTATION		16,442	-	-		16,442
	SPARE AND REPAIR PARTS						
	SPARES AND REPAIR PARTS						
114	SPARES AND REPAIR PARTS		52,712	-	-		52,712
	TOTAL OTHER PROCUREMENT, AIR FORCE		6,974,387		(182,306)		6,792,081

Sec. 131. Joint surveillance target attack radar system.

The budget request included $463.1 million for procuring two E–8C Joint Surveillance/Target Attack Radar System (JSTARS) aircraft, and $67.5 million for buying JSTARS spare parts. The request also included $123.8 million to continue various development efforts, including a new program to improve the JSTARS radar, called the radar technology insertion program (RTIP). The budget request does not include any funds for closing the JSTARS production line.

The Air Force planning originally included a force level of 19 JSTARS aircraft until the Quadrennial Defense Review (QDR) reduced that number to 13 operational aircraft. The QDR recommendation was based, at least in part, on an assumption that the North Atlantic Treaty Organization (NATO) would buy from four to six JSTARS aircraft for the NATO airborne ground surveillance (AGS) program. However, NATO did not accept the U.S. proposal to procure JSTARS.

The budget request included funding for the last two aircraft of the QDR-mandated fleet size of 13 JSTARS. The budget request did not include long lead funding to continue production past aircraft number 13.

The committee understands that the JSTARS is high on operational commanders' list of priorities because of its joint application to battle space surveillance and management. Department of Defense (DOD) witnesses testified that a review would be conducted this year to decide how DOD would meet the war fighting requirement that would have been met with 19 JSTARS aircraft. The Department's options include: development of a space-based capability; increased capabilities of unmanned aerial vehicles; and continued procurement of the current JSTARS systems. Unfortunately, it is unlikely that the Department will have completed its analyses before the Congress will have to act on the fiscal year 1999 budget request. Without long lead funding available in fiscal year 1999, there will be a break in the JSTARS production line, making that option unnecessarily expensive.

Therefore, the committee recommends an addition of $72.0 million to protect the option of producing two additional JSTARS aircraft in fiscal year 2000. However, the committee is mindful that roughly $450 million would be required in fiscal year 2000 to buy two additional JSTARS aircraft. The committee is also aware that these funds are not currently in the Future Years Defense Program (FYDP).

Should the Department decide against acquisition of further JSTARS aircraft, the Department shall use the $72.0 million for a combination of:

(1) fund the termination expenses for JSTARS production; and

(2) augment funds in the RTIP development effort to accelerate incorporation of that capability into the JSTARS fleet.

Accordingly, the committee recommends a provision that directs the Secretary of Defense to report to the congressional defense committees on the decision related to the future of the JSTARS program no later than March 1, 1999. The report will outline the deci-

sion making process, as well as the Department's long range plans to provide for overhead battle management and surveillance.

Sec. 132. Limitation on replacement of engines on military aircraft derived from Boeing 707 aircraft.

The budget request included $57.3 million to re-engine two RC–135 aircraft. The fiscal year 1999 budget request is the first in many years to provide funding for this high priority, high payoff initiative. The committee notes that the Department of Defense initiative followed several years of congressional funding adds and requirements to study the issue.

The RC–135 re-engining effort merits attention because of the Department's decision to commit funds to the program. The current program is outfitting all models of RC–135's with CFM–56 engines. Through a combination of prior year funding adds (fiscal years 1996–1998) and the Air Force future years defense plan, 19 of the 23 aircraft are programmed to be refitted with new engines. However, a funding shortfall exists to complete the last four aircraft. Accordingly, the committee recommends a total of $113.3 million to acquire re-engining kits for RC–135 aircraft.

The committee has been concerned about this issue, and initiated a requirement for the Department to provide a report on the broader subject of re-engining 707–type aircraft. This requirement was mandated by Congress in section 133 of the National Defense Authorization Act for 1998 (Public Law 105–85). The report was supposed to analyze re-engining to assess the requirements and the costs and benefits of such a program. The report would help ensure that:

(1) this vital requirement is not ignored in future planning and programming;

(2) the Congress understands the Department's priorities; and

(3) the Congress has a quantitative basis for determining the most efficient ways to prolong the life of so many vital airborne platforms.

Although section 133 required the Department to submit a report by March 1, 1998, the Department failed to submit the report as of the end of April. The committee expects the Department to comply with all reporting requirements in a timely fashion. The Department has indicated that the re-engining study results have been delayed because the Air Force had to wait for data requested from the various engine contractors. The committee has not been able to confirm that assertion. Although the committee would prefer to operate otherwise, it notes the Department's improved responsiveness when report requirements are accompanied by funding limitations or restrictions. Accordingly, the committee recommends a provision that would restrict funding for re-engining until receipt of the report required by section 133.

The committee notes that more than one engine manufacturer has expressed interest in competing for re-engining work. The committee expects that the Department would use competitive procedures for future 707-type engine replacement to ensure that the Department can select options that could provide the best value for the government.

Sec. 133. F–22 aircraft program.

The budget request included $668.1 million for F–22 procurement, and $190.2 million for advance procurement. The budget request also included $1,582.2 million for F–22 engineering and manufacturing development (EMD). These funds provide substantial building activity separate from any early award of production contracts. The fiscal year 1999 EMD effort includes $828.0 million for air vehicle assembly of test aircraft. Specifically, the EMD program provides funds to complete air vehicle 3, to continue on air vehicles 4–6, and to initiate assembly of air vehicles 7–9. The EMD request also includes $461.0 million for avionics development, $174.5 million for engine development, and $119.2 million other government costs.

In response to the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85), the Comptroller General submitted a report that assessed the progress of the EMD phase of the F–22 program and its prospect of completion under the cost cap. The General Accounting Office (GAO) report and recent program progress was the subject of a hearing held by the AirLand Subcommittee to review tactical aviation modernization issues. During the hearing, the GAO gave the F–22 program a positive assessment of the progress made since the program was restructured in response to the recently completed Quadrennial Defense Review (QDR). However, the GAO also noted that contracts for procurement of lot I production aircraft had been accelerated when compared with last year's plan, and that actual program progress had fallen behind. Moving contracts ahead of demonstrated performance directly contradicts the Air Force's previous emphasis on event-based decision making. When the GAO witness noted that moving the production contract from June 1999 to December 1998 did not change actual production, the Assistant Secretary of the Air Force for Acquisition testified that the change in signing contracts was, "* * * to get the base locked in * * *."

In 1995, a Defense Science Board report on the F–22, which included Rand Corporation study results, concluded that when major program problems occur, it is usually within the first 10–20 percent of flight testing. The Board noted in its report of only that the F–22 program had substantial tests programmed before moving into production:

> To put this in perspective, we looked at the current schedule of the F–22, and at 20 percent of full scale development testing. The Lockheed schedule calls for approximately 25 hours per month, with approximately 400 hours of flight testing scheduled by December 1997 (10 months, using 1.5 aircraft) and approximately 1,400 hours by December, 1998 (using 4 aircraft).

The present reality is far different from that original prediction. By December of 1997, only three flight test hours had been flown of the planned 400 hours. The program is now scheduled to complete 183 flight hours by December 1998. The committee is concerned that the contract awards are being accelerated, while testing is decelerating. The following table reflects how flight test hours before production award have eroded:

Comparison of F–22 Flight Test Hours Planned

Flight hour schedule as of	Total flight test hours planned	Flight test hours planned before production award	Percent of flight test hours planned before production award
November 1994	5,191	1,400	27
May 1997	4,337	601	14
February 1998	4,337	183	4

In a recent press conference, responding to the concerns raised in the AirLand Subcommittee hearing, the Under Secretary of Defense for Acquisition and Technology (USD(AT)) announced that the F–22 production decision would slip one year, and would be addressed in December 1999. The reason given for the delayed production decision was to complete more testing before committing production funds. The committee supports the approach taken by the USD(AT) and recommends a provision to provide clear guidance for the timing of that decision to proceed into production in fiscal year 2000.

The committee notes that funds have not been taken from the program, and are available for obligation once flight testing has been completed to a modest degree—less even than projected by the Joint Estimating Team (JET). Should testing go faster than presently planned, the funds would be immediately available and would not have to be reprogrammed or added to future budget requests.

The committee must see demonstrated results in accord with the minimum requirements represented to the committee in the Defense Science Board report of April, 1995, or have substantial assurance from the Secretary of Defense that anything less than that has his full confidence. The committee agrees with the USD(AT) that the production decision should only be made when sufficient testing has been completed.

Sec. 134. C–130J aircraft program.

The budget request included $63.8 million for one C–130J. While the budget request did include funds for spares and logistics for C–130J's elsewhere, those funds are not yet sufficient to account for prior omissions. Air Force briefers have acknowledged that the present logistics program is not executable through the Future Years Defense Program (FYDP). Shortfalls in logistics and support include $30 million for a flight simulator, $27.0 million for modifications to C–130J's into the WC–130J configuration, and $15.0 million for modifications to C–130J's into the EC–130J configuration. Though funding for modifications is also not sufficient for the program, funds available from prior years are sufficient to begin the modifications of C–130J aircraft into the WC and EC–130J configurations.

C–130J Program Progress

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–130J's, 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. Accordingly, the committee recommends a provision that would require the Secretary of Defense to report to the congressional defense committees on the impact of delays and overruns.

In the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1997 (S. Rept. 104–267), the committee directed the Secretary of Defense to provide a report, by March 1, 1997, on the net benefits of pursuing a program to design, develop, and produce renewed C–130 aircraft through remanufacture of existing airframes. The Secretary submitted the report on April 30, 1997 and did not answer the question. Accordingly, the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1998 (S. Rept 105–340) restated the direction for an examination of C–130 remanufacturing alternative, as originally requested. As of the middle of April 1998, the report had not been received from the Department.

The committee notes that reports from the Department provide important insights in technical and policy matters, and gives the Department an opportunity to examine issues and report the findings to the Congress. Absent any response from the Department, the committee assumes that the Department cannot address the issue in any meaningful way and provides the following direction for C–130 modernization. (Funds for the simulator are shown in line 12 of the P–1 exhibit, combined with the additional C–130J's.)

Fiscal Year 1999 C–130 Program

(In millions of dollars)

	C–130J	EC–130J	WC–130J	Simulator	Total
Budget Request [1]	$63.8	–	–	–	$63.8
(Quantity)	1				1
Committee Recommendation	191.4	$85.0	$75.4	30.0	$381.8
Quantity	3	1	1	1	5

[1] The budget request included $62.0 million for C–130J initial spares in Budget Activity 06.

WC–130J

The scope and cost of modifications to airframes to the WC–130J configuration are not yet clearly defined or prices negotiated. The committee notes the prior years' authorization of modification funds on hand to begin the program. Once the program is defined and contracts are in place, the remaining requirements for modification can be authorized.

OTHER AIR FORCE PROGRAMS

Air Force Aircraft

Joint Primary Aircraft Training System

The budget request included $107.1 million to procure 19 JPATS aircraft. JPATS is a joint Air Force/Navy program to replace T–37 and T–34 primary flight training aircraft and the associated ground based training systems.

The committee understands that the present contract for JPATS allows for an increase of three aircraft in fiscal year 1999 without future year implications or additional requirements for funding. An additional three JPATS aircraft would increase the contract to its maximum number under the existing variations in quantity (VIQ) matrix and lead to reduced unit costs as well as an enhanced learning curve in the early production of JPATS. Accordingly, the committee recommends an increase of $9.1 million to the budget request to acquire an additional three JPATS aircraft in fiscal year 1999.

F–15 220E engine modification

The budget request included $196.5 million for F–15 modifications, with $17.8 million dedicated to 220E engine upgrades. The 220E upgrades the engine controls from analog to digital technology, making the engine more supportable, and thus more available.

The committee recommended increased funding in fiscal year 1998 to accelerate the program by one year. Based on the possible operational savings in years to come and the high priority assigned to the project by the Chief of Staff of the Air Force, the committee recommends an increase of $25.0 million to the fiscal year 1999 budget request to further accelerate the fielding of the 220E upgrade.

ALQ–135 internal countermeasures sets

The budget request included $11.4 million in PE 27134F to finish development and testing of the ALQ–135 band 1.5 upgrade. The band 1.5 upgrade would provide low- to mid-band jamming coverage for the F–15E aircraft. The committee understands that this capability would be important in protecting aircrews in high threat environments.

The committee also notes that the band 1.5 equipment shares a high degree of commonality with circuit card assemblies associated with the currently fielded band 3 equipment. Production of the band 3 equipment will be completed in fiscal year 1998. Unless the Air Force is able to begin low rate initial production in fiscal year 1999, there would be a 12 month production break.

The committee recommends an additional $25.0 million in Aircraft procurement Air Force (APAF) modification of inservice aircraft, line 31 for F–15 modifications. The committee understands that this amount would be sufficient to provide a limited operational capability to complete one F–15E squadron, and would lead to an orderly transition to full production after a milestone III decision in August 1999.

F–16 reconnaissance system

The budget request included $229.3 million for F–16 modifications. The Air Force has been buying a version of the Marine Corps' advanced tactical airborne reconnaissance system (ATARS). In fiscal year 1999, the Air Force was projected to take delivery of 20 pod systems. Each pod would have included two sensors: (1) a forward-oblique camera in the front bay; and (2) a medium altitude elector-optic (MAEO) sensor in the middle bay. The committee understands that necessary engineering change proposals have caused the Air Force to scale back the scope of the contract, which would now include only 5 MAEO sensors.

The lack of a medium altitude sensor would subject a significant portion of reconnaissance missions to flying in riskier, low-altitude regimes. The committee recommends an increase of $13.3 million for F–16 modifications. The committee understands that this amount would be sufficient to purchase the remaining 15 MAEO sensors to outfit each of the new reconnaissance pods.

Theater airborne warning system

The budget request included no funds for the Theater Airborne Warning system (TAWS). The committee has supported this program and continues to believe that it may offer a near-term means of augmenting Defense Support Program infrared missile warning data. The committee notes that the Air Force has yet to complete testing of this system but plans to be finished with such testing before the end of fiscal year 1998. Therefore, the committee recommends an increase of $12.0 million in Aircraft Procurement, Air Force to permit the Air Force to commence the Rivet Joint infrared technology transfer if the testing is successfully completed. The committee, however, directs that none of these funds be obligated for TAWS until the Air Force completes testing and submits a report on the test results to the congressional defense committees.

U–2 sensor upgrades

The budget request included $152.1 million for the defense Airborne Reconnaissance Program (DARP). The committee has been informed by the Department of Defense that even with prior year funding, additional funds are required to modify U–2 Senior Ruby, Senior Spear, and Senior Glass–1A sensors to the Senior Glass–1R baseline. The committee understands that:

(1) economies of scale are possible;

(2) earlier spares procurement would sustain the common baseline; and

(3) an increase to the budget request would reduce the impact of vanishing vendor items.

Accordingly, the committee recommends an addition of $17.0 million to continue the reliability and maintainability (R&M) conversion of 11 Senior Glass sensor systems for the U–2.

Air Force Missile

Minuteman III guidance replacement program

The committee continues to support the Minuteman III Guidance Replacement Program (GRP). The committee is concerned by the

Air Force's decision to reduce GRP production funding in fiscal years 1999 and 2000. This decision will result in significant delay and cost growth. The GRP production effort would be delayed by two years and the program costs would increase by approximately $280.0 million. The Minuteman III guidance systems are currently 10 to 18 years beyond their original design life of 10 years, and must be replaced as soon as possible. The committee understands that an increase of $46.0 million in fiscal year 1999, with an additional increase in fiscal year 2000, will mitigate this production gap. The committee therefore recommends an increase of $46.0 million in Missile Procurement, Air Force for GRP and urges the Secretary of the Air Force to seek additional funds in fiscal year 2000 to establish a more efficient and expeditious production program.

Titan IV space boosters

The committee is aware that, due to continuing adjustments in the Titan IV space boosters program, the budget request includes funds in excess of what can be obligated in fiscal year 1999 for Titan IV. Therefore, the committee recommends a reduction of $10.0 million in Missile Procurement, Air Force, for Titan IV Space boosters.

Other Air Force Procurement

Theater Deployable Communications

The budget request included $31.1 million for tactical communications-electronic (CE) equipment, of which $27.3 million would be for theater deployable communications (TDC). TDC is composed of two components, the lightweight multiband satellite terminal (LMST) and the integrated communications access package. Together these two systems provide the communications infrastructure in deployed bare base environments. TDC is currently funded at 76 percent of the requirement to support 100 percent of one major theater war and 30 percent of another.

The TDC replaces existing commiunication suites that require more manpower to operate and more resources to maintain and operate. The committee recognizes the efficiencies associated with accelerated deployment of TDC and the increased forward deployment capability. The committee recommends an increase of $17.7 million to procure an additional three TDC ICAP units.

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	PROCUREMENT, DEFENSE-WIDE						
	MAJOR EQUIPMENT						
	MAJOR EQUIPMENT, OSD/WHS						
1	MOTOR VEHICLES		302	-	-		302
2	MAJOR EQUIPMENT, OSD		100,245	-	-		100,245
3	MAJOR EQUIPMENT, WHS		28,123	-	-		28,123
4	ARMED FORCE INFORMATION SERVICE		5,456	-	-		5,456
5	DEPARTMENT OF DEFENSE EDUCATION ACTIVITY		1,590	-	-		1,590
6	DEFENSE TECHNOLOGY SECURITY ADMINISTRATION		-	-	-		-
7	DARP		77,435	-	-		77,435
	MAJOR EQUIPMENT, NSA						
9	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		11,988	-	-		11,988
	MAJOR EQUIPMENT, DSWA						
10	VEHICLES		-	-	-		-
11	OTHER MAJOR EQUIPMENT		-	-	-		-
	MAJOR EQUIPMENT, DISA						
12	MOBILE SATELLITE SYSTEM TECHNOLOGIES		7,932	-	-		7,932
13	INFORMATION SYSTEMS SECURITY		18,364	-	-		18,364
14	CONTINUITY OF OPERATIONS		4,060	-	-		4,060
15	JOINT C4ISR		-	-	-		-
16	DEFENSE MESSAGE SYSTEM		43,372	-	-		43,372
17	GLOBAL COMMAND AND CONTROL SYSTEM		4,379	-	-		4,379

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
18	GLOBAL COMBAT SUPPORT SYSTEM		6,711	-	-		6,711
19	STANDARD TACTICAL ENTRY POINT		11,956	-	-		11,956
20	PLANS & PROGRAM ANALYSIS SUPPORT CENTER		-	-	-		-
21	ITEMS LESS THAN $2 MILLION		14,383	-	-		14,383
22	DRUG INTERDICTION SUPPORT		-	-	-		-
	MAJOR EQUIPMENT, DIA						
	MAJOR EQUIPMENT, DLA						
24	DEFENSE SUPPORT ACTIVITIES		68,682	-	-		68,682
	MAJOR EQUIPMENT, DSS						
25	VEHICLES	267	3,200	-	-	267	3,200
26	OTHER CAPITAL EQUIPMENT		1,582	-	-		1,582
	MAJOR EQUIPMENT, DCAA						
27	ITEMS LESS THAN $2 MILLION		3,667	-	-		3,667
	MAJOR EQUIPMENT, DSPO						
28	MAJOR EQUIPMENT , DSPO		16,214	-	-		16,214
	MAJOR EQUIPMENT, TJS						
29	MAJOR EQUIPMENT, TJS		33,536	-	-		33,536
	ON-SITE INSPECTION AGENCY						
30	VEHICLES		-	-	-		-
31	OTHER CAPITAL EQUIPMENT		-	-	-		-
	BALLISTIC MISSILE DEFENSE ORGANIZATION						
32	PATRIOT PAC-3	60	343,235	-	(40,000)	60	303,235

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
33	C4I		22,827	-	-		22,827
34	HAWK BN/C3 MODS		-	-	-		-
35	NAVY AREA TBDM PROGRAM	21	43,318	-	-	21	43,318
	NATIONAL IMAGERY AND MAPPING AGENCY						
	DEFENSE COMMISSARY AGENCY						
37	EQUIPMENT		-	-	-		-
	DEF THREAT RED & TREATY COMP AGCY						
38	VEHICLES		134	-	-		134
39	OTHER MAJOR EQUIPMENT		29,029	-	-		29,029
	DEFENSE SECURITY ASSISTANCE AGENCY						
40	OTHER MAJOR EQUIPMENT		73	-	-		73
	SPECIAL OPERATIONS COMMAND						
	AVIATION PROGRAMS						
41	RADIO FREQUENCY MOBILE ELECTRONIC TEST SET		-	-	-		-
42	SOF ROTARY WING UPGRADES		46,990	-	-		46,990
43	SOF TRAINING SYSTEMS		6,053	-	-		6,053
44	CV-22 SOF MODIFICATION		3,983	-	-		3,983
45	MC-130H COMBAT TALON II		18,985	-	-		18,985
46	AC-130U GUNSHIP ACQUISITION		28,600	-	-		28,600
47	C-130 MODIFICATIONS		58,359	-	-		58,359
48	OH-6 PROCUREMENT & MODIFICATIONS		-	-	-		-
49	AIRCRAFT SUPPORT		878	-	-		878

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	SHIPBUILDING						
50	PC,CYCLONE CLASS		-	-	-		-
51	ADVANCED SEAL DELIVERY SYSTEM (ASDS)		10,603	-	-		10,603
51	LESS: ADVANCE PROCUREMENT (PY)		(352)	-	-		(352)
52	ADVANCE PROCUREMENT (CY)		293	-	-		293
53	MK VIII MOD 1 - SEAL DELIVERY VEHICLE		589	-	-		589
54	SUBMARINE CONVERSION		5,990	-	-		5,990
54	LESS: ADVANCE PROCUREMENT (PY)		-	-	-		-
55	ADVANCE PROCUREMENT (CY)		-	-	-		-
56	MK V SPECIAL OPERATIONS CRAFT (MK V SOC)		-	-	-		-
	AMMUNITION PROGRAMS						
57	SOF ORDNANCE ACQUISITION		15,707	-	12,500		28,207
58	SOF ORDNANCE REPLENISHMENT		28,784	-	-		28,784
	OTHER PROCUREMENT PROGRAMS						
59	MARITIME EQUIPMENT MODIFICATIONS		26,012	-	-		26,012
60	NAVAL SPECIAL WARFARE RIGID INFLATABLE BOAT		15,606	-	-		15,606
61	SPARES AND REPAIR PARTS		40,237	-	-		40,237
62	COMM EQUIPMENT & ELECTRONICS		68,064	-	-		68,064
63	SOF INTELLIGENCE SYSTEMS		19,148	-	5,000		24,148
64	SOF SMALL ARMS & WEAPONS		15,421	-	-		15,421
65	SOF MARITIME EQUIPMENT		2,060	-	-		2,060
66	DRUG INTERDICTION		-	-	-		-

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	FY 1999 Request COST	FY 1999 Change QTY	FY 1999 Change COST	FY 1999 Recommended QTY	FY 1999 Recommended COST
67	ANTI-TERRORISM/COUNTER-TERRORISM		-	-	-		-
68	MISCELLANEOUS EQUIPMENT		9,714	-	-		9,714
69	SOF PLANNING AND REHEARSAL SYSTEM		1,027	-	-		1,027
70	CLASSIFIED PROGRAMS		73,991	-	10,100		84,091
71	PSYOP EQUIPMENT		9,518	-	-		9,518
	CHEMICAL/BIOLOGICAL DEFENSE						
	CBDP						
72	INDIVIDUAL PROTECTION		128,423	-	-		128,423
73	DECONTAMINATION		10,982	-	-		10,982
74	JOINT BIO DEFENSE PROGRAM		27,847	-	-		27,847
75	COLLECTIVE PROTECTION		20,452	-	-		20,452
76	CONTAMINATION AVOIDANCE		96,199	-	-		96,199
	DEFENSE-WIDE						
	DEFENSE-WIDE						
77	DEFENSE-WIDE PROGRAM		-	-	-		-
999	CLASSIFIED PROGRAMS		349,694	-	-		349,694
	TOTAL PROCUREMENT, DEFENSE-WIDE		2,041,650		(12,400)		2,029,250
	NATIONAL GUARD & RESERVE EQUIPMENT						
	RESERVE EQUIPMENT						
	ARMY RESERVE						
1	MISCELLANEOUS EQUIPMENT		-	-	10,000		10,000

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
	NAVY RESERVE						
2	MISCELLANEOUS EQUIPMENT		-	-	10,000		10,000
	MARINE CORPS RESERVE						
3	MISCELLANEOUS EQUIPMENT		-	-	10,000		10,000
	AIR FORCE RESERVE						
4	MISCELLANEOUS EQUIPMENT		-	-	10,000		10,000
	NATIONAL GUARD EQUIPMENT						
	ARMY NATIONAL GUARD						
5	MISCELLANEOUS EQUIPMENT		-	-	10,000		10,000
	AIR NATIONAL GUARD						
6	MISCELLANEOUS EQUIPMENT		-	-	10,000		10,000
	TOTAL NATIONAL GUARD & RESERVE EQUIPMENT		-		60,000		60,000
	CHEM AGENTS & MUNITIONS DESTRUCTION, DEF						
	CHEM AGENTS & MUNITIONS DESTRUCT-RDT&E						
	RESEARCH AND DEVELOPMENT						
1	CHEM DEMILITARIZATION - RDTE		-	-	172,780		172,780
	CHEM AGENTS & MUNITIONS DESTRUCT-PROC			-	-		
	PROCUREMENT			-	-		
2	CHEM DEMILITARIZATION - PROC		-	-	115,670		115,670
	CHEM AGENTS & MUNITIONS DESTRUCT-O&M			-	-		
	OPERATION AND MAINTENANCE			-	-		

Title I - Procurement
(Dollars in Thousands)

LN No.	Title	FY 1999 Request QTY	Request COST	Change QTY	Change COST	Recommended QTY	Recommended COST
3	CHEM DEMILITARIZATION - O&M		-	-	491,700		491,700
	TOTAL CHEM AGENTS & MUNITIONS DESTRUCTION, DEF		-		780,150		780,150
	DEFENSE EXPORT LOAN GUARANTEES, PROGRAM ACCOUNT						
	ADMINISTRATIVE EXPENSES						
	DEF LOAN GUARANTEES, PROGRAM ACCOUNT						
1	MISC PROJECTS		1,250	-	-		1,250
	TOTAL DEF EXPORT LOAN GUARANTEES, PROG ACCT		1,250		-		1,250

Penetration augmented munition

The committee is aware of the need for the Special Operations Command's (SOCOM) Penetration Augmented Munitions (PAMs). The PAM is a multi-stage munition, designed for attacking and neutralizing heavily reinforced concrete structures, such as bridges, piers, abutments, bunkers, and Weapons of Mass Destruction (WMD) infrastructure. It replaces the need for SOCOM operators to transport and emplace large quantities of explosives to destroy heavily reinforced, concrete structures. Currently, SOCOM plans to begin procurement of this system in fiscal year 2000. The committee believes that important modernization programs, such as this, should be accelerated in order to provide a greater near-term capability, and reduce the strain on out year procurement budgets. Therefore, the committee recommends an increase of $6.5 million in line number 57, SOF ordinance acquisition, for the procurement of additional 400 PAMs.

Remote activation munition systems

The committee is aware of the shortfall in procurement funds for the remote activation munition system (RAMS). RAMS is a radio frequency controlled remote initiator. It provides the special operations community with the capability to remotely control detonation of demolition charges, or the remote operation of other items of equipment, such as beacons, laser markers, radios and weapons. The committee understands that if an additional $6.0 million were provided for this system in fiscal year 1999, the Special Operations Command would realize a 15 percent acquisition savings, or $2.0 million. Therefore, the committee recommends an increase of $6.0 million in line number 57, SOF ordinance acquisition, for the procurement of additional RAMS basic kits and receivers.

Silent Shield

The committee notes an outstanding requirement for Silent Shield systems. Silent Shield systems provide Air Force special operations crews with an on-board, real-time source of situational awareness, threat warning, and target update information. The committee believes these systems are essential for the successful employment of special operations aircraft and recommends an increase of $5.0 million to accelerate procurement of 10 systems.

Surgical strike

The committee recommends an increase of $5.0 million for this classified program.

Maritime equipment

The committee recommends an increase of $5.1 million for this classified program.

National Guard and Reserve Equipment

In light of continued shortfalls in budget authority for Department of Defense (DOD) modernization, the committee is pleased to note an increase in the level of funding provided for Guard and Reserve modernization in the fiscal year 1999 budget request. In an era of overextended Service modernization programs that cannot be

sustained by projected DOD funding levels, it is clear that the increased funding requested by the Services for the reserve components reflects a recognition of the critical role that these forces provide in DOD operations. The committee believes that reserve component modernization, as an integral component of overall DOD modernization, should rely on a collaborative budget development process within the Department and not on annual Congressional supplemental funding. In fact, as future defense budget totals have been determined by Administration and Congressional budget agreements, if supplemental funding for reserve components was necessary, it would have to come at the expense of other programs funded in the budget request.

The budget request for fiscal year 1999 included $1.36 billion for National Guard and Reserve equipment as shown in the table below:

Appropriation	*Cost* (millions)
Aircraft, Army	110.2
Missiles, Army	35.3
Weapons and Tracked Combat Vehicles, Army	12.3
Ammunition, Army	182.3
Other Procurement, Army	502.9
Aircraft, Navy	41.8
Ammunition, Navy/USMC	17.3
Other Procurement, Navy	3.6
Procurement, USMC	39.9
Aircraft, USAF	293.3
Ammunition, USAF	30.4
Other Procurement, USAF	85.0
NG&RE, Other Procurement	9.3
Total DOD	1,363.6

This request reflects a net increase of almost $400.0 million in funding requested for the reserve component modernization from the fiscal year 1998 budget request.

The committee recommends funding increases in service programs to support reserve component modernization as follows:

	Millions
UH–60 Blackhawk	$78.5
Family of Medium Tactical Vehicles	88.0
Medium Truck Extended Service Program	93.9
SINCGARS family	61.9
C130 (2 C130J, 1 EC–130J)	352.1
C130J Simulator	30.0
Total	704.4

Additionally, the committee recommends an increase of $60.0 million to the budget request for National Guard and Reserve miscellaneous equipment:

	Millions
Army Reserve: Miscellaneous	$10.0
Navy Reserve: Miscellaneous	10.0
Marine Corps Reserve: Miscellaneous	10.0
Air Force Reserve: Miscellaneous	10.0
Army National Guard: Miscellaneous	10.0
Air National Guard: Miscellaneous	10.0

The committee directs that miscellaneous funding allocated for the Army National Guard, in consultation with the service chief, give priority consideration to the following items: vibration man-

agement enhancement system; engagement skills trainer; night vision equipment; high mobility multipurpose wheeled vehicles. The committee further directs that miscellaneous funding allocated for the Air Guard, in consultation with the service chief, give priority consideration to procuring airborne firefighting equipment.

OTHER ITEMS OF INTEREST

Air National Guard Missions

In reviewing the many contributions made by the Air National Guard (ANG), the committee notes the valuable contribution made by C–130 units to firefighting in the Western states. The committee understands that older C–130E aircraft are to be replaced with C–130J aircraft, now on order. The committee expects the Department to ensure that all western state ANG units have at least the necessary eight aircraft for airlift missions and special missions, such as counter drug flights and firefighting, and have a rotating pool of Mobile Aerial Firefighting Systems (MAFFS) for support of the U.S. Forest Service mission.

The committee is also concerned about the relative peacetime utilization of C–130 Air National Guard and Air Force Reserve units. The committee fears that some units may be experiencing high operational tempo rates participating in peacetime missions, while others may not be operating with such a demanding schedule. Such missions include supporting Bosnia operations and counter drug missions, in addition to domestic efforts, such as firefighting and disaster relief. Therefore, the committee directs the Secretary of the Air Force to provide a report to the congressional defense committees on the balance among C–130 units for operating tempo. The Secretary shall submit that report no later than March 31, 1999. The committee notes that the Air Force provided an assessment last year that dealt with wartime requirements for tactical airlift. The Secretary's report should also provide an assessment of whether these peacetime operating tempos can be accommodated within the tactical airlift force structure identified as meeting wartime requirements.

Army aviation modernization

The committee has completed a review of the Army aviation modernization plan called for in the National Defense Authorization Act for Fiscal Year 1998. While this plan makes progress in several areas, it does not adequately prioritize investment opportunities and leaves many requirements unfunded. In fact, for portions of the utility helicopter fleet, the plan failed to describe either a formal plan or details associated with a range of alternatives called for in the bill provision. The committee also understands that follow-on modifications to the plan have significantly changed the nature and scope of what was presented earlier this year. Consequently, the committee must assume that the provided plan does not provide a viable, balanced program for Army aviation.

The committee has several concerns with deficiencies identified in the current aviation modernization plan. First, the number one aviation modernization program for the Army is the ongoing development of the Comanche scout helicopter. If, in fact, the Comanche

helicopter is a top priority, it is hard to understand why the Army continues to fund its number one program at a level so low that it has only resourced one prototype platform for flight testing. Although a second prototype will soon be moved to the flight test facility, current funding limitations will not support flight testing of this aircraft until January 2001.

Second, the Army is pursuing an inadequate procurement strategy for both the Apache Longbow and Comanche helicopters. Missing from the current strategy is adequate funding for self-protection countermeasures and sensor fusion capabilities which are key requirements for the survivability and effectiveness of these high-value platforms and their crews. The committee believes it essential that the Army ensure that Apache, Comanche, and other aircraft with similar requirements are provided with both the latest radio frequency and infrared countermeasures when procured, even if it means reducing the rate or number of aircraft procured.

Third, while the modernization plan would retire AH–1 aircraft in attack battalions more quickly than originally planned, it would still leave a sizeable number in the cavalry squadrons. An even lower density aging aircraft will be more of a maintenance and support challenge. The committee believes that the Army should seek to retire the entire AH–1 fleet on an accelerated schedule.

Fourth, utility helicopter requirements are acknowledged, but not resourced in a balanced manner. The committee understands a further analysis of requirements has convinced the Army of the need for an additional 90 Blackhawks for the Army National Guard, but only 50 are currently funded in the future years defense program. However, the readiness of the Army National Guard's UH–1 fleet is a source of serious concern. The fleet is currently grounded and undergoing inspections and necessary repairs on spur gears. Even if this action returns the fleet to service, it does not address the modernization requirement for over 500 UH–1 aircraft remaining in the force. While reserving judgment until the Army analysis is complete, the committee is skeptical that the Army can afford to procure 145 commercial-off-the-shelf aircraft for the light utility helicopter role and conduct a service life extension program on the rest of the UH–1 fleet. The committee believes the Army must address this issue and assist the Congress in understanding how these requirements should be met.

The committee directs the Army to review the aviation modernization plan provided to the Congress earlier this year and provide an update to this plan that addresses the issues discussed in this report. The results of this review and update shall be provided to the congressional defense committees no later than January 31, 1999, to support a review of the President's fiscal year 2000 budget request.

Bradley base sustainment

The budget request included $285.8 million to support Bradley base sustainment. The committee recognizes a requirement for the Army to measure the wear on the bore of the Bradley's 25mm cannon to ensure troop safety and identify when barrels need to be replaced. The committee understands that there are new bore erosion gauges available today that can accurately measure bore wear and

provide an improved and cost effective means to ensure weapon accuracy and extend the service life of the Bradley main gun. The committee believes that alternative bore erosion gauges should be evaluated and directs the Secretary of the Army to investigate any potential benefit of new bore erosion gauges and report to the Congress no later than January 31, 1999.

Depleted Uranium Production

The committee supports the Army's efforts to preserve the tank ammunition production base. However, it also recognizes that the Army must downsize the base to be cost effective. This includes the proposed reduction from two to one producer of tank depleted uranium penetrators. The committee is concerned that the decontamination and management of Government furnished equipment at the commercial facility which will no longer produce these penetrators has not been clearly identified, and that there will not be adequate funds to ensure that the decontamination will be accomplished either by the Army or by the contractor on a timely basis. Therefore, the committee directs the Secretary of the Army to provide a report to the congressional defense committees discussing the Army's management plan for this Government furnished equipment, including decontamination and disposition as appropriate. This report should be provided no later than March 31, 1999.

Digital information technology testbed

The committee supports Department of Defense initiatives to develop and field information management systems that will meet the needs of an information centered military. The committee notes ongoing Department efforts to review architecture alternatives for automated electronic storage, retrieval, dissemination, and downgrading or declassifying government data. The committee is pleased to note the success achieved by the Army through the digital information technology testbed (DITT) in developing a prototype electronic data management system. The DITT system allows for storage of voluminous amounts of data, user friendly access to data at multiple levels of security, rapid dissemination of time-critical information, automatic downgrading or declassification and redaction. The committee understands that the Army plans on funding DITT hardware and software procurement in the 2000 timeframe. The committee directs the Department of Defense to provide a report to the Congress, no later than 1 March 1999, on how the DITT model might be used to meet defense-wide requirements for an automated electronic storage and retrieval capability.

Domestic Emergency Response Program

The budget request included $99.0 million to develop a program to prepare and enhance Federal, state and local response capabilities to terrorist incidents involving weapons of mass destruction (WMD), $49.8 million in the Department of Defense and $49.2 million in the Department of the Army budgets.

The Assistant Secretary of Defense for Special Operations and Low Intensity Conflict (ASD(SO/LIC)) has been assigned responsibility by the Secretary of Defense for policy and resource over-

sight. Responsibility for procurement has been assigned to the Assistant to the Secretary of Defense for Nuclear, Chemical and Biological Defense programs. The Secretary of the Army has been designated by the Secretary of Defense to serve as Executive Agent for coordinating DOD training assistance to Federal, state and local officials. Additionally, the Secretary of the Army is also responsible for training state and local first responders to respond to terrorist threats involving chemical and biological agents and weapons; identifying, neutralizing, dismantling and disposing of chemical and biological weapons and related materials and technologies; and for developing and implementing planning guidance, plans, and procedures for the Domestic Emergency Preparedness Program.

Following the Quadrennial Defense Review (QDR), the Secretary of Defense recommended that the Reserve Components should play a more active role in responding to domestic WMD terrorism. The committee agrees with the assessment of the Secretary of Defense, that the Reserve Components could be the first military responders on the scene to support local and state governments in managing the consequences of a terrorist use of WMD.

The committee understands that the funds included in the Department of the Army budget request for the Reserve Components are for activities to begin addressing increased support requirements associated with terrorist use of WMD in the United States. These activities include the following: establishment of 10 Rapid Assessment and Initial Detection (RAID) teams; establishment of WMD patient decontamination teams from existing Guard and Reserve chemical companies and medical decontamination teams; training and equipping of Reserve Components to conduct WMD search, survey, surveillance and sampling activities; development of additional versions of the Army's Medical Management of Chem/Bio Causualties course; increased training days to improve coordination of interagency planning; upgrading existing Army Reserve simulation systems to include WMD effects capabilities, and the design and conduct of a proof-of-concept exercise; and establishment of a Reserve Component program office under the Director of Military Support (DOMS) to oversee WMD response activities.

National Vaccine Stockpile

The committee understands that the Department of Defense has a limited stockpile of vaccines, medical supplies and protective gear which could be used in response to a terrorist incident involving WMD, subject to approval by the Secretary of Defense. During testimony before the committee, the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict testified that the Secretary of Defense could authorize the use of this stockpile under certain circumstances. The committee directs the Department to report to the congressional defense committees by December 1, 1998 on the circumstances under which the Secretary of Defense might authorize the use of the stockpile for a domestic WMD incident. The report should also contain information on the availability of vaccines, antiserums and antidotes in other Federal Government entities, such as the Centers for Disease Control (CDC), that could be used in such an emergency. Lastly, the report should discuss the advisability of establishing a national stockpile of vaccines,

antiserums and antidotes, how the Department of Defense could contribute to that effort, and the estimated cost.

Defense Threat Reduction Agency (DTRA)

In November 1997, as part of its Defense Reform Initiative (DRI), the Department of Defense recommended the establishment of a single agency to carry out programs to counter proliferation and reduce threats posed by weapons of WMD and to provide nuclear weapons stockpile and related support. Consistent with the DRI recommendation, the committee recommends that the mission, function and resources for fiscal year 1999 for the defense domestic preparedness program be transferred to the Defense Threat Reduction Agency (DTRA).

Encapsulated life raft system

The committee is concerned by delays in the procurement of a 25–person encapsulated life raft system to replace the aging MK–6 life raft. Due to safety, support, cost and operational benefits of a new system, the committee encourages the Navy to complete a competitive source selection for this program. The Navy is directed to provide the committee, no later than December 1, 1998, a schedule for production and installation of these systems.

F/A–18E/F configuration mix

The budget request included $2,876.1 million for the procurement of 30 F/A–18E/F aircraft. Among the 30 aircraft, the Navy would buy 14 single seat aircraft (F/A–18E) and 16 two seat aircraft (F/A–18F). During the Quadrennial Defense Review (QDR), the Defense Department reduced the planned buy for F/A–18E/F from 1,000 aircraft to a total of 548–785. The new total would vary, depending upon how soon the joint strike fighter (JSF) enters service. Whatever the size of the program for F/A–18E/F, the total program would now include a greater proportion of the two seat F/A–18F aircraft. One explanation for the richer mix has been that the Navy needs more two seat F/A–18s to replace two seat F–14s that will be retiring.

Following a recent hearing, the committee asked the Navy for a definition and rationale for the force mix between single seat F/A–18E aircraft and F/A–18F aircraft. The committee was very disappointed with the answer provided. Perhaps the Department did not understand the question. The question was: "Why does the Navy need a two seat aircraft to replace the F–14, when it is contemplating a two seat aircraft F/A–18F to replace the present day EA–6B?" The EA–6B aircraft is a four seat aircraft.

The committee recognizes the large strides made in human factors design of modern cockpits and simplified controls now available in tactical aircraft. The committee is aware that such improvements as digital displays, data links, and other improvements have decreased cockpit workload. For single seat aircraft, a major improvement has come from the development of hands on throttle and stick (HOTAS) flight management systems. HOTAS systems allow pilots to fly tactical aircraft without removing their hands from the flight controls to operate and fight the aircraft system. In fact, the Navy has represented that these technologies will permit the Navy

to perform the EA–6B mission in a two seat aircraft. The committee notes that such technologies might permit the Navy to replace some two seat F–14 aircraft with single seat F–18 aircraft. Therefore, the committee needs to understand more of the reasoning behind the Navy's F/A–18E/F force mix. Accordingly, the committee directs the Secretary of the Navy to provide a report to the congressional defense committees, no later than February 1, 1999, on the F/A–18E/F mix that includes:

(1) an analysis of crew contribution to mission success in tactical aircraft acquired since 1980, with due consideration given the technology improvements that would allow a single pilot to fly a tactical aircraft and simultaneously operate complex weapons systems;

(2) a comparison of crew workload and mission requirements of single and dual seat tactical aircraft acquired or planned for acquisition from 1980 through 2010; and

(3) a complete description of how a two seat F/A–18F aircraft will be able to perform the missions of the four seat EA–6B;

(4) the planned mix of F/A–18E and F/A–18F aircraft from the fiscal year 1999 budget request through the end of the program;

(5) a complete explanation of why F–14 aircraft must be replaced on a one-for-one basis by F/A–18F aircraft;

(6) a complete analysis of the range differential between the two seat F/A–18F and the single seat F/A–18E that considers reduced fuel for the second seat, increased life cycle costs, and any range degradation associated with wing drop remedies;

(7) an analysis of the intended roles for the single and dual seat F/A–18's highlighting similarities and differences in their roles; and

(8) an analysis of F/A–18 capability shortfalls brought on by network-centered warfare requirements that could require a second crew member.

Flight simulators for the Air National Guard

The Air National Guard is scheduled to begin operating C–17 airlifters in 2002 is a part of the Air National Guard's increasingly critical national security role. Just as the regular component units need to train and prepare for the transition to C–17 operation, National Guard aircrews will be required to undergo an initial qualification and continued training to maintain proficiency. The Air Force is now programmed to acquire ten flight simulators for the C–17, with four at one regular component location, but none programmed to be sited at the National Guard operating base. Accordingly, the committee directs the Secretary of Defense to ensure that training plans for the National Guard C–17 unit include simulator training in a C–17 flight simulator, and that the simulator will be will be stationed at the National Guard operating base at least 9 months prior to initial arrival of C–17 aircraft.

Full accounting of cost associated with ammunition procurement

The committee is concerned that in some cases, the Department of Defense may not be considering the total cost and savings to the

Federal Government when choosing a contractor for the production of ammunition. The costs and savings that may not be considered include retirement liabilities, overhead, and other administrative costs at Government facilities. The committee believes that when determining the source of production for ammunition programs, the Department should take into account all costs associated with that production, as well as the overall savings that would be realized if this production were to utilize facilities or personnel to which the Federal Government would continue to owe a financial obligation, whether or not those facilities and personnel were awarded the production contract.

Gun ship modernization

The budget request did not include funding for buying new aircraft to modernize the Special Operations Command (SOCOM) AC–130 gun ships. The committee understands that internal Department of Defense studies may have identified an inventory objective that could require additional AC–130 gun ships.

The committee directs the Department of Defense to submit an analysis of SOCOM AC–130 gun ship inventory requirements to the congressional defense committees by March 1, 1999. This report should include the following:

(1) whether there are additional requirements, such as providing theater commanders with support to perform force protection, border surveillance, reconnaissance, airfield and seaport defense, or other missions;

(2) whether additional gun ship capability is the best way to provide this capability;

(3) the relative costs and benefits of converting existing C–130 aircraft, buying new C–130J aircraft, or buying another aircraft altogether;

(4) the relative costs and benefits of assigning any additional mission requirements to active component SOCOM units versus assigning these requirements to reserve component units.

Secure facsimile machines

In the report accompanying the National Defense Authorization Act of fiscal year 1998, the committee directed the Army to provide a report on the future requirements for secure facsimile machines, the costs and benefits of replacing existing legacy systems with newer technology machines, and the Department's funding plan for addressing future requirements. The Army reported that future requirements for secure facsimile machines had not been determined and will be ultimately based on testing and evaluation of the communications architecture projected for the first digitized division. The committee is aware that some organizations within the Army have already procured limited quantities of newer technology machines to meet secure facsimile machine requirements. The committee supports this action and encourages the Army to consider procuring additional commercial-off-the-shelf rugged multi-functional tactical computer facsimile machine peripherals as a cost saving alternative to maintaining aging legacy systems.

Small arms training ammunition

The committee is aware of Army research and development efforts to produce lead-free, non-toxic small arms training rounds to address environmental problems associated with firing lead rounds in indoor, as well as outdoor training ranges. This problem impacts readiness by restricting training opportunities through closure of Department of Defense (DOD) ranges, or requiring expensive remediation and monitoring efforts at these ranges.

Furthermore, lead contamination has resulted in the cessation of operations at military ranges, increasing the cost of transportation and reducing valuable training time. The Environmental Protection Agency, Region 1, suspended weapons training at one of the principal National Guard training sites in New England.

The committee is aware of the availability of commercial, lead free, non-toxic frangible ammunition that may address some of the military's problems in this area. The committee understands that this ammunition has also been safety tested by the Army Test and Evaluation Command and approved for use. The committee urges the DOD to further explore this frangible ammunition to determine the extent to which it would solve its environmental problems, and to incorporate it in its training inventory, if it provides a cost effective solution that would enable the continued use of training facilities that would not otherwise be available.

Tactical trailers and dolly sets

The budget request included $12.0 million for procurement of tactical trailers and dolly sets. The committee notes the recent approval of a requirement for the self-loading/off-loading trailer (SLOT) system that will enhance Army logistical operations. The SLOT multi functional trailer has the capability to self-load/off-load and transport operable and inoperable wheeled and light tracked vehicles, material handling equipment, engineering construction equipment, general cargo and international standards organization compatible containers. The committee understands that the basis of issue for these trailers has yet to be determined but understands the Army plans on initiating procurement in fiscal year 2000. The committee strongly supports this program and believes that these trailers will serve to strengthen the Army's logistics backbone.

Vertical Takeoff and Landing Unmanned Aerial Vehicles

The committee notes the progress made in conducting a demonstration of vertical takeoff and landing (VTOL) unmanned aerial vehicles (UAV), following congressional direction to investigate the feasibility of a VTOL UAV for use in maritime or land based environments to provide near-real-time reconnaissance, surveillance, target acquisition, and battle field management. The committee expects that lessons learned from the demonstration will be applied towards potential acquisition of such a system.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Explanation of tables

The tables in this title display items requested by the administration for fiscal year 1999 and the committee's actions in regard to the requested amounts. As in the past, the administration may not exceed the amounts approved by the committee (as set forth in the tables or, if unchanged from the administration request, as set forth in the Department of Defense's budget justification documents) without a reprogramming action in accordance with established procedures. Unless noted explicitly in the report, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended
TITLE II			
RESEARCH, DEVELOPMENT, TEST & EVALUATION			
Research, Development, Test & Evaluation, Army	4,780,545	55,600	4,836,145
Research, Development, Test & Evaluation, Navy	8,108,923	89,079	8,198,002
Research, Development, Test & Evaluation, Air Force	13,598,093	(199,100)	13,398,993
Research, Development, Test & Evaluation, Defense-wide	9,314,665	248,748	9,563,413
Operational Test & Evaluation, Defense	25,245		25,245
Developmental Test & Evaluation, Defense	251,106	(2,000)	249,106
Total Research, Development, Test & Evaluation	36,078,577	192,327	36,270,904

SUBTITLE B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

Sec. 211. Crusader self-propelled artillery system program.

The budget request included $313.2 million for continued development of the Crusader artillery system. The committee has watched the development of Crusader over time with great interest in the capabilities which this system was designed to provide. The Crusader program was initially developed to be an advanced technology, liquid propellant cannon offering great advances in range, targeting, mobility, and resupply requirements. The committee was concerned when, in March of 1996, the Army elected to switch to an advanced technology solid propellant and stop work on the liquid propellant concept due to escalating developmental costs and chronic technical problems associated with that concept.

The Army Crusader effort was initially prompted by the establishment of future warfighting requirements and a realization that the existing self-propelled howitzer system has been in the inventory for over thirty years. The current fleet of M109 Paladin artillery systems was first fielded in its original configuration in 1963 and has undergone a series of upgrades over time that have brought this system to the currently fielded M109A6 configuration. Today's Paladin system is much more capable than the original M109. However, while additional improvements might be possible, some suggest that this system has been improved as far as the current configuration will allow. The committee continues to support Army efforts to develop and field new systems that will provide combat overmatch, increased lethality, crew survivability, and support the Army's ability to fight and win on future battlefields. However, the committee has several concerns associated with the Crusader system as it is currently programmed.

First, the Army decision to terminate the liquid propellant program due to immature technology and rising costs resulted in a solid propellant technology that is also unproven and does not provide the advantages expected of the liquid propellant system. Some of these advantages included range, reload and resupply efficiencies, and safety.

Second, a June 1997 GAO report noted that the current program still suffers from considerable programmatic risks due to technical challenges faced in developing and integrating advanced technologies, the potential compression of the program schedule, the use of a streamlined acquisition approach, and the absence of defined criteria for entering into low-rate production. While some of the GAO's concerns are being addressed, the committee still believes that there is significant risk in continuing on the current course.

Third, the recently released National Defense Panel (NDP) report, which focused on the nation's future warfighting requirements, questioned the numbers of the Crusader system programmed by the Army. In testimony before the committee in January of 1998, one of the panel members stated that the Crusader program lost its luster when the Army elected to terminate the liquid propellant effort. Panel members also expressed their concern about the utility of this system as its weight, estimated to be ap-

proximately 60 tons, would likely preclude it from being deployed in some future scenarios due to airlift and access problems expected in future conflicts. The problem of access was seen this year in the Persian Gulf region where U.S. allies, whom U.S. forces were trying to protect, would not allow use of their bases to strike Iraq. The NDP report and panel member testimony also made it clear that future systems must be lighter, faster, more lethal, and have a smaller logistics footprint if they are going to be viable in an increasingly uncertain future.

Finally, the committee is concerned about the ability of future Army budgets to meet all the acquisition requirements it has established in its modernization program. The committee is concerned about a possible, if not probable, procurement bow wave that cannot be supported by projected resources. The committee sees an aging aviation fleet in the Army, with some helicopters already over 30 years old; an old truck fleet; and escalating requirements for new missiles, weapons, and ammunition. The committee is concerned that if the bow wave issue is not adequately addressed, Crusader may become the next program termination casualty for the Army.

The committee, therefore, believes the Army should revisit both current requirements and schedule for the established Crusader program which is estimated to cost over $12.0 billion to design and procure 824 howitzers and resupply vehicles. The committee directs the Army to provide a report to the Congress, no later than March 1, 1999, that describes the following:

(1) assessment of the risk associated with the current Crusader program technology;

(2) total requirement for Crusader associated with Army After Next force structure revisions;

(3) cost and benefit analysis of procuring only those Crusader systems necessary for one heavy corps and redirecting future procurement funding to develop an Army After Next compatible artillery system;

(4) potential for reducing system weight by as much as 50 percent;

(5) potential for propellant and munition alternatives and the impact of maturing this technology on the overall program schedule; and

(6) cost and benefit analysis of delaying procurement of Crusader to avoid affordability issues associated with the current schedule and allow for maturation of weight and propellant technologies.

The committee supports continued research and development and believes an ultimate fielding of an advanced field artillery system is necessary. However, the committee believes that the Army's next generation artillery system should meet the criteria specified in the NDP report, be relevant to future Army After Next warfighting requirements and challenges, and should be affordable within future constrained modernization budgets. It is the affordability of this program in light of a fiscally unsupportable Army modernization program that threatens the ultimate fielding of Crusader to the force.

Sec. 212. CVN–77 nuclear aircraft carrier program.

The budget request included $149.5 million for future aircraft carrier research and development in PE 603512N and $40.6 million for CV(X) feasibility studies in PE 603564N. The request also included $38.5 million for CVN–77 contract design in PE 604567N. The committee is concerned that the limited funding for CVN–77 design is insufficient for incorporating into CVN–77 the technologies that can enhance capabilities or reduce life-cycle costs for both CVN–77 and CV(X). The committee believes it is prudent to prove as many technologies as possible prior to insertion into CV(X). These technologies would be those that have the ability to transition from the CVN–77 to the CV(X) program; and:

(1) demonstrate enhanced capabilities for the CV(X); or

(2) mitigate the cost or risk of the CV(X) program.

Because these technologies would benefit both the CVN–77 and the CV(X) program, the committee recommends a provision that would authorize $50.0 million for future aircraft carrier system development in PE 603512N to be used exclusively for CVN–77 development.

Sec. 213. Unmanned aerial vehicle programs.

The budget request included $178.7 million for high altitude endurance (HAE) unmanned aerial vehicles (UAV). The two HAE UAVs are the Global Hawk, formerly the Tier II plus, and the Dark Star, formerly the Tier III minus. Each has different characteristics, but both are designed for high altitude extended flights. The programs are presently managed by the Defense Advanced Research Projects Agency (DARPA), and are differentiated from tactical UAVs, which are designed for shorter flights, less endurance, and for use by field commanders. The budget request included $40.5 million for the Dark Star, $90.1 for the Global Hawk, and $48.1 million for the common ground segment.

The endurance UAVs development has progressed from small, "disposable", inexpensive aircraft to multi-million dollar systems. Through the use of advanced concept technology demonstrations (ACTD) to field complex, developmental systems, the Department has found that endurance UAVs barely fit the definition of mature technologies. While most of the HAE UAV results have been discouraging, the Global Hawk's recent first flight suggests that it is an apparently mature, redundant system that can withstand minor systems problems without catastrophic results.

Section 216 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) established the following requirements with respect to the HAE UAV program required:

(1) a cost cap;

(2) a cessation of further air vehicle procurement pending completion of testing identified in phase II of the test plan for the ACTD; and

(3) a General Accounting Office report that assesses the estimated production costs for each vehicle in the endurance UAV ACTD.

The committee continues to believe that the section 216 requirements are as valid now as when enacted.

Dark Star UAV

The committee has been disappointed by the lack of progress on the Dark Star UAV. The Dark Star was an ambitious undertaking for an ACTD, since it involved demonstration of new technologies under development. The Dark Star is an unfortunate case of over reach with respect to cost, schedule, and performance. Regrettably, it has taken too long to complete development and recover from the crash of the first air vehicle on its second flight. The committee recommends a decrease of $40.5 million in the budget request and cancellation of the Dark Star UAV program.

Global Hawk

While the Global Hawk has been slowed by testing delays and a cautious development schedule, a successful test flight has been completed. The Global Hawk is a substantial air vehicle, with a gross weight of 25,600 pounds and a wing span of 116 feet, capable of carrying a 2,000 pounds of payload, nearly half of that carried aboard a U–2 reconnaissance aircraft. Successful development of the Global Hawk may be the most cost effective and indeed operationally effective solution to the endurance UAV requirements, should its potential be successfully demonstrated in testing.

Consistent with the committee's focus on demonstrated performance, the committee recommends an increase in the Global Hawk program of $32.5 million to acquire an additional three air vehicles upon completion of the phase II testing, and in concordance with Section 216 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85). Section 216 prohibits acquisition of additional air vehicles until the completion of the testing identified in phase II of the test and demonstration plan for the advanced concept technology demonstration of the HAE UAV vehicles.

Sec. 214. Airborne laser program.

The budget request included $292.2 million for the Airborne Laser (ABL) program. The committee continues to be concerned by technical and operational issues facing the ABL program. The program is currently structured such that critical testing data and other important information will not be available until after the United States has committed significant funding and acquired a large amount of equipment that may not be needed to attain basic data that is now missing. These and other concerns were first expressed in the committee's report on the fiscal year 1997 Defense Authorization Bill (S. Rept. 104–267). In this report, the committee stated that the Air Force had not "adequately demonstrated the feasibility of the necessary technology to begin such a significant investment." The committee also questioned whether "the ABL concept of operations will allow the system to be cost and operationally effective."

Under the current schedule much of the testing necessary to make well informed judgments about the technical viability of the ABL program will not begin to occur until fiscal year 2002, just prior to the program entering Engineering and Manufacturing Development (EMD). This would require the expenditure of approximately $1.3 billion, and the acquisition and outfitting of a 747–400

aircraft, before testing of key subsystems takes place. The first time the Air Force plans to collect optical data on the performance of a laser fired horizontally through the atmosphere is during the last quarter of fiscal year 2002, during its first attempt to shoot down a target missile and only a few months prior to a milestone II review to consider whether the program should be permitted to enter EMD. The committee also notes that the Air Force plans to cease the collection of turbulence data in fiscal year 1998 even though this data is currently the sole basis for Air Force models and estimates. Hence, for the next four years, the Air Force will cease all collection of environmental data with the hope that the first live fire test in 2002 will validate current models.

The Air Force justifies this approach by stating that early testing of a laser device in an operationally representative environment would be too costly. The committee believes that the cost of such a demonstration must be weighed against the potential waste of funds that would result if the system does not prove to be operationally viable in the 2002–2003 timeframe when in excess of a billion dollars will already have been spent.

The committee also does not believe that the Air Force has adequately made the case that the ABL concept of operations justifies an investment of $6.3 billion to develop and acquire this capability, especially with a number of other theater missile defense (TMD) systems competing for limited TMD resources. Given the vulnerability of a large, slow platform to hostile air defenses, the ABL will have to operate at a significant distance away from enemy lines of defense. Coupled with the inherent range limitations of a laser fired horizontally through the atmosphere, the ABL would, in many scenarios, not have sufficient reach to engage boosting missiles. Since many of the missiles that ABL is designed to counter are mobile, and the ranges of such systems are steadily increasing, it may be possible for opponents to simply reposition launchers outside of an ABL's lethal range.

The committee believes that the Secretary of Defense must carefully evaluate these technical and operational issues. The committee also believes that the Secretary should establish an independent review of the ABL program. Specifically, the committee directs the Secretary to task the Panel on Reducing Risk in Ballistic Missile Defense Flight Test Programs, which has recently reviewed BMDO's hit-to-kill test programs, to assess the adequacy of the ABL development and testing program. In addition, the committee directs the Secretary to seek an independent assessment of the operational issues facing the ABL, including, but not limited to, those issues identified above. The committee believes the Air Force should not proceed with the acquisition and outfitting of a new aircraft before such reviews have been completed. The committee notes that due to the commercial base for such aircraft, and the Air Force's relationship with the contractor, it is possible for the Air Force to delay this acquisition without disadvantaging the government, disrupting contractor production, or undermining the program's ability to proceed if it passes rigorous review.

The committee recommends a reduction of $97.0 million in PE 63319F, the amount which the Air Force has budgeted for fiscal year 1999 for air vehicle integration and checkout. The committee

directs the Secretary to ensure that a full assessment be completed prior to any additional expenditure related to the acquisition or integration of the ABL aircraft and submit a report to the congressional defense committees by March 15, 1999 that outlines his findings and recommendations. The report should include the findings and recommendations of the Panel on Reducing Risk in Ballistic Missile Defense Test Programs, and the findings and recommendations of the independent panel that reviews ABL operational issues. The committee further directs that no more than $150.0 million of the funds remaining available to the ABL program be obligated until 30 days after the Secretary submits the report specified above.

Sec. 215. Enhanced global positioning system program.

The committee is concerned that the Department of Defense has not moved aggressively enough to implement Presidential policy and statutory requirements to develop an enhanced Global Positioning System (GPS), the use of which can be denied to potential enemies while ensuring access to U.S. and allied military forces and civil users. The committee is aware that modifications to future GPS satellites to include dynamic frequency reconfiguration and regional-level directional signal enhancement are being seriously considered. The committee strongly endorses the development of such capabilities. Therefore, the committee recommends a provision that would: (1) require the Secretary of Defense to develop an enhanced GPS system as an urgent national security priority; (2) authorize $44.0 million for fiscal year 1999 in PE 64480F to begin such development; (3) urge the Secretary of Defense to adequately fund this initiative in the Future Years Defense Program; (4) urge the Secretary of Transportation to provide sufficient funding to support additional civil frequencies and other enhancements for civil users; (5) extend by five years the existing requirement to outfit all major Defense Department platforms with GPS receivers by the year 2000; and (6) require the Secretary to submit a plan for implementing this provision by April 15, 1999.

Sec. 216. Manufacturing Technology Program.

The committee supports the goals for the Defense Manufacturing Technology (MANTECH) program as outlined in the five-year MANTECH plan submitted to Congress in February 1998. The committee is encouraged by the positive trends in the five-year budget projections for each service MANTECH funding line and work of the military services is evident in the plans for their fiscal year 1999 program.

However, the committee is concerned that the budget projections for the program are still inadequate to accomplish the stated goals for MANTECH. In the National Defense Authorization Act for Fiscal Year 1998, Congress recommended a minimum annual spending target for each service's MANTECH program equal to 0.25 percent of the total amount budgeted in each service for Demonstration and Validation, Engineering Manufacturing Development, Procurement, and Operational Systems Development. The fiscal year 1999 budget request falls short of this minimum funding level for the Army, Navy, and the Air Force MANTECH programs. The com-

mittee expects the Department of Defense and the services to fully fund the MANTECH program. This program provides "seed funding" for the development of moderate to high risk material, process, and equipment technology to enable production of advanced, high quality weapon systems with shorter lead times and reduced acquisition costs.

In an effort to encourage the services to provide greater support to the MANTECH program, the committee recommends a provision that would provide more flexibility by modifying cost share requirements to allow for different levels of cost-share where appropriate. The provision would eliminate the two-to-one cost share requirement and allow the competitive bidding process to establish the level of cost-share; move the cost-share waiver authority from the Secretary of Defense to the service secretaries; and require cost-share reporting to track investment by non-industry MANTECH participants. It is not the intention of this language to diminish support for cost-sharing in MANTECH. The committee expects that cost-sharing will remain an important factor in selection of manufacturing technology projects.

Furthermore, the committee supports the Secretary's efforts to leverage MANTECH funds with budget resources from other federal sources. In particular, the committee expects greater investment in MANTECH programs by weapon system program offices. The five-year plan described two MANTECH initiatives that received direct support from program offices such as the Joint Strike Fighter program. In the annual MANTECH report due to Congress with the annual budget submission, the Department shall include information on the level of direct financial support by weapons system program offices in MANTECH programs and a plan to increase the level of investment. The committee believes that this investment will ensure that the MANTECH program remains relevant to the programs it is intended to support.

Sec. 217. Authority for use of major range and test facility installations by commercial entities.

The committee recommends a provision that would amend section 2681 of title 10, United States Code, making the temporary authority to permit commercial use of test and evaluation centers permanent.

Section 2861 currently allows the Secretary of Defense to enter into contracts with commercial entities that desire to conduct commercial test and evaluation activities at major range and test facility installations, which are designated by the secretary. Contracts under section 2681 must require the commercial entity to reimburse the Department of Defense for all indirect costs to the United States associated with the use of the facility. In addition, the contract may include a requirement to reimburse the Department for such indirect costs as the secretary deems appropriate. Under section 2681(d), amounts collected for the commercial use are credited to the appropriation accounts under which the costs associated were incurred.

The committee makes this recommendation based on the report issued by the Secretary of Defense in reponse to the requirement in Section 842 of the National Defense Authorization Act for Fiscal

Year 1998 and the assurance in that report that a directive will be issued in the near future on procedures to ensure that the major range and test facility installations will not compete with private sector test and evaluation services.

Sec. 218. Extension of authority to carry out certain prototype projects.

The committee recommends a provision that would extend the authority to carry out certain prototyping project specified under section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160), through September 30, 2001. The committee regards the section 845 authority as a potentially important tool for improving the access of the Department of Defense to technology innovation by commercial industry.

In order to make an informed decision on whether the provision should be codified as permanent authority, the committee directs the Secretary of Defense to provide a report to the congressional defense committees, no later than March 1, 1999, that describes each instance in which the authority has been used, the contractors involved, the dollar amounts of the transactions, the contractor cost-share, and the specific circumstances that justify the use of the authority, including any specific impediments to achieving the same results under another authority. The report should also identify which projects have proceeded beyond prototyping into production and discuss any difficulties associated with the use of the section 845 authority that may have been encountered in making such transition.

SUBTITLE C—OTHER MATTERS

Sec. 231. Policy with respect to ballistic missile defense cooperation.

The committee has consistently supported a shift in the U.S.-Russian strategic relationship away from its Cold War focus on strategic offensive threats to a more balanced and cooperative relationship. In order to facilitate such a transition and to encourage cooperation in dealing with related matters, such as the Anti-Ballistic Missile (ABM) Treaty, the committee recommends a provision stating that the United States should seek to foster a climate of cooperation with Russia on matters related to missile defense, especially in the area of early warning.

The committee believes that such an approach could lead to a mutually agreeable evolution of the ABM Treaty, either modification or replacement by a newer understanding, that would clear the way for the United States and Russia to deploy national missile defenses each believes necessary for its security. If implemented in a cooperative manner, the committee does not believe that such steps would undermine the original intent of the ABM Treaty, which was to maintain strategic stability and permit significant nuclear arms reductions.

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		Request	FY 1999 Change	Recommended
		RESEARCH DEVELOPMENT TEST & EVAL ARMY			
0601101A	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,902	-	14,902
0601102A	2	DEFENSE RESEARCH SCIENCES	137,399	-	137,399
0601104A	3	UNIVERSITY AND INDUSTRY RESEARCH CENTERS	48,459	-	48,459
0602104A	4	TRACTOR ROSE	6,000	(6,000)	-
0602105A	5	MATERIALS TECHNOLOGY	10,137	-	13,137
		Hardened Materials		3,000	
0602120A	6	SENSORS AND ELECTRONIC SURVIVABILITY	18,738	-	18,738
0602122A	7	TRACTOR HIP	11,685	-	11,685
0602211A	8	AVIATION TECHNOLOGY	29,746	-	29,746
0602270A	9	EW TECHNOLOGY	16,249	-	16,249
0602303A	10	MISSILE TECHNOLOGY	25,180	-	29,680
		Scramjet Technology		3,000	
		Acoustic Effects		1,500	
0602308A	11	MODELING AND SIMULATION TECHNOLOGY	27,981	-	27,981
0602601A	12	COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	40,107	-	40,107
0602618A	13	BALLISTICS TECHNOLOGY	31,115	-	31,115
0602622A	14	CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY	5,116	-	5,116
0602623A	15	JOINT SERVICE SMALL ARMS PROGRAM	5,229	-	5,229
0602624A	16	WEAPONS AND MUNITIONS TECHNOLOGY	29,489	-	29,489
0602705A	17	ELECTRONICS AND ELECTRONIC DEVICES	22,329	-	22,329
0602709A	18	NIGHT VISION TECHNOLOGY	19,157	-	19,157
0602712A	19	COUNTERMINE SYSTEMS	10,715	-	10,715
0602716A	20	HUMAN FACTORS ENGINEERING TECHNOLOGY	13,369	-	13,369
0602720A	21	ENVIRONMENTAL QUALITY TECHNOLOGY	13,842	-	46,342
		National Defense Center for Environmental Excellence		24,000	
		Redmap		3,500	
		Peps		5,000	
0602782A	22	COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY	19,746	-	19,746
0602783A	23	COMPUTER AND SOFTWARE TECHNOLOGY	2,185	-	2,685

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
		Software Security		500	
0602784A	24	MILITARY ENGINEERING TECHNOLOGY	37,488	-	38,688
		CRREL		1,200	
0602785A	25	MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	8,602	-	8,602
0602786A	26	WARFIGHTER TECHNOLOGY	18,661	-	18,661
0602787A	27	MEDICAL TECHNOLOGY	67,255	-	67,255
0602789A	28	ARMY ARTIFICIAL INTELLIGENCE TECHNOLOGY	1,164	-	1,164
0602805A	29	DUAL USE APPLICATIONS PROGRAM	20,000	-	20,000
0603001A	30	WARFIGHTER ADVANCED TECHNOLOGY	32,969	-	32,969
0603002A	31	MEDICAL ADVANCED TECHNOLOGY	11,012	-	13,012
		Nutrition Research		2,000	
0603003A	32	AVIATION ADVANCED TECHNOLOGY	30,048	-	30,048
0603004A	33	WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	24,555	-	29,055
		Precision Guided Mortar Munitions		4,500	
0603005A	34	COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	54,435	-	57,435
		Aluminum Metal Matrix R&D		3,000	
0603006A	35	COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	20,109	-	20,109
0603007A	36	MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY	3,021	-	3,021
0603009A	37	TRACTOR HIKE	9,873	-	9,873
0603013A	38	TRACTOR DIRT	57	-	57
0603017A	39	TRACTOR RED	4,590	-	4,590
0603020A	40	TRACTOR ROSE	2,016	-	2,016
0603105A	41	MILITARY HIV RESEARCH	5,710	-	3,110
		Program Reduction		(2,600)	
0603238A	42	GLOBAL SURVEILLANCE/AIR DEFENSE/PRECISION STRIKE TECHNOLOGY DEMONS	9,973	-	9,973
0603270A	43	EW TECHNOLOGY	11,508	-	11,508
0603313A	44	MISSILE AND ROCKET ADVANCED TECHNOLOGY	86,096	-	56,396
		E-FOGM ACTD		(35,700)	
		Future Missile Technology Integration		6,000	
0603322A	45	TRACTOR CAGE	4,408	-	4,408

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0603606A	46	LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY	21,944	-	21,944
0603607A	47	JOINT SERVICE SMALL ARMS PROGRAM	5,173	-	5,173
0603654A	48	LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	20,099	-	20,099
0603710A	49	NIGHT VISION ADVANCED TECHNOLOGY	23,960	-	23,960
0603734A	50	MILITARY ENGINEERING ADVANCED TECHNOLOGY	13,564	-	13,564
0603772A	51	ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECHNOLOGY	18,456	-	20,956
		Digital Intell Technology		2,500	
0603780A	52	STRATEGIC ENVIRONMENTAL RESEARCH AND DEV	54,419	-	54,419
0604280A	53	JOINT TACTICAL RADIO	15,600	-	15,600
0603018A	54	TRACTOR TREAD		-	-
0603308A	55	ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (DEM/VAL)	12,240	-	29,240
		Tactical High Energy Laser (THEL)		10,000	
		Space and Missile Defense Battle Lab		7,000	
0603619A	56	LANDMINE WARFARE AND BARRIER - ADV DEV	6,778	-	6,778
0603627A	57	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ADV DEV		-	-
0603639A	58	ARMAMENT ENHANCEMENT INITIATIVE	26,526	-	26,526
0603640A	59	ARTILLERY PROPELLANT DEVELOPMENT		-	-
0603645A	60	ARMORED SYSTEM MODERNIZATION - ADV DEV		-	-
0603649A	61	ENGINEER MOBILITY EQUIPMENT ADVANCED DEVELOPMENT		-	-
0603653A	62	ADVANCED TANK ARMAMENT SYSTEM (ATAS)	8,928	-	8,928
0603713A	63	ARMY DATA DISTRIBUTION SYSTEM	17,281	-	17,281
0603745A	64	TACTICAL ELECTRONIC SUPPORT SYSTEMS - ADV DEV		-	-
0603747A	65	SOLDIER SUPPORT AND SURVIVABILITY	7,581	-	7,581
0603766A	66	TACTICAL ELECTRONIC SURVEILLANCE SYSTEM - ADV DEV		-	-
0603774A	67	NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT	2,681	-	2,681
0603790A	68	NATO RESEARCH AND DEVELOPMENT	11,161	(2,000)	9,161
0603801A	69	AVIATION - ADV DEV	7,487	-	7,487
0603804A	70	LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	17,478	-	17,478
0603805A	71	COMBAT SERVICE SUPPORT CONTROL SYSTEM EVALUATION AND ANALYSIS	14,353	-	14,353
0603807A	72	MEDICAL SYSTEMS - ADV DEV	11,414	-	11,414

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0603851A	73	TRACTOR CAGE (DEM/VAL)	966	-	966
0603854A	74	ARTILLERY SYSTEMS - DEM/VAL	313,166	-	313,166
0603856A	75	SCAMP BLOCK II DEM/VAL	7,969	-	7,969
0604201A	76	AIRCRAFT AVIONICS	7,878	-	7,878
0604220A	77	ARMED, DEPLOYABLE OH-58D		-	-
0604223A	78	COMANCHE	367,823	-	391,823
		Prototype #2 Acceleration		24,000	
0604270A	79	EW DEVELOPMENT	85,989	-	94,589
		ATIRCM Integation Kit		8,600	
0604321A	80	ALL SOURCE ANALYSIS SYSTEM	28,081	-	30,281
		Software Integration		2,200	
0604325A	81	FOLLOW-ON TO TOW	48,106	-	48,106
0604328A	82	TRACTOR CAGE	1,788	-	1,788
0604604A	83	MEDIUM TACTICAL VEHICLES		-	-
0604609A	84	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ENG DEV	706	-	706
0604611A	85	JAVELIN	5,277	-	5,277
0604619A	86	LANDMINE WARFARE	23,189	-	23,189
0604622A	87	FAMILY OF HEAVY TACTICAL VEHICLES		-	-
0604633A	88	AIR TRAFFIC CONTROL	1,737	-	1,737
0604640A	89	ADVANCED COMMAND AND CONTROL VEHICLE (AC2V)		-	-
0604641A	90	TACTICAL UNMANNED GROUND VEHICLE (TUGV)	2,468	-	2,468
0604642A	91	LIGHT TACTICAL WHEELED VEHICLES		-	-
0604645A	92	ARMORED SYSTEMS MODERNIZATION (ASM)-ENG. DEV.	4,500	-	4,500
0604649A	93	ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	63,069	-	63,069
0604710A	94	NIGHT VISION SYSTEMS - ENG DEV	21,311	-	21,311
0604713A	95	COMBAT FEEDING, CLOTHING, AND EQUIPMENT	62,218	-	62,218
0604715A	96	NON-SYSTEM TRAINING DEVICES - ENG DEV	64,035	-	64,035
0604716A	97	TERRAIN INFORMATION - ENG DEV	2,999	-	2,999
0604726A	98	INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	1,790	-	1,790
0604739A	99	INTEGRATED BROADCAST SERVICE	4,447	-	4,447

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		Request	FY 1999 Change	Recommended
0604741A	100	AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE - ENG DEV	6,476	-	6,476
0604746A	101	AUTOMATIC TEST EQUIPMENT DEVELOPMENT	7,030	-	7,030
0604760A	102	DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - ENGINEERING DEVELOPMENT	2,766	-	2,766
0604766A	103	TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES - EMD (TIARA)	44,674	-	44,674
0604768A	104	BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	134,858	-	134,858
0604770A	105	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	5,503	-	5,503
0604778A	106	POSITIONING SYSTEMS DEVELOPMENT (SPACE)	379	-	379
0604780A	107	COMBINED ARMS TACTICAL TRAINER (CATT) CORE	7,533	-	7,533
0604801A	108	AVIATION - ENG DEV	6,599	-	6,599
0604802A	109	WEAPONS AND MUNITIONS - ENG DEV	37,725	-	37,725
0604804A	110	LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	26,002	-	26,002
0604805A	111	COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	16,404	-	16,404
0604807A	112	MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIPMENT - ENG DEV	5,338	-	5,338
0604808A	113	LANDMINE WARFARE/BARRIER - ENG DEV	46,905	-	46,905
0604814A	114	SENSE AND DESTROY ARMAMENT MISSILE - ENG DEV	20,813	-	20,813
0604816A	115	LONGBOW - ENG DEV		-	-
0604817A	116	COMBAT IDENTIFICATION	13,471	-	13,471
0604818A	117	ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	32,929	-	32,929
0604820A	118	RADAR DEVELOPMENT	2,786	-	6,786
		Passive Adjunct Sensor Capability		4,000	
0604823A	119	FIREFINDER	19,822	-	20,722
		Accelerate Software		900	
0604824A	120	DUAP COMMERCIAL OPERATIONS AND SUPPORT SAVINGS	33,600	-	33,600
0604854A	121	ARTILLERY SYSTEMS - EMD	100	-	100
0604256A	122	THREAT SIMULATOR DEVELOPMENT	11,935	-	11,935
0604258A	123	TARGET SYSTEMS DEVELOPMENT	13,127	-	13,127
0604759A	124	MAJOR T&E INVESTMENT	40,284	-	39,284
		Program Reduction		(1,000)	
0605103A	125	RAND ARROYO CENTER	16,718	-	16,718
0605301A	126	ARMY KWAJALEIN ATOLL	142,710	-	140,710

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		Request	FY 1999 Change	Recommended
		Program Reduction		(2,000)	
0605326A	127	CONCEPTS EXPERIMENTATION PROGRAM	17,441	-	17,441
0605502A	128	SMALL BUSINESS INNOVATIVE RESEARCH		-	-
0605601A	129	ARMY TEST RANGES AND FACILITIES	119,553	-	119,553
0605602A	130	ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,439	-	40,439
		Testing Instrumentation and Targets		7,000	
0605604A	131	SURVIVABILITY/LETHALITY ANALYSIS	30,498	-	34,498
		IW Vulnerability Assessment		4,000	
0605605A	132	DOD HIGH ENERGY LASER TEST FACILITY	15,022	-	23,022
		Solid State Laser		8,000	
0605606A	133	AIRCRAFT CERTIFICATION	2,924	-	2,924
0605702A	134	METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES	6,691	-	6,691
0605706A	135	MATERIEL SYSTEMS ANALYSIS	9,711	-	9,711
0605709A	136	EXPLOITATION OF FOREIGN ITEMS	4,031	-	4,031
0605712A	137	SUPPORT OF OPERATIONAL TESTING	66,320	-	66,320
0605716A	138	ARMY EVALUATION CENTER	25,526	-	25,526
0605801A	139	PROGRAMWIDE ACTIVITIES	64,588	-	64,588
0605802A	140	INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT		-	-
0605803A	141	TECHNICAL INFORMATION ACTIVITIES	16,251	-	16,251
0605805A	142	MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	8,497	-	8,497
0605853A	143	ENVIRONMENTAL CONSERVATION	3,195	-	3,195
0605854A	144	POLLUTION PREVENTION	8,694	-	8,694
0605856A	145	ENVIRONMENTAL COMPLIANCE	44,116	-	44,116
0605876A	146	MINOR CONSTRUCTION (RPM) - RDT&E	4,205	-	4,205
0605878A	147	MAINTENANCE AND REPAIR (RPM) - RDT&E	49,233	-	49,233
0605879A	148	REAL PROPERTY SERVICES (RPS) - RDT&E	87,172	-	87,172
0605896A	149	BASE OPERATIONS - RDT&E	230,029	-	230,029
0605898A	150	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	4,683	-	4,683
0909999A	151	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-
0603778A	152	MLRS PRODUCT IMPROVEMENT PROGRAM	20,244	-	20,244

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0102419A	153	AEROSTAT JOINT PROJECT OFFICE	103,937	-	53,937
		Program Reduction		(50,000)	
0203726A	154	ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	35,111	-	47,611
		Airspace Deconfliction and Technical Fire Support Enhancements		12,500	
0203735A	155	COMBAT VEHICLE IMPROVEMENT PROGRAMS	94,756	-	101,756
		Flat Panel Display Improvement Program		7,000	
0203740A	156	MANEUVER CONTROL SYSTEM	28,923	-	28,923
0203744A	157	AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS	26,681	-	26,681
0203752A	158	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,948	-	2,948
0203758A	159	DIGITIZATION	45,007	-	45,007
0203759A	160	FORCE XXI BATTLE COMMAND, BRIGADE AND BELOW (FBCB2)	52,469	-	52,469
0203761A	161	FORCE TWENTY-ONE (XXI), WARFIGHTING RAPID ACQUISITION PROGRA	99,528	-	99,528
0203801A	162	MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	11,252	-	11,252
0203802A	163	OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	1,248	-	1,248
0203806A	164	TRACTOR RUT		-	-
0203808A	165	TRACTOR CARD	3,993	-	3,993
0208010A	166	JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC)	35,941	-	35,941
0208053A	167	JOINT TACTICAL GROUND SYSTEM	12,229	-	12,229
0301359A	168	SPECIAL ARMY PROGRAM	6,537	-	6,537
0303140A	169	INFORMATION SYSTEMS SECURITY PROGRAM	7,433	-	7,433
0303142A	170	SATCOM GROUND ENVIRONMENT (SPACE)	53,897	-	53,897
0303150A	171	WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	17,543	-	17,543
0305114A	172	TRAFFIC CONTROL, APPROACH AND LANDING SYSTEM-FY 1987 AND PRIOR (H)		-	-
0305128A	173	SECURITY AND INVESTIGATIVE ACTIVITIES	950	-	950
0305204A	174	TACTICAL UNMANNED AERIAL VEHICLES	75,636	-	75,636
0708045A	175	END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	30,511	-	30,511
1001018A	176	NATO JOINT STARS	6,405	-	6,405
		TOTAL RESEARCH DEVELOPMENT TEST & EVAL ARMY	4,780,545	55,600	4,836,145

Hardened materials

The committee recommends an increase of $3.0 million in PE 62105A to continue research in composite structures and composite shroud assemblies. The committee believes that such technologies provide significant opportunities for weight reduction and increased stiffness of critical missile components such as shrouds, nosetips, heat shields, and deployment systems.

Missile technology

The committee recommends an increase of $1.5 million in PE 62303A to initiate a missile acoustics technology program. The committee believes that high frequency vibrations resulting from aerodynamically generated acoustics can create substantial electronic noise, and damage or destroy sensitive components in atmospheric interceptors for theater missile defense. The missile acoustics technology program may enable the Army to address these issues in a timely and cost-effective manner.

Scramjet technology

The committee recommends an increase of $3.0 million in PE 62303A to initiate application studies and design of scramjet technologies for the advanced interceptor technology program. The committee believes that scramjet technologies, because of higher engine efficiencies and the lack of need for on-board oxidizers, are the only available technologies for addressing flight speeds of greater than Mach 10, which may be required to counter future threats. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program.

Environmental technology

The committee recommends an increase of $5.0 million in PE 62720A to continue to develop, demonstrate, and validate the plasma energy pyrolysis system (PEPS) for the destruction of hazardous waste, with an emphasis on a mobile system. The purpose of PEPS is to develop an incineration process for hazardous waste disposition, which minimizes toxic air emissions and the disposal of ash contaminated with heavy metals.

The committee also recommends an increase of $3.5 million in PE 62720A to complete development of an integrated environmental and pollution prevention management and control system known as the Radford Environmental Development and Management Program (REDMAP).

Pollution prevention

The committee continues to support the efforts of the Department of Defense to shift emphasis away from "end of pipeline" solutions to control and mitigate the effects of using environmentally harmful materials and procedures. While the Department has acknowledged the need for prudent investments in pollution prevention measures, the fiscal year 1999 funding reduction in this area is inconsistent with that objective.

The committee believes that a greater investment in pollution prevention would reduce long-term compliance and cleanup costs,

and increase the resources available for the core requirements of the Department. The committee is very concerned about the decrease in the Department's budget support for pollution prevention measures. As a result, the committee recommends an additional $24.0 million for pollution prevention research and development initiatives, to be awarded on a competitive basis by the National Defense Center for Environmental Excellence (PE 62720A). The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements related to the obligation and expenditure of the $24.0 million, and that cost-sharing requirements for non-federal participants be utilized where appropriate.

These funds should be used to develop new materials and manufacturing processes for the purpose of enhancing weapons systems performance and reducing lifecycle operations and maintenance costs. Research and development efforts should include reduction of hazardous solvents and heavy metals related to corrosion protection materials and processes, environmentally benign munitions technology, and green gun barrel technology. Specifically, the committee expects that these technologies and materials shall reduce lifecycle environmental compliance costs, consistent with pollution prevention objectives of all the military departments.

Software security

The committee recommends an increase of $.5 million to PE 62783A to continue efforts to improve computer security by developing and testing prototype software security mechanisms.

Cold regions research

The committee recommends an increase of $1.2 million in PE 62784A to support expanded applied research in knowledge based issues and engineering principles needed to sustain effective war fighting in winter and in cold regions of the world. The committee notes the increasing importance of this research to support effective development of military forces areas, such as Korea and Bosnia.

Nutrition research

The committee recommends an increase of $2.0 million in PE 63002A to continue nutrition research in support of improvements in the Meals-Ready-to-Eat (MRE) system. The committee views this research to be of continuing importance for maintaining the health and readiness of deployed forces in operations around the world.

Weapons and munitions advanced technology

The committee recommends an increase of $4.5 million in PE 63004A to support operational analysis and to address producibility and affordability issues with regard to the precision guided mortar munition program. The committee believes that these investments in fiscal year 1999 could significantly reduce the risks involved with the deployment of this important technology.

Combat vehicle and automotive advanced technology

The budget request included $54.4 million to support ongoing evaluation of advanced technologies with military applications. The committee notes a shortfall in funding for continued exploration of aluminum metal matrix technology that began last year. The committee, therefore, recommends an increase of $3.0 million in PE 63005A to complete this developmental effort and support the transition of this technology into applications that will strengthen armored track shoes and engine components at significantly reduced weight.

Military human immunodeficiency virus research

The committee recommends a decrease of $2.6 million in PE 63105A to fund higher priority programs. The committee notes that this reduction represents the amount proposed by the Army to expand certain activities under the human immunodeficiency virus program in fiscal year 1999. The committee supports continuation of the long-term core program of research and development.

Missile and rocket advanced technology

The budget request included $86.1 million to support development of advanced missile technologies. The committee is concerned about the proliferation of anti-armor missile systems and the inability of future budgets to sustain the current number of missile modernization programs. The committee notes problems encountered with Army testing of the E–FOGM missile system and rising missile costs. There is no indication that the Army intends to pursue fielding this system beyond those capabilities obtained to support the advanced concept technology demonstration (ACTD). The committee believes that limited resources must be redirected to more critical programs. The committee, therefore, recommends a decrease of $35.7 million in PE 63313A allocated for evaluation of the E–FOGM missile system.

The committee is pleased to note progress with the future missile technology integration (FMTI) program but is concerned about the lack of robust testing that is programmed for this activity. This program manufactures missile component hardware, using advanced materiel and structures for ground and flight test evaluation to determine how they might be applied to other Army development programs. The committee recommends an additional $6.0 million to support additional flight tests that will greatly reduce risk and ensure that the technology return on the $73.0 million invested in FMTI is fully captured. The committee, therefore, recommends a total authorization of $56.4 million in PE 63313A.

Advanced tactical computer science and sensor technology

The committee recommends an increase of $2.5 million in PE 63772A to fund the application of situational awareness technology and display techniques with commercially available palmtop computer technology to provide dismounted soldiers with map-based intelligence and situation awareness. The committee notes that there are security issues raised by the emerging opportunities to provide such capabilities to soldiers in the forward battlefield areas and that such issues must be addressed in parallel with technology de-

velopment and demonstration. The committee directs that all applicable competitive procedures be used for any contracts, grants, or other agreements awarded under this program and that cost-sharing requirements for non-federal participants also be used, where appropriate.

Tactical High Energy Laser

The committee continues to support the Tactical High Energy Laser (THEL) program. The committee notes that the existing cost-sharing agreement between the United States and Israel does not include funding to deploy the system in Israel. Pending a future agreement on cost sharing, the committee recommends an increase of $10.0 million in PE 63308A to support continued THEL testing and deployment activities.

Space and missile defense battle lab

The committee has supported the Space and Missile Defense Battle Integration Center, which has now transitioned to a Battle Lab. The committee is pleased that the administration has increased the budget request for fiscal year 1999 to $9.2 million, but does not believe that this amount adequately supports the Battle Lab. Therefore, the committee recommends an increase of $7.0 million in PE 63308A for the Space and Missile Defense Battle Lab.

North Atlantic Treaty Organization (NATO) Research and Development

The budget request included $44.4 million for NATO research and development in the following accounts: $11.6 million for the Army (PE 63790A), $11.0 million for the Navy (PE 63790N), $11.1 million for the Air Force (PE 63790F) and $10.7 million for the Department of Defense (PE 63790T). The committee recommends that funds in these activities be maintained at fiscal year 1998 levels plus inflation, and therefore recommends the following reductions in the military service and defense accounts: $2.0 million (Army), $1.1 million (Navy), $0.4 million (Air Force) and $2.3 million (Defense).

Comanche

The budget request included $367.8 million for continued development of the Comanche helicopter. The committee strongly supports the Comanche helicopter development effort and believes this program should be accelerated. The committee recognizes that Army funding constraints have prevented the timely delivery of the second prototype aircraft necessary for testing and developmental efforts. The Comanche program, as an integral component of Army digitization, must be fielded as soon as practicable to support necessary flight test requirements and development of tactics, techniques and procedures for the future digitized force. The committee recommends an increase of $24.0 million for a total of $391.8 in PE 64223A. This increase in funding will support necessary flight test requirements, development of first digitized corps enhancements, and risk reduction activities for Comanche.

Advanced threat infrared countermeasure system

The budget request included $86.0 million to support electronic warfare development programs. The committee understands that Army efforts to complete the design of an advanced threat infrared countermeasure and common missile warning system (ATIRCM/CMWS) installation kit were adversely affected by a Department of Defense program budget decision that eliminated funding for the ATIRCM/CMWS installation kit development effort. The committee supports Army initiatives to complete work on the installation kits for ATIRCM/CMWS which will allow this device to be inserted into the lot 6 production line for Apache Longbow. This action is projected to save the Army $74,000 per aircraft, or $5.3 million per year, if the planned installation of ATIRCM/CMWS begins on the Longbow production line in fiscal year 2001. The committee, therefore, recommends an increase of $8.6 million in PE 64270A to restore the program schedule and support completion of the ATIRCM/CMWS kit design effort.

All source analysis system

The budget request included $28.1 million to support development of the all source analysis system (ASAS). The committee continues to support ongoing efforts to enhance the capabilities of this system and is encouraged to note progress made to date. The committee understands the Army is continuing to experiment with the Integrated Battlespace Intelligence Server (IBIS) to ensure that the technology transition framework required to support fielded systems remains viable. The committee, therefore, recommends an increase of $2.2 million in PE 64321A for critical ASAS Block II software requirements.

Radar development

The budget request included $2.8 million to support improvements to existing ground based radar systems. The committee has been pleased with the capabilities provided by the Sentinel radar system for Army air defense forces. The Sentinel system acquires targets sufficiently forward of the forward line of troops to improve short-range air defense weapons reaction time and allow engagement at optimum ranges. The integrated identification friend or foe system reduces the potential for fratricide. The committee notes an outstanding requirement for the fielding of a passive adjunct sensor capability as a continuation of an approved pre-programmed product improvement program. The committee believes this passive capability should be accelerated and recommends an increase of $4.0 million in PE 64820A to support this developmental effort.

Firefinder

The budget request included $19.8 million to support the Firefinder Block II pre-planned product improvement program by replacing the antenna transceiver group. The committee understands that the Army will award an engineering and manufacturing development contract in 1998 in an effort to double the current range performance and improve target accuracy over the existing radar. The committee recognizes this program as a force protection enabler and recommends an increase of $0.9 million in PE 64823A

to support incremental funding necessary for acceleration of software development efforts required by this activity.

Research, development, test and evaluation support

The committee remains concerned about the proportion of research, development, test, and evaluation (RDT&E) funding allocated to management, infrastructure, and support. In an effort to slow this trend until a more comprehensive plan for RDT&E management reform is initiated, the committee recommends a total reduction of $27.0 million, to be allocated as follows:

	Millions
Army:	
PE 64759A	$1.0
PE 65301A	2.0
Navy:	
PE 65853N	11.0
PE 65864N	5.0
Air Force:	
PE 65807	4.0
PE 65808F	2.0
Defense Agencies:	
PE 65804D	2.0

Army test instrumentation and targets

The committee is concerned that aging instrumentation at its defense test and evaluation facilities will be inadequate to meet increasingly stringent technical standards for planned evaluations of cutting edge missile technologies. In order to effectively evaluate future technology, test instrumentation must be able to provide faster, more accurate results for smaller weapons with higher speeds, longer ranges, and higher altitudes. Aging telemetry and radar equipment at the existing facilities, first deployed in the 1960s, requires immediate replacement. Optics equipment must be updated in order to provide the accuracy levels demanded by high energy weapons and target systems. Accordingly, the committee recommends an increase of $7.0 million in PE 65602A to upgrade communications, optics, radar, and telemetry equipment to support programmed testing of advanced missile technologies at existing range facilties.

Survivability/lethality analysis

The committee recommends an increase of $4.0 million in PE 65604A to expand the current information warfare vulnerability assessments program to determine exploitable weaknesses in the First Digitized Division and to recommend mitigating solutions for systems throughout their acquisition cycle. The committee believes that the Army must aggressively pursue these assessments if the full benefits of digitization are to be achieved.

High energy laser system test facility

The committee recommends an increase of $8.0 million in PE 65606A to accelerate development of solid-state laser technologies for theater missile defense applications. If the technologies can be demonstrated, solid state laser weapons may have a number of critical advantages in missile defense applications, including no requirement for munitions logistics, a highly favorable cost per kill

ratio, and a speed-of-light kill capability. Recent developments in a variety of related technologies provide new opportunities for the deployment of a working system in the relative near-term. The committee urges the Army to devote at least $1.5 million of the increase to address issues involving crystal growth manufacturing.

Aerostat joint project office

The committee has supported the development of elevated sensors for air and missile defense. The committee recognizes that such sensors are critical to satisfying cruise missile defense requirements. Notwithstanding this support, the committee does not believe that the Department of Defense has adequately integrated its various cruise missile defense programs into a coherent architecture and development plan. Given this lack of a comprehensive plan, the committee views the fiscal year 1999 increase in the joint aerostat program to be excessive. Therefore the committee recommends a reduction of $50.0 million in PE 12419A. The committee notes that even with this reduction, the budget for the joint aerostat program would grow in excess of 63 percent over the fiscal year 1998 appropriation for this program.

Advanced field artillery tactical data system (AFATDS)

The budget request included $35.1 million to support development of the AFATDS multi-service fire support command and control system. The committee recognizes that objective functionality enhancements are necessary to meet requirements for airspace deconfliction and technical fire direction support. AFATDS is a critical system that remains in the early stages of fielding. The committee recommends an increase of $12.5 million in PE 23726A to support development of system improvements and directs the Army to ensure that this program is adequately funded in future budget submissions.

Combat vehicle improvement programs

The budget request included $94.8 million to support research and development associated with identifying and fielding improvements to Army combat vehicles. For the last two years, the committee has supported the effort to develop new flat panel display devices to support Army digitization activities and alleviate a deficiency identified with experimental systems. The committee notes that the research and development effort is in its last year and the program will be ready for transition into production in fiscal year 2000. The committee recommends an increase of $7.0 million in PE 23735A to complete the research and development effort on flat panel displays in fiscal year 1999.

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	La No.		Request	FY 1999 Change	Recommended
ACCOUNT		RESEARCH DEVELOPMENT TEST & EVAL NAVY			
0601152N	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,734	-	14,734
0601153N	2	DEFENSE RESEARCH SCIENCES	347,945	-	347,945
0602111N	3	AIR AND SURFACE LAUNCHED WEAPONS TECHNOLOGY	37,140	-	38,140
		Pulse Detonation Engine Technology		1,000	
0602121N	4	SHIP, SUBMARINE & LOGISTICS TECHNOLOGY	43,177	-	46,177
		Stainless Steel Double Hull		3,000	
0602122N	5	AIRCRAFT TECHNOLOGY	23,229	-	23,229
0602131M	6	MARINE CORPS LANDING FORCE TECHNOLOGY	12,132	-	12,132
0602228N	7	HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) SCIENCE	4,699	-	4,699
0602232N	8	COMMUNICATIONS, COMMAND AND CONTROL, INTELLIGENCE, SURVEILLA	65,033	-	60,033
		Program Reduction		(5,000)	
0602233N	9	HUMAN SYSTEMS TECHNOLOGY	29,722	-	29,722
0602234N	10	MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	77,617	-	83,617
		Thermal Management Materials		1,500	
		Electronic Propulsion Technology		2,000	
		C/C Heatshields		2,500	
0602270N	11	ELECTRONIC WARFARE TECHNOLOGY	23,849	-	23,849
0602314N	12	UNDERSEA WARFARE SURVEILLANCE TECHNOLOGY	50,619	-	50,619
0602315N	13	MINE COUNTERMEASURES, MINING AND SPECIAL WARFARE	45,928	-	45,928
0602435N	14	OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	56,722	-	56,722
0602633N	15	UNDERSEA WARFARE WEAPONRY TECHNOLOGY	34,856	-	34,856
0602805N	16	DUAL USE APPLICATIONS PROGRAM	20,000	-	20,000
0603217N	17	AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	48,143	-	48,143
0603238N	18	PRECISION STRIKE AND AIR DEFENSE TECHNOLOGY	58,306	5,000	63,306
0603270N	19	ADVANCED ELECTRONIC WARFARE TECHNOLOGY	17,169	-	17,169
0603508N	20	SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	39,264	-	43,264
		Composite Helicopter Hangar		5,000	
		Advanced Electric Systems		(1,000)	
0603640M	21	MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	41,931	-	51,931

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
		Warfighting Lab		10,000	
0603706N	22	MEDICAL DEVELOPMENT	18,728	-	19,728
		Freeze Dried Blood Research		1,000	
0603707N	23	MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV	21,042	-	21,042
0603712N	24	ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOGY	20,919	-	20,919
0603747N	25	UNDERSEA WARFARE ADVANCED TECHNOLOGY	56,827	-	56,827
0603782N	26	MINE AND EXPEDITIONARY WARFARE ADVANCED TECHNOLOGY	41,710	-	42,710
		Advanced Lightweight Influence Sweep System		1,000	
0603792N	27	ADVANCED TECHNOLOGY TRANSITION	74,392	-	74,392
0603794N	28	C3 ADVANCED TECHNOLOGY	22,294	-	22,294
0603207N	29	AIR/OCEAN TACTICAL APPLICATIONS	28,824	-	28,824
0603208N	30	TRAINING SYSTEM AIRCRAFT		-	-
0603216N	31	AVIATION SURVIVABILITY	8,164	-	8,164
0603254N	32	ASW SYSTEMS DEVELOPMENT	20,184	-	20,184
0603261N	33	TACTICAL AIRBORNE RECONNAISSANCE	1,479	-	1,479
0603382N	34	ADVANCED COMBAT SYSTEMS TECHNOLOGY	8,653	-	6,653
		Studies and Experiments for Combat Systems Engineering		(2,000)	
0603502N	35	SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	73,491	-	73,491
0603504N	36	ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT	68,402	-	68,402
0603506N	37	SURFACE SHIP TORPEDO DEFENSE		-	-
0603512N	38	CARRIER SYSTEMS DEVELOPMENT	154,307	-	154,307
0603513N	39	SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	27,725	-	27,725
0603514N	40	SHIP COMBAT SURVIVABILITY	7,595	-	7,595
0603525N	41	PILOT FISH	117,094	-	117,094
0603536N	42	RETRACT JUNIPER	11,055	-	11,055
0603542N	43	RADIOLOGICAL CONTROL	3,600	-	3,600
0603553N	44	SURFACE ASW	11,871	-	11,871
0603561N	45	ADVANCED SUBMARINE SYSTEM DEVELOPMENT	60,520	-	60,520
0603562N	46	SUBMARINE TACTICAL WARFARE SYSTEMS	4,676	-	4,676
0603563N	47	SHIP CONCEPT ADVANCED DESIGN	14,900	-	14,900

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0603564N	48	SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	42,668	-	43,668
		SSBN to SSGN Analysis		1,000	
0603570N	49	ADVANCED NUCLEAR POWER SYSTEMS	118,342	-	118,342
0603573N	50	ADVANCED SURFACE MACHINERY SYSTEMS	58,419	-	63,419
		Intercooled Recuperated Gas Turbine Engine		5,000	
0603576N	51	CHALK EAGLE	122,031	-	122,031
0603582N	52	COMBAT SYSTEM INTEGRATION	9,654	-	9,654
0603609N	53	CONVENTIONAL MUNITIONS	39,775	-	39,775
0603610N	54	ADVANCED WARHEAD DEVELOPMENT (MK-50)		-	-
0603611M	55	MARINE CORPS ASSAULT VEHICLES	104,822	-	104,822
0603612M	56	MARINE CORPS MINE/COUNTERMEASURES SYSTEMS - ADV DEV	1,958	-	1,958
0603635M	57	MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	37,133	-	41,133
		Predator		4,000	
0603654N	58	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	10,756	-	10,756
0603658N	59	COOPERATIVE ENGAGEMENT	131,623	-	131,623
0603711N	60	FLEET TACTICAL DEVELOPMENT		-	-
0603713N	61	OCEAN ENGINEERING TECHNOLOGY DEVELOPMENT	15,257	-	15,257
0603721N	62	ENVIRONMENTAL PROTECTION	59,438	-	59,438
0603724N	63	NAVY ENERGY PROGRAM	4,592	-	4,592
0603725N	64	FACILITIES IMPROVEMENT	1,861	-	1,861
0603734N	65	CHALK CORAL	97,552	-	97,552
0603746N	66	RETRACT MAPLE	117,186	-	117,186
0603748N	67	LINK PLUMERIA	22,123	16,050	38,173
0603751N	68	RETRACT ELM	11,665	10,529	22,194
0603755N	69	SHIP SELF DEFENSE - DEM/VAL	12,337	-	12,337
0603785N	70	COMBAT SYSTEMS OCEANOGRAPHIC PERFORMANCE ASSESSMENT(H)		-	-
0603787N	71	SPECIAL PROCESSES	81,743	-	81,743
0603790N	72	NATO RESEARCH AND DEVELOPMENT	11,004	(1,100)	9,904
0603795N	73	LAND ATTACK TECHNOLOGY	110,104	-	92,404
		Advanced Ship Vertical Gun		(10,000)	

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
		Naval Surface Fire Support System Integration		(7,700)	
0603800N	74	JOINT STRIKE FIGHTER (JSF) - DEM/VAL	463,402	-	478,402
		Alternator Engine Program		15,000	
0603851M	75	NONLETHAL WEAPONS - DEM/VAL	22,592	-	35,892
		Non-Lethal		13,300	
0603852N	76	ARSENAL SHIP		-	-
0603860N	77	JOINT PRECISION APPROACH AND LANDING SYSTEMS - DEM/VAL		-	-
0603889N	78	COUNTERDRUG RDT&E PROJECTS		-	-
0604327N	79	HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS) PROGRAM	9,827	-	9,827
0604707N	80	SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENGINEERING SUP	17,955	-	20,955
		Advanced Communications and Information Technologies		3,000	
0603208N	81	TRAINING SYSTEM AIRCRAFT	595	-	595
0603266N	82	AH-1T COMPOSITE ROTOR BLADE (H)		-	-
0604212N	83	OTHER HELO DEVELOPMENT	231,120	-	238,120
		ASW and Other Helo Development: Critical Design Review		(1,000)	
		Parametric Airborne Dipping Sonar		8,000	
0604214N	84	AV-8B AIRCRAFT - ENG DEV	13,787	-	13,787
0604215N	85	STANDARDS DEVELOPMENT	51,987	-	51,987
0604217N	86	S-3 WEAPON SYSTEM IMPROVEMENT	31,469	-	31,469
0604218N	87	AIR/OCEAN EQUIPMENT ENGINEERING	6,162	-	6,162
0604221N	88	P-3 MODERNIZATION PROGRAM	3,046	-	3,046
0604231N	89	TACTICAL COMMAND SYSTEM	50,713	-	50,713
0604245N	90	H-1 UPGRADES	98,542	-	98,542
0604261N	91	ACOUSTIC SEARCH SENSORS	29,637	-	29,637
0604262N	92	V-22A	355,142	-	355,142
0604264N	93	AIR CREW SYSTEMS DEVELOPMENT	9,454	-	9,454
0604270N	94	EW DEVELOPMENT	128,586	-	138,586
		IDECM Radio Frequency Countermeasures System		10,000	
0604307N	95	SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	132,561	-	134,561
		Laboratories and Field Activities Monitoring Efforts		(3,000)	

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
		DDG 51 Composite Director Room		5,000	
0604310N	96	ARSENAL SHIP		-	-
0604311N	97	LPD-17 CLASS SYSTEMS INTEGRATION	1,343	-	1,343
0604312N	98	TRI-SERVICE STANDOFF ATTACK MISSILE	2,064	-	2,064
0604355N	99	VERTICAL LAUNCH ASROC		-	-
0604366N	100	STANDARD MISSILE IMPROVEMENTS	1,320	-	1,320
0604373N	101	AIRBORNE MCM	24,967	-	24,967
0604503N	102	SSN-688 AND TRIDENT MODERNIZATION	50,300	-	65,300
		Multi-Purpose Processor		15,000	
0604504N	103	AIR CONTROL	4,198	-	4,198
0604507N	104	ENHANCED MODULAR SIGNAL PROCESSOR	1,599	-	1,599
0604512N	105	SHIPBOARD AVIATION SYSTEMS	8,531	-	8,531
0604516N	106	SHIP SURVIVABILITY	6,196	-	6,196
0604518N	107	COMBAT INFORMATION CENTER CONVERSION	4,704	-	4,704
0604524N	108	SUBMARINE COMBAT SYSTEM	11,710	-	11,710
0604528N	109	SWATH (SMALL WATERPLANE AREA TWIN HULL) OCEANOGRAPHIC SHIP		-	-
0604558N	110	NEW DESIGN SSN	218,816	-	230,816
		Non-Propulsion Electronics System		12,000	
0604561N	111	SSN-21 DEVELOPMENTS	27,456	-	27,456
0604562N	112	SUBMARINE TACTICAL WARFARE SYSTEM	28,573	-	28,573
0604567N	113	SHIP CONTRACT DESIGN/ LIVE FIRE T&E	133,645	-	129,045
		Smart Propulsor Product Model		4,000	
		Ship Live Fire Test		(8,600)	
0604574N	114	NAVY TACTICAL COMPUTER RESOURCES	8,249	-	8,249
0604601N	115	MINE DEVELOPMENT	15	-	15
0604603N	116	UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	5,183	-	5,183
0604610N	117	LIGHTWEIGHT TORPEDO DEVELOPMENT	8,106	-	8,106
0604612M	118	MARINE CORPS MINE COUNTERMEASURES SYSTEMS - ENG DEV	3,855	-	3,855
0604618N	119	JOINT DIRECT ATTACK MUNITION	11,738	-	11,738
0604651M	120	NONLETHAL WEAPONS - EMD		-	-

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0604654N	121	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	7,037	-	7,037
0604703N	122	PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS	1,235	-	1,235
0604710N	123	NAVY ENERGY PROGRAM	5,544	-	5,544
0604721N	124	BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM	5,770	-	5,770
0604727N	125	JOINT STANDOFF WEAPON SYSTEMS	73,022	-	73,022
0604755N	126	SHIP SELF DEFENSE - EMD	148,165	-	156,665
		NULKA Anti-Ship Missile Decoy System Electro-Magnetic Compatibility		2,000	
		Infrared Search and Track (IRST)		6,500	
0604771N	127	MEDICAL DEVELOPMENT	4,321	-	5,321
		VID		1,000	
0604777N	128	NAVIGATION/ID SYSTEM	42,301	-	42,301
0604784N	129	DISTRIBUTED SURVEILLANCE SYSTEM	42,017	-	42,017
0604805N	130	COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	28,500	-	28,500
0604256N	131	THREAT SIMULATOR DEVELOPMENT	24,400	-	24,400
0604258N	132	TARGET SYSTEMS DEVELOPMENT	54,800	-	54,800
0604759N	133	MAJOR T&E INVESTMENT	17,281	-	17,281
0605152N	134	STUDIES AND ANALYSIS SUPPORT - NAVY	10,132	-	10,132
0605154N	135	CENTER FOR NAVAL ANALYSES	44,201	-	44,201
0605155N	136	FLEET TACTICAL DEVELOPMENT	2,748	-	2,748
0605502N	137	SMALL BUSINESS INNOVATIVE RESEARCH		-	-
0605804N	138	TECHNICAL INFORMATION SERVICES	8,513	-	8,513
0605853N	139	MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT	28,690	-	17,690
		Program Reduction		(11,000)	
0605856N	140	STRATEGIC TECHNICAL SUPPORT	2,213	-	2,213
0605861N	141	RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	64,455	-	64,455
0605862N	142	RDT&E INSTRUMENTATION MODERNIZATION	8,530	-	8,530
0605863N	143	RDT&E SHIP AND AIRCRAFT SUPPORT	57,421	-	57,421
0605864N	144	TEST AND EVALUATION SUPPORT	260,601	-	255,601
		Program Reduction		(5,000)	
0605865N	145	OPERATIONAL TEST AND EVALUATION CAPABILITY	9,194	-	9,194

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0605866N	146	NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT	3,477	-	3,477
0605867N	147	SEW SURVEILLANCE/RECONAISSANCE SUPPORT	13,185	-	17,185
		Global C4ISR Visualization		4,000	
0605873M	148	MARINE CORPS PROGRAM WIDE SUPPORT	7,132	-	7,132
0909999N	149	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-
0604227N	150	HARPOON MODIFICATIONS	1,965	-	1,965
0101221N	151	STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	56,604	-	56,604
0101224N	152	SSBN SECURITY TECHNOLOGY PROGRAM	33,588	-	33,588
0101226N	153	SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	8,328	-	8,328
0204136N	154	F/A-18 SQUADRONS	357,214	(23,400)	333,814
0204152N	155	E-2 SQUADRONS	47,797	-	47,797
0204163N	156	FLEET TELECOMMUNICATIONS (TACTICAL)	16,297	-	16,297
0204229N	157	TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	66,727	-	66,727
0204311N	158	INTEGRATED SURVEILLANCE SYSTEM	19,772	-	19,772
0204413N	159	AMPHIBIOUS TACTICAL SUPPORT UNITS	1,945	-	1,945
0204571N	160	CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	28,390	-	35,390
		Battle Force Tactical Training		7,000	
0204575N	161	ELECTRONIC WARFARE (EW) READINESS SUPPORT	3,716	-	3,716
0205601N	162	HARM IMPROVEMENT	18,921	-	18,921
0205604N	163	TACTICAL DATA LINKS	49,757	-	49,757
0205620N	164	SURFACE ASW COMBAT SYSTEM INTEGRATION	9,390	-	9,390
0205632N	165	MK-48 ADCAP	17,550	-	17,550
0205633N	166	AVIATION IMPROVEMENTS	64,956	-	64,956
0205658N	167	NAVY SCIENCE ASSISTANCE PROGRAM		-	-
0205667N	168	F-14 UPGRADE	12,947	-	12,947
0205675N	169	OPERATIONAL NUCLEAR POWER SYSTEMS	54,183	-	54,183
0206313M	170	MARINE CORPS COMMUNICATIONS SYSTEMS	50,594	-	50,594
0206623M	171	MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	14,699	-	14,699
0206624M	172	MARINE CORPS COMBAT SERVICES SUPPORT	4,634	-	4,634
0207161N	173	TACTICAL AIM MISSILES	65,855	-	65,855

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0207163N	174	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	4,862	-	4,862
0303109N	177	SATELLITE COMMUNICATIONS (SPACE)	18,188	-	18,188
0303140N	178	INFORMATION SYSTEMS SECURITY PROGRAM	22,201	-	22,201
0303150N	179	WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	469	-	469
0305154N	181	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		-	-
0305160N	182	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	11,671	-	11,671
0305188N	183	JOINT C4ISR BATTLE CENTER (JBC)	5,352	-	5,352
0305192N	184	JOINT MILITARY INTELLIGENCE PROGRAMS	2,302	-	2,302
0305207N	185	MANNED RECONNAISSANCE SYSTEMS	342	-	342
0305927N	186	NAVAL SPACE SURVEILLANCE	399	-	399
0702207N	187	DEPOT MAINTENANCE (NON-IF)	69,967	-	69,967
0708011N	188	INDUSTRIAL PREPAREDNESS	59,060	-	59,060
XXXXXX	999	Classified Programs	521,541	(6,500)	515,041
		TOTAL RESEARCH DEVELOPMENT TEST & EVAL NAVY	8,108,923	89,079	8,198,002

Pulse detonation engine technology

The committee is encouraged by the potential of pulse detonation engine technology for rapid response to time critical targets and recommends an increase of $1.0 million in PE 62111N to accelerate the flight demonstration of this technology.

Stainless steel double hull research

The committee recommends an increase of $3.0 million in PE 62121N for the acceleration of research in stainless steel double hull technologies. The committee notes the potential of this technology to reduce acquisition and life-cycle costs and improve survivability. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized, where appropriate.

Communications, command and control technology

The budget request includes $65.0 million for Communication, command and control technology (PE 62332N). The committee recommends a reduction of $5.0 million in PE 62332N for the strategic sustainment program in order to fund higher priority programs.

Thermal management materials

The committee recommends an increase of $1.5 million in PE 62234N for high thermal conductivity carbon fiber material. In order to fully exploit the advancements in the area of thermal management for electronics and fully realize the potential for cost savings and performance, it is essential that these materials be used in conjunction with commercially available chips. The committee directs the Navy to pursue dual-use application and industry cost-sharing to the maximum extent practicable.

Carbon-carbon heatshield technology

The committee encourages the Navy to continue a robust program for the development of carbon-carbon heatshields and insulation materials and recommends an increase of $2.5 million in PE 62234N in order to specifically address future Navy reentry body requirements. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized where appropriate.

Electronic propulsion technology

The committee recommends an increase of $2.0 million in PE 62234N for the development of applied high temperature superconducting (HTS) technology for electric propulsion and related auxiliary systems in future surface ships and submarines. The Office of Naval Research, in conjunction with the Navy's principal shipbuilders, should build upon the advances realized in the commercial sector and pursue dual-use technology and cost-sharing to the maximum extent practicable.

Precision strike and air defense technology

The budget request included $58.3 million for precision strike and air defense technology, of which $4.9 million would be for mobile offshore basing (MOB), project R2266. The MOB effort would develop a concept to provide a means by which long-term U.S. presence can be maintained. Technology issues associated with both semi-submersible and mono-hull modules connected into platforms 1000 and 3000 meters in length will be explored.

The committee has determined that engineering and design studies on critical technologies essential to MOB can be completed more efficiently if accelerated in fiscal year 1999. Accordingly, the committee recommends an increase of $5.0 million in PE 63238N for MOBS.

Advanced electric systems studies

The budget request included $14.8 million in PE 603508N for fabrication, demonstration, development and concept studies for quiet electric propulsion motor technologies. The studies and intermediate scale development are premature initiatives until fiscal year 1999 results from the 500KW sub-scale demonstration model are known. Therefore, the committee recommends a reduction of $1.0 million to PE 603508N.

Composite helicopter hangar

The budget request included no funding for continuation of a program to design and fabricate the outer shell of a DDG–51 helicopter hangar structure using composite materials. The composite helicopter hangar program goals are to leverage enabling technologies that can lead to reduced radar signatures and cost and weight savings. Development issues include fabrication, durability, maintenance and repair, outfitting, fire survivability in a manned space, and local loading due to shock from mounted equipment. The committee recommends an increase of $5.0 million in PE 603508N to continue a developmental effort to design and fabricate the outer shell of a DDG–51 helicopter hangar structure using composite materials.

Marine Corps warfighting laboratory

The budget request included $23.6 million within PE 603460M to support the Marine Corps warfighting laboratory (MCWL). The MCWL has supported the experimentation process for the Marine Corps. Last year's effort was highlighted by Hunter Warrior, an effort to test advanced operational concepts in extended and dispersed battlefields.

In fiscal year 1999, the Marine Corps intends to conduct Urban Warrior to test concepts for operating in urban areas. Later in fiscal year 1999, the Marine Corps will begin the planning for the experimentation phase called Capable Warrior. Capable Warrior will attempt to integrate "lessons learned" from the previous experiments.

The committee continues to support these warfighting experiments, and recommends an additional $10.0 million for accelerating these efforts. Of this amount, $5.0 million will be for the second phase continued evaluation of the broad-area unmanned retail and

re-supply operation or BURRO. This funding will allow this joint effort to complete the evaluation process and have a flying prototype by year 2000.

The committee understands that this series of experiments is not a normal acquisition program. It is clear that an effort to inflict robust countermeasures on the experimentation process could thwart attempts to learn as much as we can from the experiments about potential operational concepts. Nevertheless, the committee believes that the Marine Corps and the MCWL must pay greater attention to the vulnerabilities of systems used in these experiments to potential countermeasures. Decisions about changing operational concepts, changing force structure, or pursuing new hardware developments must be made with a better understanding of vulnerabilities to potential countermeasures.

Therefore, the committee directs the Secretary of the Navy to provide a report on the long-term plan for developing "red team" countermeasures efforts activity to keep pace with the warfighting experiment efforts. The Secretary should provide the report to the congressional defense committees by May 15, 1999. The committee further directs that no more than 85 percent of the funds for this program be obligated, before the delivery of the report.

Freeze dried blood research

The committee recommends an increase of $1.0 million in PE 63706N to continue research on freeze-dried blood processes to develop a safe and reliable supply of blood for combat casualties. The technology provides freeze-dry blood platelets for the purpose of extending shelf-life, destroying potential contaminating viruses, and reducing space required for storage of blood stocks. The committee recognizes the commercial potential of this technology and encourages the Navy to pursue dual-use application and cost-sharing in this program to the maximum extent practicable.

Advanced lightweight influence sweep system

The budget request included $4.2 million for advanced mine sweeping. The advanced lightweight influence sweep system (ALISS) is focused on developing superconducting magnets and acoustic transducers to sweep influence mines targeted against specific classes of Navy ships. The lightweight, modular and low logistic requirements features make ALISS a candidate for deployment by a number of Navy platforms. The committee recommends a $1.0 million increase to PE 603782N to continue the test and development of ALISS.

Studies and experiments for combat systems engineering

The budget request included $8.6 million for studies and experiments for advanced combat systems engineering which, potentially, could be leveraged into new ship class computer architectures. The committee supports leveraging distributed architecture, radar technology and information management concepts when those efforts are directly connected to correcting a warfighting deficiency or to reducing the costs of building 21st century platforms. The committee recommends a reduction of $2.0 million in PE 603382N for

studies and experiments not directly connected to correcting warfighting deficiencies in 21st century platforms.

SSGN study

In implementing pending strategic arms reduction treaties, the Navy may remove some of the *Trident* submarines from active service as fleet ballistic missile submarines (SSBNs). The "Report of the National Defense Panel, December 1997" stated that the Navy should examine converting *Trident* submarines coming out of strategic service for use in missions other than at the strategic level. The committee is aware that these SSBNs would have several years of service life remaining at the point that START II would require that they no longer be used as SSBNs. The committee understands that there are several alternative dispositions of any such boats removed from active service as SSBNs.

One of these alternatives is to convert these vessels to carry only tactical missiles (SSGN), including such missiles as Tomahawk, or the Navy variant of the Army tactical missile system (NTACMS). The committee believes that this alternative may have merit for meeting some of the Navy's shore fire support requirements, but needs more information upon which to base any decision about a program to convert these SSBNs to SSGN-configuration.

Elsewhere in this report, the committee has recommended a provision that would prohibit the retirement or conversion of any *Trident* submarines until the START II treaty enters into force. Nevertheless, the committee believes the Navy must begin now to develop plans for submarines that will become excess if the treaty enters into force.

Therefore, the committee directs the Secretary of Defense to conduct an analysis of converting some of the *Trident* SSBNs to SSGN-configuration. This study should identify a schedule for such an SSGN conversion, the costs of such a conversion, the benefits that may be derived from such a plan, major problems areas that may require additional analysis and the implications of ensuring that such a conversion would be compliant with all applicable arms control treaties. The committee recommends an increase of $1.0 million to PE 603564N and directs the Secretary to provide the report to the congressional defense committees no later than March 1, 1999.

Intercooled recuperated gas turbine engine

The budget request included $23.4 million to conduct intercooled recuperated (ICR) gas turbine engine testing. The ICR naval engine program is a cooperative program being developed in conjunction with U.S. allies. The ICR engine is a candidate to provide main propulsion for future ships. The expectation is that the ICR engine will produce significant reductions in fuel consumption compared to the gas turbine engines now in use on Navy ships. ICR engine testing and evaluation have progressed during seven engine tests with a cumulative 1200 hours of engine operation. As a result of the latest testing, combustor and recuperator improvement development efforts have been identified that must be completed prior to resumption of testing. The committee believes the ICR engine should move rapidly to completion of testing to make it a via-

ble candidate for ship propulsion. Therefore, the committee recommends an increase of $5.0 million in PE 603573N for continued development and testing of the ICR engine.

Predator

The committee is concerned about issues raised regarding the ongoing development of the Predator missile system. Predator is designed to be a man portable, lethal, fire-and-forget top attack anti-armor missile. The committee understands that personnel issues associated with the contractor work force have resulted in some schedule slippage for the production of this missile system. For the last two years, the committee has been compelled to add funding, with a recommendation for $18.0 million in fiscal year 1999 alone, for safety modifications to the shoulder launched multi-purposed assault weapon to extend the service life of this system until Predator can be fielded. The committee believes that the Predator system should be fielded as soon as possible and understands that necessary corrective actions have been taken to support continued development of this critical weapon system. If fact, recent live-fire tests have been very successful and it appears the program is back on track. The committee, therefore, recommends an increase of $4.0 million in PE 63635M to maintain the previously established development and fielding schedule.

Vertical gun for advanced ships

The budget request included $25.1 million in PE 603795N for a new initiative to develop a prototype vertical gun for land-based testing. The Navy intends to use the vertical gun for advanced ships (VGAS) as the main fire support battery for the land attack destroyer (DD–21). To meet the DD–21 schedule, VGAS development would need to be sufficiently mature to support DD–21 critical design review and procurement authorization in fiscal year 2003.

The Navy's plan is that the DD–21 would be the first member of a family of 21st century surface combatants (SC–21). The committee believes that it would be highly unlikely that the Navy would develop VGAS for DD–21, and then develop another gun system for other members of the SC–21 family.

The committee views with concern the fact that the Navy's request would move forward with the vertical gun design without adequately analyzing alternative gun designs for DD–21. The committee notes that a vertical gun would have little or no ability to "train and elevate." These deficiencies would limit availability and engagement envelopes for countering littoral threats, as well as limiting the Navy's choice of ammunition to a new, Navy-only family of gun ammunition. The committee believes the Navy should consider war fighting attributes other than low radar cross-section to justify the award of a contract for a vertical gun.

In previous reports, the committee emphasized the advisability of attempting to meet fire support requirements with modifications of systems already developed. The Navy has not reconsidered the Army's multiple launch rocket system (MLRS) as an option for providing fire support to the Marines. However, the Army has made significant improvements in MLRS range and launch platform sta-

bilization since the Navy last reviewed this system to fill the fire support requirement. The committee believes that another review would be appropriate.

The Secretary of the Navy is directed to report, prior to obligating funds for a prototype VGAS, the results of an analysis of alternatives for an advanced gun system that includes cost as an independent variable and considers at least the following:

(1) meeting all war fighting capabilities that will be required for a gun system on a multi-mission combatant;

(2) relying on joint ammunition programs that leverage technology investments by all services, and the availability and economies of scale of moving to one family of gun ammunition for Army, Marine Corps, and Navy fire support missions;

(3) fulfilling some portion of the fire support requirement with a modified version of the Army's extended range multiple launch rocket system; and

(4) fulfilling some portion of the fire support requirement with the Navy variant of the Army Tactical Missile System (NTACMS).

Until such an analysis is complete, the committee believes that it would be premature to proceed with VGAS development at the pace assumed in the Navy's budget request. Therefore, the committee recommends a reduction of $10.0 million, and directs the Navy to conduct an analysis of all advanced gun designs, as well as ammunition availability, in determining the best gun design for DD–21.

Naval surface fire support system integration

The budget request included $21.6 million for a new initiative to develop surface fire support planning and control systems for the 5-inch 62 gun on DDG–51 ships and the 155mm vertical gun for the future DD–21 class of ships. The committee agrees with the need for a planning and control system for the 5-inch 62 gun for DDG–51 ships and considers this a priority to coincide with the introduction of the Extended Range Guided Munition (ERGM) to the fleet. The committee agrees with the Department of Defense's plan to reduce risk by integrating the 5-inch 62 gun into the existing Advanced Tomahawk Weapons Control System (ATWCS) initially hosted on a separate hardware processor.

However, initiation of software builds to support vertical gun requirements is premature and counter to the Navy's plan to use a "total systems" approach in developing the DD–21. The committee encourages the Navy to pursue, through the DD–21 program and the Joint Maritime Command and Information System (JMCIS), system engineering for development of surface fire support system requirements within the DD–21 combat system architecture. Therefore, the committee recommends a reduction of $7.7 million to PE 603795N.

Joint Strike Fighter

The budget request included $919.5 million ($463.4 million in Navy research and development and $456.1 million in Air Force research and development) for continued development of the joint strike fighter (JSF).

Section 213 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) required a report on the order of fielding the variants of the JSF, and that specifically addressed the acceleration of the naval variant. The report included a certification that the JSF program contains sufficient funding to carry out an alternate engine program that includes flight qualification of an alternate engine in a JSF airframe.

While not in total agreement with the report, the committee notes the timely submission and clear presentation of the Department of Defense priorities and plans. The certification of a funded program for an alternate engine is a positive commitment to cost-effective program management. However, the actual demonstration of the alternate engine in a JSF airframe has been continuously shifted to the "out years," an action that threatens to invalidate the whole initiative. If the alternate engine is not completed for use for the most stressing of the JSF requirements (the short takeoff/vertical landing variant), then it may be too late to provide a major benefit to the program. Accordingly, the committee recommends an increase of $15.0 million to the budget request to accelerate the development of an alternative engine for the JSF.

Nonlethal weapons and technologies of mass protection program

The budget request included $22.5 million for the non-lethal weapons (NLW) technology demonstration and validation program (PE 63851M). The committee recommends an increase of $13.3 million to the budget request.

The committee recommends that of the recommended increase, $6.3 million be used to accelerate the development and fielding of near-term, low-tech NLW technologies such as nonlethal claymore mines, vehicle-mounted 66mm delivery systems, nonlethal payloads for delivery by unmanned aerial vehicles, nonlethal foams, and calmative agents. In addition, increased funding for this activity would be used to accelerate demonstration of acoustic and electromagnetic directed energy systems, for medical surveillance and non-lethal casualty data collection, strategic planning, human effects assessments, technical studies and analysis, and increased experimentation in warfighting and battle labs.

The committee understands that it is the intention of the Department of Defense to expand its review of doctrinal, legal, policy, and operation issues regarding the research, development, acquisition, and employment of NLW technologies. The committee recommends that $2.0 million be made available from funds authorized for the nonlethal weapons technology program in fiscal year 1999 to the Human Effects Panel of the Joint Non-Lethal Directorate for those activities.

The committee recommends that the remaining $7.0 million of the recommended increase to the budget request be used to conduct a comprehensive effort to explore and develop nonlethal tactical denial systems that would provide ground commanders a wider range of capabilities. Finally, the committee recommends that $500,000 be made available to complete type classification of non-lethal weapons technology that can be mounted on existing weapons assigned to U.S. forces, such as M16s and M4 carbines.

As noted in the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1998 (S. Rept. 105–29), the committee believes it is important that advanced technologies be developed to provide U.S. military forces with greater flexibility to manage, shape, deter, or contain future conflicts, as they are increasingly confronted by unorthodox, non-traditional, and asymmetrical threats. These challenges, and an increase in low and medium-intensity conflict, require the Department of Defense to evaluate new technologies and doctrine for the use of force. In particular, the committee believes that the Department should focus on the development of new and emerging technologies to extend the scope of possible responses and to facilitate the containment of conflict across the operational continuum.

Section 230 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) established a program element that would consolidate and streamline the Department of Defense and military service nonlethal weapons technology program, and directed the Department to designate an executive agent. As part of the Department's Munitions Strategy announced in September 1996, the Under Secretary of Defense for Acquisition and Technology highlighted the importance of equipping U.S. forces with nonlethal weapons to conduct operations other than war, the focus of which would be to reduce civilian casualties. At the same, the Department announced the establishment of a nonlethals weapons technology program and designated the Marine Corps as the executive agent for the program.

Despite congressional direction and designation of an executive agent by the Under Secretary of Defense for Acquisition and Technology, the committee remains concerned that the Department and the military services continue to conduct research and development on NLW activities that benefit all services outside the purview of the established defense NLW program and without oversight by the executive agent. The committee directs the Department and the military services to implement the congressional direction contained in Public Law 104–201, to consolidate all nonlethal weapons technology research and development into a single program element, with management and oversight of the program conducted by the Marine Corps as executive agent.

Advanced communications and information technologies

The committee continues to support the Advanced Communication and Information Technologies (ACIT) initiative. The committee recommends an increase of $3.0 million in PE 64707N for continuation of the ACIT initiative.

Parametric airborne dipping sonar

The budget request contained no funding for the parametric airborne dipping sonar (PADS). The PADS program is the continuation of a small business innovative research project that is designed to develop, demonstrate and evaluate the three dimensional, stabilized steerable acoustic beams for mine avoidance and submarine detection in shallow water. It is the only system that has the potential to provide airborne active dipping sonar antisub-

marine and antimine capabilities for shallow water littoral operations.

The committee is encouraged with initial results and potential future antisubmarine and antimine applications of the parametric airborne dipping sonar. The present program to prove parametric concepts using a prototype unit is scheduled for additional demonstrations in fiscal year 1998. Navy analysis and present plans include the possibility of PADS being a shallow water adjunct to the airborne low frequency active sonar system (ALFS).

Continued development of the PADS system to make it a flightworthy system including reel machine, fiber-optic and power cable, and signal processor improvements resulting in a helicopter flight demonstration, is key to fighting in the littorals in the 21st century. Therefore, the committee recommends an increase of $8.0 million in PE 604212N for the continued development of PADS.

Commercial off-the-shelf insertion just prior to critical design review for helicopter improvement

The budget request included $231.1 million in PE 604212N for antisubmarine warfare (ASW) and other helicopter development. A second critical design review (CDR) for the Light Airborne Multipurpose System (LAMPS) MK III Improvement has been added to the program and scheduled for the second to the fourth quarter of fiscal year 1999. Commercial off-the-shelf (COTS) insertion opportunities for low rate initial production (LRIP) test articles should occur predominantly prior to critical design review. The $25.0 million request to continue efforts to incorporate COTS technology during the two fiscal quarters prior to CDR appears to be disproportionate when compared to past efforts ($14.0 million in fiscal year 1998) when four or more quarters were required to complete the efforts. Therefore the committee recommends a reduction of $1.0 million to PE 604212N.

Integrated defensive electronic countermeasures

The budget request included $128.6 million for electronic warfare development. The integrated defensive electronic countermeasures(IDECM) system is the next generation radio-frequency countermeasures system (RFCM) intended for the F/A–18C/D/E/F, B–1B, F–15C/E, and other platforms. The committee understands and supports the Department of Defense efforts to apply this joint service technology to as many platforms as possible. The committee is also aware of the evolving nature of the operational requirements, which in many cases are driven by existing operational commitments and technical challenges inherent in the program. Therefore, the committee recommends an increase of $10.0 million in PE 64270N for the IDECM RFCM.

DDG–51 composite director room

The use of composites in shipbuilding has the potential to increase the survivability and reduce the overall weight of ships and to reduce maintenance. However, issues regarding composite use in construction in the following areas remain unanswered: combat repair, corrosion due to differences in the electric potential of composites and other shipbuilding materials, and possible toxicity result-

ing from exposure to intense heat. The committee believes the potential use of composite materials in shipbuilding should be pursued. The committee recommends an increase of $5.0 million in PE 603513N for continuation of a project to design and test a director room for the DDG–51 class of ships.

Laboratories and field activities monitoring efforts

The budget request included $132.5 million for surface combatant combat system engineering in PE 604307N. This request included $19.2 million for laboratory and field activity unspecified scientific services for monitoring baseline efforts. The committee recommends a reduction of $3.0 million to unspecified scientific services.

Multi-purpose processor

The budget request included $37.2 million for submarine sonar improvement. The multi-purpose processor (MPP) is the result of a small business innovative research (SBIR) initiative developed under the sponsorship of the new nuclear attack submarine (NSSN) program. The MPP provides a capability to easily transport new, advanced software to existing hardware installations. It lies at the heart of the Navy's acoustic rapid commercial off-the-shelf (COTS) insertion program (ARCI), a program designed to permit the SSN–688 class to regain acoustic superiority over the diesel and nuclear submarines of other navies. The committee recommends an increase of $15.0 million in PE 604503N for continuation of the SBIR follow-on for advanced development of MPP transportable software technology, technology insertion, advanced processor software builds, and for providing MPP units and training throughout the fleet and the Navy research and development community.

Non-propulsion electronics system

The budget request included $218.8 million for New Attack Submarine (NSSN) non-propulsion development. The purpose of the development is to reduce life-cycle costs by investigating and incorporating open systems architecture, commercial off-the-shelf software and hardware and advanced ship construction techniques. The non-propulsion electronics system (NPES) is comprised of 15 subsystems required to perform warfare missions. The major systems are sonar, combat control, exterior communications, electronic support measures and interconnecting architectures. To attain the possible life-cycle savings that could accrue, analysis and integration to support the 15 subsystems development is required. The committee recommends an increase of $12.0 million to PE 604558N for integration of the 15 NPES subsystems.

Smart propulsor product model

The budget request included $7.0 million for continuation of the development of the smart propulsor product model (SPPM) for DD–21. The SPPM will provide a complete representation of the ship's requirements, design and capabilities at each stage of the life-cycle. The SPPM program is a proposed joint Navy/industry effort to develop software that will bring together design, manufacturing, cost

and capability modeling for ship propulsion devices. This development will enable the Navy to consider innovative propulsion concepts for future ships while considering life-cycle costs and manufacturing techniques. The committee recommends an increase of $4.0 million in PE 604567N for the SPPM.

Ship live-fire test

The budget request included $8.6 million for the second year of DD–21 live fire test and evaluation prediction. The program's plan for fiscal year 1998 includes $3.4 million for the first year of DD–21 live fire test and evaluation prediction. Subsequent to the enactment of the fiscal year 1998 authorization for this program, the first year of full procurement authorization of DD–21 was delayed one year from fiscal year 2003 to fiscal year 2004.

The committee believes the total fiscal year 1998 and fiscal year 1999 DD–21 live fire test prediction plan and request of $12.0 million to be excessive given the one year delay in the program. Therefore, the committee recommends a reduction of $8.6 million in PE 604567N, without prejudice, to reflect the rephasing of the program.

Infrared search and track system

The budget request included $900,000 for an infrared search and track (IRST) system. Land-based testing of IRST is scheduled for fiscal year 1998, followed by at-sea testing in fiscal year 1999.

Congress has directed the Navy to develop IRST to provide a passive detection and tracking system. In many previous reports, the committee has noted the potential of IRST for complementing, not supplanting, radar, because IRST would operate in a different portion of the electromagnetic spectrum from radar. As shown by at-sea testing, IRST systems could complement existing shipboard radars by continuously scanning the horizon for threat platforms or sea-skimming missiles. Horizon search, for which IRST would be optimized, is an area of relative weakness for active radars.

Although various studies have repeatedly validated that IRST could provide a major improvement in ship survivability against sea-skimming cruise missiles, Navy budget requests continue to emphasize exploitation of the radio portion (radar) of the electromagnetic spectrum.

The committee believes developing a search and track system that is not dependent on active transmissions by either friendly or threat emitters could make an extremely important contribution to successful naval operations. Therefore, the committee recommends an increase of $6.5 million in PE 604755N for continued development of the IRST system.

NUKLA antiship missile decoy system electro-magnetic compatibility

The budget request included $2.3 million for continued development and testing of the electo-magnetic compatibility (EMC) upgrade to the NULKA active countermeasures decoy. Having EMC will permit a more rapid upgrade of the NULKA round to accommodate new friendly emitters as they enter the fleet, and also deal with the evolving ASM threat.

The NULKA decoy was developed to improve surface ship survivability against antiship missiles (ASM). The ASM threat is growing rapidly. By the year 2000, an estimated 100 nations will possess more than 40,000 ASMs. These missiles will pose a potent threat to surface combatants and amphibious ships involved in littoral operations.

The committee recommends an increase of $2.0 million in PE 604755N to complete the development and operational testing of the EMC upgrade.

Voice instructional devices

The committee recommends an increase of $1.0 million in PE 64771N for voice instructional device (VID) technology. The committee notes the progress made in technology that allows for faster, more efficient medical care in remote or combat situations and encourages the Navy to include VID technology in this research. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized where appropriate.

Global command, control, communications, computers, intelligence, surveillance, reconnaissance (C4ISR) visualization

The budget request included $13.2 million for space and electronic warfare surveillance and reconnaissance support. A continuing problem between the intelligence collectors and war fighting commanders is the manner in which intelligence is displayed. Useful information provided in a form that is quickly understandable and easily accessed is vital to winning battles. The Command, Control, Communications and Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems in use provide various products to operational commanders. The Global C4ISR Visualization (GCIV) project will give operational commanders a visualization system that integrates information from all Intelligence, Surveillance and Reconnaissance (ISR) systems. GCIV will use multi-dimensional commercial off-the-shelf (COTS) visualization software integrated with a COTS database server connected to Navy databases. The committee recommends an increase of $4.0 million in PE 65867N for the GCIV project.

F/A–18E/F reconnaissance development

The budget request included $1.4 million in research and development and $43.2 million in procurement to continue the restructured advanced tactical air reconnaissance system (ATARS) program. The ATARS total program of $464.9 million includes $216.3 million in development and $248.6 million in procurement. The ATARS program will field reconnaissance systems on Marine Corps F/A–18D aircraft. The approved ATARS plan calls for fielding a total of 31 ATARS systems. The plan was restructured as part of a congressional cancellation of the original the Air Force follow-on tactical reconnaissance system (FOTRS) program. Congress dropped Air Force and Navy participation in the ATARS program

specifically because of the inadequate support and oversight provided by the two services.

The budget request also included $2.9 million for fiscal year 1998 and $43.4 million for fiscal year 1999 to begin an F/A–18E/F tactical reconnaissance development within PE 24136N. This is a new start program to develop a replacement for the F–14 tactical air reconnaissance pod system (TARPS). The Navy intends to spend $398.9 million ($112.4 million in research and development and $286.5 million in procurement) to field 50 pods and eight ground stations.

The committee believes that the budget request for tactical reconnaissance is excessive, particularly in view of other alternatives that may be available to solve the Navy's tactical reconnaissance needs. Therefore, the committee recommends a funding level of $20.0 million for F/A–18E/F tactical reconnaissance development, a reduction of $23.4 million.

The committee believes that the Navy must conduct an analysis of alternatives (AOA) before launching upon a program that would spend another $400.0 million on providing a TARPS replacement, when a direct one-for-one replacement may not be the most effective solution to the problem. The AOA should consider reconnaissance capability to be provided by other planned or existing systems, such as carrier-capable Marine Corps F/A–18D aircraft, various unmanned aerial vehicles (UAVs), and a range of national reconnaissance systems. The committee directs the Navy to obligate no more than 50 percent of these funds until 30 days after the Navy submits the results of the AOA to the congressional defense committees.

Battle force tactical training

The budget request included $5.9 million for the surface tactical team trainer (STTT). The STTT is designated to further develop an existing system, the battle force tactical training (BFTT) system, so it will be able to provide joint warfare training. A highly successful small business innovative research (SBIR) project, N96–111, leveraged the capabilities of commercial off-the-shelf (COTS) operating systems and processors. The committee recognizes that the rapid development under the SBIR fast track program did not allow sufficient time for the Department of Defense to program funding to complete the development work of converting the software to a personal computer operating system. The committee recommends an increase of $7.0 million in PE 204571N for the purpose of SBIR phase III follow-on work to continue the BFTT operating system conversion.

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		Request	FY 1999 Change	Recommended
ACCOUNT		RESEARCH DEVELOPMENT TEST & EVAL AF			
0601102F	1	DEFENSE RESEARCH SCIENCES	209,395	-	209,395
0602102F	2	MATERIALS	62,578	-	64,078
		Friction Welding		1,500	
0602201F	3	AEROSPACE FLIGHT DYNAMICS	64,932	-	64,932
0602202F	4	ARMSTRONG LAB EXPLORATORY DEVELOPMENT	60,805	-	60,805
0602203F	5	AEROSPACE PROPULSION	69,061	-	67,061
		VDVP		2,000	
		Program Reduction		(4,000)	
0602204F	6	AEROSPACE AVIONICS	65,549	-	65,549
0602269F	7	HYPERSONIC TECHNOLOGY PROGRAM	16,649	-	16,649
0602601F	8	PHILLIPS LAB EXPLORATORY DEVELOPMENT	116,139	-	125,139
		HAARP		9,000	
0602602F	9	CONVENTIONAL MUNITIONS	41,529	-	41,529
0602702F	10	COMMAND CONTROL AND COMMUNICATIONS	65,175	-	65,175
0602805F	11	DUAL USE APPLICATIONS PROGRAM	19,606	-	19,606
0603106F	12	LOGISTICS SYSTEMS TECHNOLOGY	8,677	-	8,677
0603108F	13	INTEGRATED DATA SYSTEMS		-	-
0603112F	14	ADVANCED MATERIALS FOR WEAPON SYSTEMS	21,006	-	21,006
0603202F	15	AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION	30,814	-	27,814
		Program Reduction		(3,000)	
0603203F	16	ADVANCED AVIONICS FOR AEROSPACE VEHICLES	26,442	-	26,442
0603205F	17	FLIGHT VEHICLE TECHNOLOGY	7,035	-	7,035
0603211F	18	AEROSPACE STRUCTURES	12,494	-	12,494
0603216F	19	AEROSPACE PROPULSION AND POWER TECHNOLOGY	38,984	-	36,984
		Program Reduction		(2,000)	
0603227F	20	PERSONNEL, TRAINING AND SIMULATION TECHNOLOGY	6,636	-	6,636
0603231F	21	CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	16,603	-	19,603
		Night Vision Technology		3,000	
0603238F	22	GLOBAL SURVEILLANCE AND COMMUNICATION TECHNOLOGY		-	-

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0603245F	23	FLIGHT VEHICLE TECHNOLOGY INTEGRATION	7,674	-	7,674
0603253F	24	ADVANCED AVIONICS INTEGRATION	10,536	-	10,536
0603270F	25	ELECTRONIC COMBAT TECHNOLOGY	25,553	-	39,553
		Precision Location and Identification (PLAID)		14,000	
0603302F	26	SPACE AND MISSILE ROCKET PROPULSION	21,121	-	21,121
0603311F	27	BALLISTIC MISSILE TECHNOLOGY		-	5,000
		Missile Techonolgy Demonstration		5,000	
0603401F	28	ADVANCED SPACECRAFT TECHNOLOGY	42,571	-	67,571
		Range Improvements for Liquid Upper Stage Testing		5,000	
		Micro-Satellite Technology Program		10,000	
		Solar Orbital Transfer Vehicle		10,000	
0603410F	29	SPACE SYSTEMS ENVIRONMENTAL INTERACTIONS TECHNOLOGY	3,457	-	3,457
0603601F	30	CONVENTIONAL WEAPONS TECHNOLOGY	23,244	-	23,244
0603605F	31	ADVANCED WEAPONS TECHNOLOGY	40,153	-	40,153
0603707F	32	WEATHER SYSTEMS TECHNOLOGY	1,568	-	1,568
0603723F	33	ENVIRONMENTAL ENGINEERING TECHNOLOGY	2,663	-	2,663
0603726F	34	C3I SUBSYSTEM INTEGRATION	11,025	-	11,025
0603728F	35	ADVANCED COMPUTING TECHNOLOGY	7,827	-	7,827
0603789F	36	C3 ADVANCED DEVELOPMENT	13,235	-	13,235
0305176F	37	COMBAT SURVIVOR EVADER LOCATOR		-	-
0603260F	38	INTELLIGENCE ADVANCED DEVELOPMENT	4,615	-	4,615
0603319F	39	AIRBORNE LASER PROGRAM	292,219	-	195,219
		Program Reduction		(97,000)	
0603430F	40	ADVANCED MILSATCOM (SPACE)	54,413	-	54,413
0603432F	41	POLAR ADJUNCT (SPACE)	41,508	-	41,508
0603434F	42	NATIONAL POLAR-ORBITING OPERATIONAL ENVIRONMENTAL SATELLITE SYS (SP	64,732	-	64,732
XXXXXX		Satellite System Survivability (PE 63438F)		30,000	30,000
0603441F	43	SPACE BASED INFRARED ARCHITECTURE (SPACE) - DEM/VAL	160,262	-	160,262
0603617F	44	COMMAND, CONTROL, AND COMMUNICATION APPLICATIONS	7,770	-	7,770
0603742F	45	COMBAT IDENTIFICATION TECHNOLOGY	6,177	-	6,177

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0603790F	46	NATO RESEARCH AND DEVELOPMENT(H)	11,117	-	10,717
		Program Reduction		(400)	
0603800F	47	JOINT STRIKE FIGHTER	456,137	-	456,137
0603851F	48	INTERCONTINENTAL BALLISTIC MISSILE - DEM/VAL	29,360	-	29,360
0603852F	49	C-130J - DEM/VAL		-	-
0603853F	50	EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE)- DEM/VAL		-	-
0603854F	51	GLOBAL BROADCAST SERVICE	70,147	-	70,147
0603855F	52	SPACE ARCHITECT OFFICE		-	-
0603856F	53	AIR FORCE/NRO PARTNERSHIP (AFNP)	17,645	-	17,645
0603860F	54	JOINT PRECISION APPROACH AND LANDING SYSTEMS - DEM/VAL	22,057	-	22,057
0603876F	55	SPACE-BASED LASER	35,000	-	35,000
0604237F	56	VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT		-	7,300
		VISTA		7,300	
0604327F	57	HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS) PROGRAM	9,803	-	9,803
0604201F	58	INTEGRATED AVIONICS PLANNING AND DEVELOPMENT	10,762	-	10,762
0604218F	59	ENGINE MODEL DERIVATIVE PROGRAM (EMDP)		-	-
0604222F	60	NUCLEAR WEAPONS SUPPORT	4,977	-	4,977
0604226F	61	B-1B	195,385	-	195,385
0604227F	62	TRAINING SYSTEMS DEVELOPMENT	1,961	-	1,961
0604233F	63	SPECIALIZED UNDERGRADUATE PILOT TRAINING	55,563	-	55,563
0604239F	64	F-22 EMD	1,582,217	-	1,582,217
0604240F	65	B-2 ADVANCED TECHNOLOGY BOMBER	131,247	-	131,247
0604243F	66	MANPOWER, PERSONNEL AND TRAINING DEVELOPMENT		-	-
0604270F	67	EW DEVELOPMENT	90,126	20,000	110,126
0604321F	68	COMBAT INTELLIGENCE SYSTEM -EMD		-	-
0604441F	69	SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD	538,438	-	538,438
0604442F	70	SPACE BASED INFRARED SYSTEM (SBIRS) LOW EMD	33,328	-	33,328
0604479F	71	MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE)	550,940	-	550,940
0604480F	72	GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE)	62,591	-	106,591
		Enhanced GPS		44,000	

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0604600F	73	MUNITIONS DISPENSER DEVELOPMENT	7,559	-	7,559
0604602F	74	ARMAMENT/ORDNANCE DEVELOPMENT	12,037	-	12,037
0604604F	75	SUBMUNITIONS	4,805	-	4,805
0604611F	76	JOINT STANDOFF LAND ATTACK MISSILE (JSLAM)		-	-
0604617F	77	AIR BASE OPERABILITY	2,503	-	2,503
0604618F	78	JOINT DIRECT ATTACK MUNITION	12,204	-	12,204
0604703F	79	AEROMEDICAL/CHEMICAL DEFENSE SYSTEMS	3,336	-	3,336
0604706F	80	LIFE SUPPORT SYSTEMS	3,744	-	3,744
0604708F	81	CIVIL, FIRE, ENVIRONMENTAL, SHELTER ENGINEERING	2,715	-	2,715
0604711F	82	SYSTEMS SURVIVABILITY (NUCLEAR EFFECTS)		-	-
0604727F	83	JOINT STANDOFF WEAPONS SYSTEMS	15,134	-	15,134
0604735F	84	COMBAT TRAINING RANGES	14,581	-	14,581
0604740F	85	COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	200	-	200
0604750F	86	INTELLIGENCE EQUIPMENT	1,300	-	1,300
0604754F	87	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	7,956	-	7,956
0604762F	88	COMMON LOW OBSERVABLES VERIFICATION SYSTEM (CLOVERS)	4,901	-	4,901
0604770F	89	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM (JSTARS)		-	-
0604779F	90	JOINT INTEROPERABILITY OF TACTICAL COMMAND & CONTROL SYSTEMS (JINTAC	5,823	-	5,823
0604805F	91	COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	27,937	-	27,937
0604851F	92	INTERCONTINENTAL BALLISTIC MISSILE - EMD	81,546	-	81,546
0604853F	93	EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE) - EMD	280,297	-	280,297
0605011F	94	RDT&E FOR AGING AIRCRAFT	4,901	-	4,901
0207325F	95	JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)		-	-
0207414F	96	COMBAT INTELLIGENCE SYSTEM		-	-
0305176F	97	COMBAT SURVIVOR EVADER LOCATOR		-	-
0603402F	98	SPACE TEST PROGRAM (SPACE)		-	-
0604256F	99	THREAT SIMULATOR DEVELOPMENT	32,582	-	32,582
0604258F	100	TARGET SYSTEMS DEVELOPMENT	1,666	-	1,666
		BIG CROW PROGRAM OFFICE		10,000	10,000
0604759F	101	MAJOR T&E INVESTMENT	34,518	-	34,518

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0605101F	102	RAND PROJECT AIR FORCE	21,168	-	21,168
0605306F	103	RANCH HAND II EPIDEMIOLOGY STUDY	4,408	-	4,408
0605502F	104	SMALL BUSINESS INNOVATION RESEARCH		-	-
0605704F	105	THEATER AIR DEFENSE BMC4I		-	-
0605712F	106	INITIAL OPERATIONAL TEST & EVALUATION	24,541	-	24,541
0605807F	107	TEST AND EVALUATION SUPPORT	370,168	-	366,168
		Program Reduction		(4,000)	
0605808F	108	DEVELOPMENT PLANNING	6,075	-	4,075
		Program Reduction		(2,000)	
0605853F	109	ENVIRONMENTAL CONSERVATION		-	-
0605854F	110	POLLUTION PREVENTION	1,673	-	1,673
0605856F	111	ENVIRONMENTAL COMPLIANCE		-	-
0605860F	112	ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	7,865	-	7,865
0605864F	113	SPACE TEST PROGRAM (STP)	45,933	-	55,933
		Space Manuever Vehicle		10,000	
0605876F	114	MINOR CONSTRUCTION (RPM) - RDT&E		-	-
0605878F	115	MAINTENANCE AND REPAIR (RPM) - RDT&E		-	-
0605879F	116	REAL PROPERTY SERVICES (RPS) - RDT&E		-	-
0605896F	117	BASE OPERATIONS - RDT&E		-	-
0909900F	118	FINANCING FOR EXPIRED ACCOUNT ADJUSTMENTS		-	-
1001004F	119	INTERNATIONAL ACTIVITIES	3,752	-	3,752
0101113F	120	B-52 SQUADRONS	6,436	-	6,436
0101120F	121	ADVANCED CRUISE MISSILE		-	-
0102325F	122	JOINT SURVEILLANCE SYSTEM	2,175	-	2,175
0102326F	123	REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION PROGRAM	13,592	-	13,592
0102411F	124	NORTH ATLANTIC DEFENSE SYSTEM	615	-	615
0207131F	125	A-10 SQUADRONS	2,312	-	2,312
0207133F	126	F-16 SQUADRONS	125,076	-	125,076
0207134F	127	F-15E SQUADRONS	104,207	-	104,207
0207136F	128	MANNED DESTRUCTIVE SUPPRESSION	2,443	-	2,443

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		Request	FY 1999 Change	Recommended
0207141F	129	F-117A SQUADRONS	5,147	-	5,147
0207161F	130	TACTICAL AIM MISSILES	52,966	-	52,966
0207163F	131	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	45,078	-	45,078
0207217F	132	PODDED RECONNAISSANCE SYSTEM		-	-
0207247F	133	AF TENCAP	6,447	-	6,447
0207248F	134	SPECIAL EVALUATION PROGRAM	92,551	-	92,551
0207268F	135	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	92,069	-	92,069
0207320F	136	SENSOR FUSED WEAPONS	3,551	-	3,551
0207323F	137	AGM-86C CONVENTIONAL AIR-LAUNCHED CRUISE MISSILE SYSTEM		-	-
0207325F	138	JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	132,870	-	132,870
0207412F	139	THEATER AIR CONTROL SYSTEMS	431	-	431
0207414F	140	COMBAT INTELLIGENCE SYSTEM	9,802	-	9,802
0207417F	141	AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	28,189	-	28,189
0207419F	142	TACTICAL AIRBORNE COMMAND AND CONTROL SYSTEMS		-	-
0207423F	143	ADVANCED COMMUNICATIONS SYSTEMS	2,348	-	2,348
0207424F	144	EVALUATION AND ANALYSIS PROGRAM	84,950	-	84,950
0207431F	145	COMBAT AIR INTELLIGENCE SYSTEM ACTIVITIES		-	-
0207433F	146	ADVANCED PROGRAM TECHNOLOGY	74,707	-	74,707
0207438F	147	THEATER BATTLE MANAGEMENT (TBM) C4I	27,292	-	32,292
		P3I for ASOC		5,000	
0207440F	148	TACTICAL AIR CONTROL SYSTEM FOR COUNTERNARCOTICS		-	-
0207581F	149	JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM (JOINT STARS)	123,793	-	123,793
0207590F	150	SEEK EAGLE	17,590	-	17,590
0207591F	151	ADVANCED PROGRAM EVALUATION	272,914	-	272,914
0207601F	152	USAF MODELING AND SIMULATION	14,899	-	14,899
0207605F	153	WARGAMING AND SIMULATION CENTERS	5,287	-	5,287
0208006F	154	MISSION PLANNING SYSTEMS	17,090	-	17,090
0208019F	155	TACTICAL INFORMATION PROGRAM (TIP)	10,685	-	10,685
0208021F	156	INFORMATION WARFARE SUPPORT	1,375	-	1,375
0208030F	157	WAR RESERVE MATERIEL - AMMUNITION		-	-

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0208031F	158	WAR RESERVE MATERIEL - EQUIPMENT/SECONDARY ITEMS	1,470	-	1,470
0208060F	159	THEATER MISSILE DEFENSES	31,057	-	31,057
0208160F	160	TECHNICAL EVALUATION SYSTEM	113,040	-	113,040
0208161F	161	SPECIAL EVALUATION SYSTEM	61,119	-	61,119
0301310F	162	FOREIGN TECHNOLOGY DIVISION	1,234	-	1,234
0301315F	163	MISSILE AND SPACE TECHNICAL COLLECTION	18,595	-	18,595
0301398F	165	MANAGEMENT HEADQUARTERS GDIP	1,241	-	1,241
0302015F	166	E-4B NATIONAL AIRBORNE OPERATIONS CENTER (NAOC)	4,233	-	4,233
0303110F	167	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	15,641	-	15,641
0303131F	168	MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	39,230	-	39,230
0303140F	169	INFORMATION SYSTEMS SECURITY PROGRAM	8,420	10,000	18,420
0303141F	170	GLOBAL COMBAT SUPPORT SYSTEM	17,973	-	17,973
0303144F	171	JOINT SPECTRUM CENTER (JSC)		-	-
0303150F	172	GLOBAL COMMAND AND CONTROL SYSTEM	13,675	-	13,675
0303152F	173	WORLD-WIDE MILITARY COMMAND AND CONTROL SYSTEMS, INFORMATION SYSTEM		-	-
0303601F	174	MILSTAR SATELLITE COMMUNICATIONS SYSTEM (SPACE)	2,352	-	2,352
0304311F	176	SELECTED ACTIVITIES	3,000	-	3,000
0305099F	177	GLOBAL AIR TRAFFIC MANAGEMENT (GATM)	27,056	-	27,056
0305110F	178	SATELLITE CONTROL NETWORK (SPACE)	56,622	-	56,622
0305111F	179	WEATHER SERVICE	10,649	-	10,649
0305114F	180	AIR TRAFFIC CONTROL, APPROACH, AND LANDING SYSTEM (ATCALS)	4,729	-	4,729
0305119F	181	MEDIUM LAUNCH VEHICLES (SPACE)	7,375	-	7,375
0305128F	182	SECURITY AND INVESTIGATIVE ACTIVITIES	458	-	458
0305137F	183	NATIONAL AIRSPACE SYSTEM (NAS) PLAN	1,881	-	1,881
0305138F	184	INERTIAL UPPER STAGE (IUS)	558	-	558
0305144F	186	TITAN SPACE LAUNCH VEHICLES (SPACE)	87,443	-	87,443
0305145F	187	ARMS CONTROL IMPLEMENTATION		-	-
0305154F	188	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		-	-
0305158F	189	TACTICAL TERMINAL	237	-	237
0305160F	190	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	20,432	-	20,432

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	La No.		FY 1999 Request	Change	Recommended
0305164F	191	NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT) (SPACE)	67,238	-	67,238
0305165F	192	NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE AND CONTROL SEGMENTS)	21,155	-	21,155
0305182F	194	EASTERN SPACE LAUNCH FACILITY (ESLF) (SPACE)	24,578	-	24,578
0305205F	195	ENDURANCE UNMANNED AERIAL VEHICLES	4,307	-	4,307
0305207F	196	MANNED RECONNAISSANCE SYSTEMS		-	-
0305906F	197	NCMC - TW/AA SYSTEM	7,878	-	7,878
0305910F	198	SPACETRACK (SPACE)	39,532	-	39,532
0305911F	199	DEFENSE SUPPORT PROGRAM (SPACE)	12,037	-	12,037
0305913F	200	NUDET DETECTION SYSTEM (SPACE)	13,314	-	13,314
0305917F	201	SPACE ARCHITECT	13,714	-	13,714
0305953F	202	EVOLVED EXPENDABLE LAUNCH VEHICLE (EELV) (SPACE)	3,316	-	3,316
0308601F	203	MODELING AND SIMULATION SUPPORT	1,093	-	1,093
0401119F	204	C-5 AIRLIFT SQUADRONS	47,940	-	59,940
		C-5 Modernization		12,000	
0401130F	205	C-17 AIRCRAFT	123,069	-	123,069
0401214F	206	AIR CARGO MATERIAL HANDLING (463-L) (NON-IF)	512	-	512
0401218F	207	KC-135S	11,093	-	11,093
0404102F	208	AEROSPACE RESCUE AND RECOVERY		-	-
0702207F	209	DEPOT MAINTENANCE (NON-IF)	1,500	-	1,500
0708011F	210	INDUSTRIAL PREPAREDNESS	50,997	-	50,997
0708026F	211	PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN. PROG OFC (PRAMPO)	970	-	970
0708071F	212	JOINT LOGISTICS PROGRAM - AMMUNITION STANDARD SYSTEM	16,086	-	16,086
0708611F	213	SUPPORT SYSTEMS DEVELOPMENT	23,010	-	23,010
0804734F	214	CRYPTOLOGIC/SIGINT-RELATED SKILL TRAINING		-	-
0901218F	215	CIVILIAN COMPENSATION PROGRAM	6,756	-	6,756
1001004F	216	INTERNATIONAL ACTIVITIES		-	-
1001018F	217	NATO JOINT STARS		-	-
		AIRCREW LASER EYE PROTECTION		5,500	5,500
XXXXXX	999	CLASSIFIED PROGRAMS	4,420,330	(300,000)	4,120,330

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
		TOTAL RESEARCH DEVELOPMENT TEST & EVAL AF	13,598,093	(199,100)	13,398,993

Friction welding

The committee recommends an increase of $1.5 million to develop and optimize friction welding techniques for aluminum and other alloys used by the Air Force and the Department of Defense, to develop weld repair techniques and establish a mechanical property data base, including fatigue and stress corrosion cracking information. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized, where appropriate.

Integrated high performance turbine engine program

In order to fund higher priorities, the committee recommends a total reduction of $9.0 million in the integrated high performance turbine engine program in the following program elements: $4.0 million in PE 62203F; $3.0 million in PE 63202F; and, $2.0 million in PE 63216F.

Variable displacement vane pump

The committee recommends an increase of $2.0 million in PE 62203F to support durability and damage tolerance testing for the variable displacement vane pump (VDVP) program. The committee notes that the variable geometry features of VDVP simplify aircraft thermal design providing cost and weight benefits. The committee directs that all applicable competitive procedures be used in the award of contracts or other agreements under this program, and that cost-sharing requirements for non-federal participants be utilized where appropriate.

High frequency active auroral research program

The committee recommends an increase of $9.0 million in PE 62601F to continue experimentation in the high frequency auroral research program.

Night vision technology

Night vision goggles have been used in military aviation for more than twenty years, but are limited by a very narrow field of view. Attempts to increase the field of view have resulted in decreasing resolution. Panoramic night vision technology combines increased field of view (to 100 degrees), high resolution, integrated symbology, and close-to-face center of gravity, with human effects improvements, such as reduced weight, pilot fatigue, and ejection seat safety. The committee recommends an increase of $3.0 million in PE 63231F to accelerate the development of panoramic night vision goggles.

ALR–69 radar warning receiver upgrade

The budget request included $25.6 million for electronic combat technology research and development (PE 0603270F), but included no new funds for the precision location and identification (PLAID) upgrade. PLAID is a low cost upgrade to the existing ALR–69 system that is being developed in project 431G of this program element. The Air Force uses funding in project 431G to develop and demonstrate advanced technologies for radio frequency (RF) elec-

tronic countermeasures to enhance survivability of air and space vehicles.

The committee understands that PLAID upgrade program has undergone successful testing, and encourages such a cost effective approach to providing radar warning receivers (RWR). Accordingly, the committee recommends an increase of $14.0 million to continue development of the ALR–69 PLAID upgrade in fiscal year 1999.

Ballistic missile technology

The committee has supported past missile technology demonstration (MTD) experiments, which have contributed to the ballistic missile technology program and demonstrated capabilities to attack hardened and deeply buried targets. The committee has also supported this program as a means of developing capabilities utilizing Global Positioning System (GPS) for range safety. The committee strongly supports efforts to develop GPS-based alternatives to existing range radars, which offer the potential of significant savings in the future. The budget request did not include funds in the Ballistic Missile Technology program element. The committee recommends an increase of $5.0 million in PE 63311F to support the MTD–4 effort and develop GPS-based capabilities for range safety and tracking.

Solar orbital transfer vehicle

The committee has supported thermionics technology development for space applications. The solar powered orbital transfer vehicle program combines thermionic technology for electricity production and thermal propulsion which can be used to move spacecraft to higher orbits or new orbits. To continue this important effort, the committee recommends an increase of $10.0 million in PE 63401F.

Micro-satellite technology program

Section 215 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) required the Secretary of Defense to establish a micro-satellite technology development program that supports a range of space mission areas. The committee strongly supports the efforts of the Air Force Research Laboratory (AFRL) to initiate such a program in fiscal year 1999. In order to accelerate this important effort, the committee recommends an increase of $10.0 million in PE 63401F to be applied to developing and flying a series of cooperative micro-satellite test vehicles (beginning with the so-called "XSS–10") with the National Aeronautics and Space Administration (NASA) to address critical issues of satellite inspection, protection, servicing, and re-fueling.

Range improvements for liquid upper stage testing

The committee supports efforts by the Air Force to upgrade existing rocket test ranges to conduct liquid upper stage flight experiments. To support this effort, the committee recommends an increase of $5.0 million in PE 63401F.

Space control technology development

The committee has reviewed the Department of Defense's February 1998 report on the Kinetic Energy Anti-Satellite Program. The report states that "DOD is currently examining potential space control related research, development, and acquisition options to support the President's policy, satisfy military requirements within available resources, and address the architecture." In the cover letter to this report, the Under Secretary of Defense for Acquisition and Technology states that "I anticipate that these efforts will culminate in a comprehensive plan in time for the FY 2000 President's budget."

The committee supports the development of such a plan but is concerned that insufficient resources are available to support a comprehensive evaluation of various technical options. Therefore, the committee recommends an increase of $30.0 million in PE 63438F to support a range of space control technology activities. The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (Space and Information Superiority) shall be responsible for executing these resources in support of the "comprehensive plan" referenced in the Department of Defense's report.

The committee directs the Secretary of Defense to submit a report to the congressional defense committees by February 15, 1999 that describes the Secretary's plan for executing the space control technology funds specified above. The report should also describe the Secretary's plan for continuing these efforts in fiscal year 2000 and beyond.

Variable stability in-flight simulator test aircraft

The budget request provided no funds for the variable stability in-flight simulator test aircraft (VISTA). The VISTA is a highly adaptable test resource that can be used for many flight test programs, including the Joint Strike Fighter, F–22, and others. As a testament to the effectiveness of the VISTA, the USAF points to VISTA testing of F–22 flight controls, when reviewing critical testing already completed for the F–22. The VISTA, a highly modified F–16 can be programmed to simulate various aircraft, both real and theoretical, in a cost effective manner.

The committee notes with concern the lack of practical support for the VISTA, but the eagerness to take credit for its contributions to F–22 testing. Accordingly, the committee recommends an increase of $7.3 million to continue VISTA development of thrust vectoring investigations and to provide for adequate support for continuing operations.

EC–130H

The budget request included no funds for the EC–130H Compass Call aircraft (PE 64270F) in fiscal year 1999, even though funds were included from fiscal years 1994 through 1998. The Compass Call EC–130H is a wide-area airborne offensive counter information system. Its mission is to deny, degrade, and disrupt adversary communications, and is currently fielding the first of two Block 30 configuration squadrons, a funded upgrade that includes a software-programmable, commercial off the shelf-based digital, open

architecture. However, due to accumulated funding reductions and ongoing fiscal pressures, essential pre- production, system suitability, and integration activities remain to be completed. Accordingly, the committee recommends including $20.0 million to accelerate the development of the Compass Call to complete those initiatives in a cost effective manner.

Big Crow Program Office

The budget request did not include specific funding for the Big Crow Program Office (BCPO). The committee understands that the Department plans to operate the BCPO on a reimbursable basis, with expenses paid by customers using the BCPO's services.

The BCPO operates two flying laboratories under a support agreement with the Air Force 412th Test Wing at Edwards Air Force Base, California. The Department of Defense uses these aircraft to evaluate weapons and communications systems under stressing conditions. The BCPO's capability to implement electronic warfare (EW) capabilities against systems during test and evaluation periods and during exercises provides a vital contribution.

The BCPO provides services to many customers, including the Navy's AEGIS program, the Ballistic Missile Defense Office, the Army Patriot air defense program, E–3A Airborne Warning and Control System (AWACS) program, North Atlantic Treaty Organization, and North American Air Defense. However, because of the organizational arrangements for BCPO, there has been inadequate support for its best use and most economic operation. This lack of focus could result in the closure of the BCPO.

If DOD were to lose the BCPO services, the Department would forfeit the benefits of exposing U.S. weapons systems to a realistic EW threats. Based on the broad use of BCPO, the committee directs Secretary of Defense to assign oversight responsibility for this office to the Assistant Secretary of Defense for Space and Information Superiority (ASD(SIS)). The committee expects the ASD (SIS) to provide policy guidance to ensure sustainable management and employment of the BCPO. The committee recommends an increase of $10.0 million to the budget request to ensure the BCPO remains financially sound. The committee directs the Secretary of Defense to provide the congressional defense committees with a report, submitted no latter than March 1, 1999, that describes the Department of Defense plans for the future BCPO funding policy, and management.

Space maneuver vehicle

The committee endorses the efforts of the Air Force to work with the National Aeronautics and Space Administration (NASA) on developing responsive, reusable space access systems. The committee believes that an early, high payoff for this work will be much lower costs for experiments funded in the space test program. Therefore, the committee recommends an increase of $10.0 million to the space test program (PE 65864F) to pursue a joint demonstration with NASA of the "Space Maneuver Vehicle" (SMV), which could serve as a reusable upper stage for a variety of space test missions.

The committee understands that the Air Force is considering incorporating the flexible capabilities of the SMV concept into future

Air Force space-based remote sensing programs such as the space-based moving target indicators (MTI) program. The committee directs the Secretary of the Air Force to submit a report to the congressional defense committees by March 1, 1999 that discusses the synergy between a maneuverable, recoverable SMV and a space-based sensor such as a space-based MTI system. The report should include a programmatic assessment of this approach, including the potential funding requirements for conducting such a demonstration by 2004.

Theater battle management system

The budget request included $27.3 million for theater battle management command and control research and development. Theater battle management system (TBM) is designed to integrate air support for ground forces through the air support operations center (ASOC). The committee understands that an additional $5.0 million would:

(1) accelerate TBM ASOC development in fiscal year 1999;

(2) provide for both pre-planned product improvement;

(3) enhanced interoperability with the Marine Corps; and

(4) field the ASOC's. Accordingly, the committee recommends an increase of $5.0 million to the budget request for TBM.

C–5 modernization

The budget request included $47.9 million for C–5 airlift squadrons research and development. The Air Mobility Command (AMC) has a documented deficiency in outsize cargo carrying capability, which was identified too late in the planning, programming and budgeting system (PPBS) for inclusion in the fiscal year 1999 budget request.

The committee has been informed that an increase of $12.0 million would significantly accelerate the effort to address the deficiency in outsize cargo carrying capability. Accordingly, the committee recommends an increase of $12.0 million to the budget request for C–5 airlift squadrons research and development.

Aircrew laser eye protection

The budget request included $5.3 million in PE 63112F and PE 63231F to support various efforts to develop laser eye protection. The use of laser-based systems on the battlefield has increased. The proliferation of these systems increases the risk of permanent vision damage to our aircrews, either from friendly or hostile forces.

The committee supports the Department's efforts in this area, and believes that there is a need for additional funds to develop manufacturing process to accelerate potential fielding of this capability. Accordingly, the committee recommends an increase of $5.5 million to continue the development of the aircrew laser eye protection technology.

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Line No.		FY 1999 Request	FY 1999 Change	FY 1999 Recommended
ACCOUNT		RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE			
0601101D	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	2,173	-	2,173
0601101E	2	DEFENSE RESEARCH SCIENCES	65,102	-	65,102
0601103D	3	UNIVERSITY RESEARCH INITIATIVES	216,320	-	216,320
0601105D	4	GULF WAR ILLNESS	19,646	-	19,646
0601111D	5	GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESEARCH	9,870	-	9,870
0601384BP	6	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	25,282	-	30,282
		Chem-Bio Sensors		5,000	
0602110E	7	NEXT GENERATION INTERNET	40,000	-	40,000
0602173C	8	SUPPORT TECHNOLOGIES - APPLIED RESEARCH	86,866	-	100,866
		Wide Band Electronics		14,000	
0602227D	9	MEDICAL FREE ELECTRON LASER	9,706	-	16,706
		MFEL		7,000	
0602228D	10	HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) SCIENCE		-	-
0602234D	11	LINCOLN LABORATORY RESEARCH PROGRAM	19,641	-	19,641
0602301E	12	COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	417,723	-	377,723
		Program Reduction		(40,000)	
0602383E	13	BIOLOGICAL WARFARE DEFENSE	88,000	-	77,500
		Multi-media Technology		1,500	
		Program Reduction		(12,000)	
0602384BP	14	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	57,683	-	66,683
		Light Weight Chem-Bio Detectors		5,000	
		Safeguard		4,000	
0602702E	15	TACTICAL TECHNOLOGY	188,995	-	183,995
		Program Reduction		(5,000)	
0602708E	16	INTEGRATED COMMAND AND CONTROL TECHNOLOGY	34,000	-	42,000
		HDS		8,000	
0602712E	17	MATERIALS AND ELECTRONICS TECHNOLOGY	244,408	-	250,408
		Mixed Mode Electronics		6,000	
0602715BR	18	WMD RELATED TECHNOLOGIES	203,598	-	218,598

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
		Core Competencies		10,000	
		Deep Digger		3,000	
		EMP		2,000	
0602715H	19	DEFENSE SPECIAL WEAPONS AGENCY		-	-
0602787D	20	MEDICAL TECHNOLOGY	9,239	-	9,239
0305108K	21	COMMAND AND CONTROL RESEARCH	1,961	-	1,961
0603002D	22	MEDICAL ADVANCED TECHNOLOGY	2,136	-	2,136
0603104D	23	EXPLOSIVES DEMILITARIZATION TECHNOLOGY	11,650	-	17,150
		Blast Chamber Tec		4,000	
		Portable Blast Chamber Tec		1,500	
0603120D	24	DEMINING		-	-
0603121D	25	ALTERNATIVE TO LANDMINES	4,753	-	4,753
0603122D	26	COUNTERTERROR TECHNICAL SUPPORT	35,813	-	40,813
		PFNA		5,000	
0603160BR	27	COUNTERPROLIFERATION SUPPORT - ADV DEV	70,611	-	73,611
		HAARP		3,000	
0603160D	28	COUNTERPROLIFERATION SUPPORT - ADV DEV		-	-
0603173C	29	SUPPORT TECHNOLOGIES - ADVANCED TECHNOLOGY DEVELOPMENT	166,676	-	292,676
		Atmospheric Interceptor Technology		22,000	
		Space-Based Laser Readiness Demonstrator		94,000	
		Scorpius		5,000	
		Excalibur		5,000	
0603225D	30	JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT	13,447	-	13,447
0603232D	31	AUTOMATIC TARGET RECOGNITION	5,081	-	5,081
0603384BP	32	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - ADVANCED DEVELOPMENT	42,762	-	42,762
0603704D	33	SPECIAL TECHNICAL SUPPORT	11,337	-	11,337
0603711BR	34	VERIFICATION TECHNOLOGY DEMONSTRATION	63,052	-	63,052
0603711H	35	VERIFICATION TECHNOLOGY DEMONSTRATION		-	-
0603712S	36	GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	17,788	-	21,788
		CATT		4,000	

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0603716D	37	STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM		-	-
0603727D	38	JOINT WARFIGHTING PROGRAM	23,700	-	23,700
0603728D	39	AGILE PORT DEMONSTRATION		-	-
0603729D	40	ROCKET LAUNCH FACILITY UPGRADES		-	-
0603730D	41	AIRFIELD SURFACE TRAFFIC MONITORING		-	-
0603738D	42	COOPERATIVE DOD/VA MEDICAL RESEARCH		-	-
0603739E	43	ADVANCED ELECTRONICS TECHNOLOGIES	244,737	-	250,737
		Lithography		10,000	
		Program Reduction		(4,000)	
0603746E	44	MARITIME TECHNOLOGY	15,000	-	20,000
		Maritime Technology		5,000	
0603747E	45	ELECTRIC VEHICLES		-	-
0603750D	46	ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	116,330	-	110,330
		Program Reduction		(6,000)	
0603752D	47	COMMERCIAL TECHNOLOGY INSERTION PROGRAM		-	-
0603753S	48	ELECTRONIC COMMERCE RESOURCE CENTERS		-	-
0603755D	49	HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	140,927	-	163,927
		High Performance Technology		20,000	
		High Performance Viz Technology		3,000	
0603760E	50	COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	200,100	-	189,100
		Program Reduction		(11,000)	
0603761E	51	COMMUNICATION AND SIMULATION TECHNOLOGY	56,114	-	56,114
0603762E	52	SENSOR AND GUIDANCE TECHNOLOGY	213,154	-	213,154
0603763E	53	MARINE TECHNOLOGY	24,788	-	24,788
0603764E	54	LAND WARFARE TECHNOLOGY	108,490	-	104,490
		Program Reduction		(4,000)	
0603765E	55	CLASSIFIED DARPA PROGRAMS	55,500	-	55,500
0603800E	56	JOINT STRIKE FIGHTER (JSF) - DEM/VAL		-	-
0603805E	57	DUAL USE APPLICATIONS PROGRAMS		-	-
0603805S	58	COMMERCIAL TECHNOLOGY FOR MAINTENANCE ACTIVITIES	6,000	-	6,000

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0603832D	59	JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	70,696	-	70,696
0603228D	63	PHYSICAL SECURITY EQUIPMENT	31,792	-	25,792
		Program Reduction		(6,000)	
0603708D	64	INTEGRATED DIAGNOSTICS	3,436	-	3,436
0603709D	65	JOINT ROBOTICS PROGRAM	16,217	-	16,217
0603714D	66	ADVANCED SENSOR APPLICATIONS PROGRAM	15,147	2,000	17,147
0603736D	67	CALS INITIATIVE	1,863	-	3,863
		IDE		2,000	
0603790D	68	NATO RESEARCH AND DEVELOPMENT		-	-
0603790T	69	NATO RESEARCH AND DEVELOPMENT	10,762	-	8,462
		Program Reduction		(2,300)	
0603851D	70	ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PROGRAM	17,051	-	17,051
0603857J	71	ALL SERVICE COMBAT IDENTIFICATION EVALUATION TEAM (ASCIET)	13,014	-	13,014
0603861C	72	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - DEM/VAL	497,752	-	497,752
0603867C	73	NAVY AREA		-	-
0603868C	74	NAVY THEATER WIDE	190,446	-	310,446
		Navy Upper Tier Acceleration		70,000	
		High Power Discriminator		50,000	
0603869C	75	MEADS CONCEPTS - DEM/VAL	43,027	-	10,027
		Program Reduction		(33,000)	
0603870C	76	BOOST PHASE INTERCEPT THEATER MISSILE DEFENSE ACQUISITION - DEM/VAL		-	-
0603871C	77	NATIONAL MISSILE DEFENSE - DEM/VAL	950,473	-	950,473
0603872C	78	JOINT THEATER MISSILE DEFENSE - DEM/VAL	176,846	-	176,846
0603873C	79	FAMILY-OF SYSTEMS ENGINEERING AND INTEGRATION (FOS E&I)	96,915	-	96,915
0603874C	80	BMD TECHNICAL OPERATIONS	190,147	-	190,147
		Advanced Research Center		5,000	
		Architecture and Engineering		(5,000)	
0603875C	81	INTERNATIONAL COOPERATIVE PROGRAMS	50,676	-	49,924
		Arrow Interoperability		12,000	
		RAMOS		(12,752)	

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0603876C	82	THREAT AND COUNTERMEASURES	22,113	-	22,113
0603884BP	83	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEM/VAL	60,404	-	60,404
0603892D	84	ASAT		-	-
0603920D	85	HUMANITARIAN DEMINING	17,234	-	17,234
0605104T	86	TECHNICAL STUDIES, SUPPORT AND ANALYSIS	980	-	980
0605110T	87	CRITICAL TECHNOLOGY SUPPORT	2,618	-	2,618
0208043J	88	ISLAND SUN		-	-
0904901U	89	UNDISTRIBUTED ADJUSTMENTS		-	-
0604160D	90	COUNTERPROLIFERATION SUPPORT - EMD		-	-
0604384BP	91	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD	125,312	-	125,312
0604709D	92	JOINT ROBOTICS PROGRAM - ENG DEV	11,307	-	17,307
		Joint Robotics Technology		6,000	
0604764K	93	ADVANCED IT SERVICES JOINT PROGRAM OFFICE (AITS-JPO)	15,588	-	15,588
0604771D8Z	94	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	30,512	-	30,512
0604805D	95	COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	13,410	-	13,410
0604861C	96	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD	323,942	-	253,942
		Program Reduction		(70,000)	
0604865C	97	PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION - EMD	137,265	-	177,265
		Transfer from PAC 3 Procurement		40,000	
0604867C	98	NAVY AREA THEATER MISSILE DEFENSE - EMD	245,796	-	245,796
0603858D	99	UNEXPLODED ORDNANCE DETECTION AND CLEARANCE	1,273	-	1,273
0604942D	100	ASSESSMENTS AND EVALUATIONS	3,916	-	3,916
0605104D	101	TECHNICAL STUDIES, SUPPORT AND ANALYSIS	30,021	-	30,021
0605110D	102	USD(A&T)--CRITICAL TECHNOLOGY SUPPORT		-	-
0605114E	103	BLACK LIGHT	5,000	-	5,000
0605117D	104	FOREIGN MATERIAL ACQUISITION AND EXPLOITATION	35,035	-	35,035
0605122D	105	INDUSTRIAL CAPABILITIES ASSESSMENTS	2,937	-	2,937
0605126J	106	JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	17,423	-	17,423
0605128BR	107	CLASSIFIED PROGRAMS	13,755	-	13,755
0605128D	108	CLASSIFIED PROGRAM USD(P)		-	-

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0605160BR	109	COUNTERPROLIFERATION SUPPORT	9,874	-	13,874
		CAPS		4,000	
0605160D	110	COUNTERPROLIFERATION SUPPORT		-	-
0605384BP	111	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	24,922	-	24,922
0605502D	112	SMALL BUSINESS INNOVATIVE RESEARCH		-	-
0605502E	113	SMALL BUSINESS INNOVATIVE RESEARCH		-	-
0605710D	114	CLASSIFIED PROGRAMS - C3I	439	6,000	6,439
0605790D	115	SMALL BUSINESS INNOVATION RESEARCH ADMINISTRATION	1,820	-	1,820
0605798S	116	DEFENSE TECHNOLOGY ANALYSIS	5,010	-	7,010
		Commodity Management Technology		2,000	
0605801K	117	DEFENSE TECHNICAL INFORMATION SERVICES (DTIC)	46,469	-	45,469
		Program Reduction		(1,000)	
0605801S	118	DEFENSE TECHNICAL INFORMATION CENTER		-	-
0605803S	119	R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVALUATION	8,248	-	8,248
0605898E	120	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	38,611	-	38,611
0305190D	121	C3I INTELLIGENCE PROGRAMS	1,657	-	1,657
0909900E	122	FINANCING FOR EXPIRED ACCOUNT ADJUSTMENTS		-	-
0208045K	123	C3 INTEROPERABILITY	26,296	-	26,296
0208052J	124	JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM	1,847	-	1,847
0302016K	127	NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT	1,189	-	1,189
0302019K	128	DEFENSE INFO INFRASTRUCTURE ENGINEERING AND INTEGRATION	4,975	-	4,975
0303126K	129	LONG-HAUL COMMUNICATIONS (DCS)	11,561	-	11,561
0303127K	130	SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM	4,428	-	4,428
0303129K	131	DEFENSE MESSAGE SYSTEM		-	-
0303131K	132	MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	3,061	-	3,061
0303140G	133	INFORMATION SYSTEMS SECURITY PROGRAM	239,081	-	239,081
0303149J	134	C4I FOR THE WARRIOR	2,819	-	2,819
0303149K	135	C4I FOR THE WARRIOR	3,675	-	3,675
0303153K	136	JOINT SPECTRUM CENTER	8,839	-	8,839
0305102BQ	138	DEFENSE IMAGERY AND MAPPING PROGRAM	114,417	-	114,417

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(Dollars in Thousands)

ACCOUNT	Ln No.		FY 1999 Request	Change	Recommended
0305127V	139	FOREIGN COUNTERINTELLIGENCE ACTIVITIES	418	-	418
0305154D	140	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		-	-
0305154G	141	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		-	-
0305159I	142	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	40,504	-	40,504
0305188J	143	JOINT C4ISR BATTLE CENTER (JBC)		-	-
0305190D	144	C3I INTELLIGENCE PROGRAMS	8,015	-	8,015
0305204D	145	TACTICAL UNMANNED AERIAL VEHICLES	37,192	-	37,192
0305205D	146	ENDURANCE UNMANNED AERIAL VEHICLES	178,668	-	170,668
		Global Hawk		32,500	
		Dark Star		(40,500)	
0305206D	147	AIRBORNE RECONNAISSANCE SYSTEMS	162,666	-	162,666
0305207D	148	MANNED RECONNAISSANCE SYSTEMS	10,840	-	10,840
0305207G	149	MANNED RECONNAISSANCE SYSTEMS	4,085	-	4,085
0305208D	150	DISTRIBUTED COMMON GROUND SYSTEMS	34,985	-	34,985
0305209D	151	DARP INTEGRATION AND SUPPORT	15,701	-	15,701
0305885G	153	TACTICAL CRYPTOLOGIC ACTIVITIES	104,510	-	104,510
0305889G	154	COUNTERDRUG INTELLIGENCE SUPPORT		-	-
0305898L	155	MANAGEMENT HEADQUARTERS (AUXILIARY FORCES)		-	-
0708011S	156	INDUSTRIAL PREPAREDNESS	26,231	-	26,231
0902298J	157	MANAGEMENT HEADQUARTERS (OJCS)	9,617	-	9,617
0902740J	158	JOINT SIMULATION SYSTEM	24,775	-	29,275
		JSIMS		4,500	
0909999D	159	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-
1001017D	160	PARTNERSHIP FOR PEACE ACTIVITIES	1,957	-	1,957
1160279BB	161	SMALL BUSINESS INNOVATIVE RESEARCH/SMALL BUS TECH TRANSFER PILOT PROG		-	-
1160401BB	162	SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT	4,026	-	4,026
1160402BB	163	SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	8,020	-	8,020
1160404BB	164	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,238	-	106,238
1160405BB	165	SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	1,805	-	1,805
1160407BB	166	SOF MEDICAL TECHNOLOGY DEVELOPMENT	2,015	-	2,015

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	La No.		FY 1999 Request	Change	Recommended
1160408BB	167	SOF OPERATIONAL ENHANCEMENTS	33,799	-	33,799
XXXXXXX	999	Classified Programs	1,057,100	18,300	1,075,400
		TOTAL RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE	9,314,665	248,748	9,563,413
ACCOUNT		**DEVELOPMENTAL TEST & EVAL, DEFENSE**			
0604940D	1	CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT (CTEIP)	122,169	-	122,169
0605130D	2	FOREIGN COMPARATIVE TESTING	32,684	-	32,684
0605804D	3	DEVELOPMENT TEST AND EVALUATION	96,253	-	94,253
		Program Reduction		(2,000)	
		TOTAL DEVELOPMENTAL TEST & EVAL, DEFENSE	251,106	(2,000)	249,106
ACCOUNT		**OPERATIONAL TEST & EVALUATION, DEFENSE**			
0605118D	1	OPERATIONAL TEST AND EVALUATION	15,311	-	15,311
0605131D	2	LIVE FIRE TESTING	9,934	-	9,934
		TOTAL OPERATIONAL TEST & EVALUATION, DEFENSE	25,245	-	25,245

University research initiative

The committee once again commends the Department of Defense for including $10.0 million in the budget request to continue efforts under the Defense Experimental Program to Stimulate Competitive Research (DEPSCoR) in fiscal year 1999 to broaden the infrastructure of universities supporting national defense. The committee believes that support for this competitive, merit-based program should be increased further. The committee, therefore, recommends that in addition to the $10.0 million provided in the budget request, an additional $10.0 million of the funds authorized to be appropriated in PE 61103D be added to the budget request for the DEPSCoR program.

Chemical and biological defense program

The budget request included $620.3 million for the chemical-biological defense program, including $336.4 million in research and development, test and evaluation and $283.9 million in procurement. The budget request also included $88.0 million for the Defense Advanced Research Projects Agency (DARPA) biological warfare defense program (PE 62383E), a $26.0 million increase to the program from fiscal year 1998.

The committee recommends an undistributed reduction of $10.5 million to the budget request for PE 62383E.

The committee recommends an increase of $15.5 million for the following chemical and biological defense research and development activities: $5.0 million in PE 61384BP and $5.0 million in PE 62384BP to accelerate research and development efforts of small, light-weight, manportable chemical and biological agent detection sensors; $4.0 million in PE 62384BP for SAFEGUARD to continue the proof of concept testing to establish sensor performance, initiate packaging and real-time processing, and conduct platform studies; and $1.5 million in PE 62383E to demonstrate the use of technologies for the deployment of telemedicine and other capabilities to the warfighters.

Shortcomings in Chemical and Biological Defense Program

The committee supports increases in the defense budget to improve the capability of U.S. forces to detect and defeat biological and chemical weapons and agents, as well as protect themselves on the battlefield against the use of chemical and biological weapons.

The committee believes that commanders in chief (CINCs) in high threat regions need to remain vigilant to ensure that adequate force protection in the areas of collective defense protection, detection and decontamination needs are provided by the Department of Defense. The committee also believes that the Department must remain diligent in responding to the chemical defense and force protection requirements of the CINCs, and ensure that adequate funding is maintained in Future Years Defense Program.

In response to recommendations in the Quadrennial Defense Review (QDR), the Secretary of Defense added almost $1 billion to the Future Years Defense Program, starting with the fiscal year 1999 defense budget request. Of this increase, $732.0 million was directly for chemical-biological defenses. While this represents a substantial investment, it does not eliminate the threat to U.S. forces

posed by adversaries that might choose asymmetric responses to counter the U.S. superiority in conventional forces.

Despite the increased emphasis on improving chemical and biological defenses, deficiencies remain in the program regarding the provision of force structure and equipment to protect facilities. The committee is aware that the Department is attempting to address these deficiencies in doctrine, policy, equipment and training for the defense of critical overseas ports and airfields in the fiscal year 1999 budget request.

Because U.S. strategy to fulfill its foreign policy commitments and national security interests overseas relies on the projection of power, points where U.S. or allied forces mass or stage overseas may provide tempting targets for chemical and biological attacks.

The United States must adapt its strategy to deal with asymmetric capabilities, so that U.S. forces and its allies are capable of operating in an environment where chemical and biological agents and weapons are employed.

A relatively small quantity of a chemical or biological agent could degrade or halt air operations at airfields that lack proper defenses. Repeated attacks would exacerbate this problem by damaging decontamination facilities, limiting access to the airfields or ports, and by making personnel sick and unable to wear full individual protective suits. U.S. and allied forces must also be able to deploy to, reinforce, and provide logistical support in a conflict where chemical or biological agents or weapons may possibly be employed.

Lastly, the committee is concerned that there appears to be no developed Department policy on the return of strategic air and sea lift which have been contaminated by chemical or biological agents or weapons. Nor has the administration developed a policy that determines responsibility for, and protection of, essential and nonessential civilians.

With regard to the ability to detect biological agents in garrison, the committee was informed during its March 5, 1998 hearing on transnational threats about the creation of an Army Biological Integrated Detection Systems (BIDS) company, which is stationed in the United States, and the Department's plans to establish two additional companies by 2001. The Under Secretary of Defense for Policy informed the committee that a BIDS platoon had been deployed to the region during the recent crisis with Iraq. However, the committee is concerned that BIDS units are not stationed in high threat areas overseas, where they are likely to be needed early in an attack.

The committee requests the Secretary of Defense to report to the congressional defense committees by December 1, 1998 on the steps it has taken to correct the remaining deficiencies identified above, and any steps that it may take to locate BIDS units on a permanent basis in high threat commands or regions.

DOD Anthrax Immunization Policy

In recognizing the threat to U.S. forces of the use of biological weapons, the Secretary of Defense and the Chairman of the Joint Chiefs announced in December 1997 a Department of Defense initiative to immunize U.S. service personnel against the biological

agent anthrax. The committee understands that the vaccine that is to be used is approved by the Food and Drug Administration (FDA), and has been used by cattle and sheep ranchers since the 1970s.

The vaccine to be administered to U.S. forces was jointly developed in the 1950s by the United States and the United Kingdom, and licensed in 1970 by the FDA. The vaccine has a proven safety record with over 500 doses administered a year, mainly as boosters, to private workers in the cattle and sheep industry. The committee understands that this same vaccine was administered to approximately 130,000 U.S. armed forces personnel during Operation Desert Shield/Desert Storm.

The committee is aware that concerns have been raised about the safety of the anthrax vaccine to be administered to U.S. forces, and whether it has any links to Gulf War illnesses. The committee has been advised by the Army Surgeon General that the Department of Defense and agencies not associated with the Department, to include the Institute of Medicine and the Presidential Advisory Committee, have found no evidence linking this anthrax vaccine to Gulf War illnesses. Additionally, the committee understands that an independent review of the health and medical issues associated with the anthrax immunization program was conducted by the special assistant to the President of Yale University, who concluded that "the anthrax vaccine appears to be safe and offers the best available protection against wild type anthrax as a biological warfare agent."

The committee has been advised that the anthrax vaccine that is to be administered is effective, with only limited side effects such as minor swelling and redness. Of those vaccinated against anthrax over the past five years, 96–97 percent had no reaction. Additionally, the committee understands that the anthrax vaccine will provide protection against regular anthrax and also against a genetically-engineered anthrax strain.

Since the end of the Persian Gulf War, the committee understands that selected U.S. forces and government laboratory workers have been immunized against the biological agent anthrax with this vaccine. U.S. forces receiving this vaccine include special operations forces participating in missions and operations in areas where anthrax is indigenous, members of the Marine Chemical/Biological Incident Response Force (CBIRF), members of the Army Technical Escort Unit (TEU), and defense and energy laboratory workers.

The committee understands that the Department will centrally procure the anthrax vaccine from the Michigan Biologic Products Institute (MBPI). The committee also understands that DOD plans to determine at a future date whether to extend the immunization program to others, such as host nation personnel, civilian contractors, and dependents in high risk areas.

The committee expects the Department to maintain an efficient inventory control system to ensure that military personnel receive vaccinations in a timely manner. Additionally, effective management of the immunization program is vital to ensure that there are sufficient supplies of vaccines available, that vaccines older than their one-year shelf life are destroyed, and that a complete record

of vaccines received, administered and destroyed is kept to monitor and track the immunization program.

Biological Agent Detection and Identification

There may be no greater threat to the United States today from external or internal sources than that posed by chemical and biological weapons. Biological attacks can be devastating and have widespread consequences. Despite research on vaccines, internal medicine, protective clothing, and other initiatives to counter bioagent weapons effects, none are adequate without critical supporting detection and identification capabilities.

U.S. forces and military and civilian incident response personnel must have bioagent detectors capable of real-time detection and identification of specific bioagents of interest. Combatant commanders, first responders, and hospital administrators and doctors must know what they are dealing with in order to better determine courses of remedial action rapidly for the infected as well as for the facilities, equipment, and personnel in contact with the infected. It is important for first responders to know if an agent is present and where it has spread or is likely to spread in order to take action to minimize the number infected and, in the case of U.S. forces, to act quickly to improve a combat readiness posture.

Over the last several years this committee has expressed strong support for innovative technologies to detect chemical and biological agents, including mass spectrometry, upconverting phosphors, and fiber optic devices. Recent field testing shows that the committee's support of these programs has been justified.

To optimize the utility of these devices, the Department of Defense is funding research into a program called aerogel. Aerogel is a special silica material that acts as a receptor that allows the rapid collection and transmission of a chemical or biological agent to an assay technology, such as upconverting phosphors. The committee understands that with this technology it is feasible to develop a small, light-weight sensor system that could collect and identify a biological agent nearly immediately.

The committee has previously supported research and development of aerogels to be used in the pollution abatement system of the chemical agents and munitions destruction facilities (Public Law 103–337). The committeee continues to support innovative research in these areas that could lead to the development of handheld sensors for U.S. forces, first responders, and arms control inspectors, or that could be placed on unmanned aerial vehicles (UAVs) for long-range detection.

Status of Increased Chem/Bio Defense Funds in Fiscal Year 1998

In response to recommendations in the Quadrennial Defense Review by the Secretary of Defense to increase funding for the chemical and biological defense program, Congress appropriated additional funds in fiscal year 1998 for the following activities: $25.7 million in research and development activities; $25.0 million for procurement for increased funding for individual, protective and decontamination protection, including Joint Service Lightweight Integrated Suit Technology (JSLIST); $10.0 million for procurement of chemical and biological defense equipment for the Marine Corps

Chemical/Biological Incident Response Force (CBIRF); $10.0 million for collective protective shelters identified as a high priority by the U.S. Pacific Command; and $10.0 million for the Army National Guard to conduct a study on expanding its role in responding to domestic chemical and biological incidents.

The committee is unable to determine from the budget documents provided to the committee the extent to which the increased funds appropriated for these activities have been executed. The committee directs the Department of Defense to provide a report by July 1, 1998 on the status and execution of the funds for the recommended activities. In this constrained budget environment, the committee wants to ensure that additional funds provided for chemical and biological defenses are utilized to meet unfunded research, development and procurement requirements in the area of biological defense, collective protection procurement, and counterterrorist efforts to render safe, and to protect against, the use of biological and chemical weapons of mass destruction.

Defense Threat Reduction Agency (DTRA)

In November 1997, as part of its Defense Reform Initiative (DRI), the Department of Defense recommended the establishment of a single agency, the Defense Threat Reduction Agency (DTRA), to carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and to provide nuclear weapon stockpile and related support. This agency will consolidate several agencies, and several functions from the Office of the Secretary of Defense (OSD) involved in the management of associated programs, including the chemical and biological defense program and the counterproliferation support program. Consistent with the DRI recommendation, the committee recommends the transfer of the mission, function and resources for fiscal year 1999 for the chemical and biological defense program to the Defense Threat Reduction Agency.

Ballistic Missile Defense Organization funding and programmatic guidance

The budget request included approximately $3.6 billion for the Ballistic Missile Defense Organization (BMDO) for research, development, test, and evaluation (RDT&E), and procurement. The committee's recommended funding allocations for BMDO are summarized in the following table. Additional programmatic and funding guidance is also provided below.

BMDO FUNDING ALLOCATION

[Millions of dollars]

Program	Request	Change	Recommendation
Support Technology	253.5	+140.0	393.5
THAAD	821.7	−70.0	751.7
TMD–BM/C3 [1]	22.8	.....	22.8
Navy Lower Tier [2]	289.1	.....	289.1
Navy Upper Tier	190.4	+120.0	310.4
MEADS	43.0	−33.0	10.0
NMD	950.5	.....	950.5

BMDO FUNDING ALLOCATION—Continued

[Millions of dollars]

Program	Request	Change	Recommendation
Joint TMD	176.8	.....	176.8
PAC–3 [2]	480.5	.....	480.5
FOS E&I	96.9	.....	96.9
BMD Tech Ops	190.1	−2.0	188.1
Int'l Coop Programs	50.7	−0.7	50.0
Threat/Countermeasures	22.1	.....	22.1
BMDO Total	3,588.1	+154.3	3,742.4

[1] Procurement only.
[2] Procurement and RDT&E.

Support technology

The committee continues to support BMDO's wide bandgap electronics material development program. Higher speed and higher temperature operation afforded by wide bandgap electronic materials could enhance the miniaturization and functionality of advanced sensors and processing systems for space-based ballistic missile defense (BMD) sensors and ground-based radar systems. The committee recommends an increase of $14.0 million in PE 62173C to support this important activity.

The committee continues to support the Atmospheric Interceptor Technology (AIT) program to develop advanced interceptors with potential applications for a range of theater missile defense (TMD) programs. The committee recommends an increase of $22.0 million in PE 63173C to continue the AIT program.

The committee commends BMDO and the Air Force for increasing funding in the fiscal year 1999 budget request for the Space Based Laser (SBL) Readiness Demonstrator (RD) program. The committee continues to support the development of an SBL–RD that could be ready for launch in the 2006–2008 timeframe and urges the Secretary of Defense to provide the necessary funding in the Future Years Defense Program (FYDP) to support such a program. In order to support this objective, the committee recommends an increase of $94.0 million in PE 63173C.

The committee has supported BMDO's efforts to evaluate innovative launch concepts, especially those utilizing pressure-fed rocket engine technology. The committee recommends an increase of $5.0 million in PE 63173C to support the Scorpius concept and an increase of $5.0 million in PE 63173C to support the Excalibur concept.

National Missile Defense

The committee notes the existence of some confusion regarding what, if any, national missile defense (NMD) policy has been established in law or otherwise endorsed by Congress. Although the committee recommended a provision on this subject last year, which was enacted in the National Defense Authorization Act for Fiscal Year 1998 (section 231 of Public Law 105–85), this provision did not address NMD deployment policy nor otherwise endorse the administration's so-called "three-plus- three" policy. In its report

accompanying the fiscal year 1998 Defense Authorization Bill (S. Rep. 105–29) the committee made this matter clear: "Recognizing the continuing controversy over NMD deployment policy, the committee recommends a provision that would strengthen the option to deploy an NMD system in fiscal year 2003 without specifically establishing an overarching deployment policy." The committee notes further that there is no statutory expression of policy regarding NMD currently in law. Section 238 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) repealed the Missile Defense Act of 1991 (Part C of Title II of Public Law 102–190), but did not replace it with an alternative policy.

Congress has never endorsed the administration's NMD policy known as "three-plus-three" and the committee remains extremely concerned by this policy. The committee notes that the "three-plus-three" policy makes NMD the only major defense acquisition program that does not include a detailed schedule of milestones beyond initial development. This is a significant deviation from normal Defense Department acquisition policy, one which imposes significant risks and inefficiencies. The committee notes that the Director of BMDO recently testified that "three-plus-three" is an "extremely high risk" program. The committee believes that this policy should be modified to make NMD a normal defense acquisition program, regulated by the same kinds of considerations that regulate all major defense acquisition programs, including milestone reviews and annual budget reviews.

Medium Extended Air Defense System

Although the committee continues to support the need for a TMD system to support maneuver forces, the committee is troubled by the failure of the Department of Defense to structure a fully-funded development program to satisfy this requirement. Although the committee would support a coherent and fully-funded Medium Extended Air Defense System (MEADS) program, the committee is unwilling to support a MEADS program that has no funding programmed beyond fiscal year 1999. The committee notes that the Department of Defense has had ample opportunity to address this shortfall. In light of the Department's unwillingness to provide adequate funding in the outyears, the committee recommends a reduction of $33.0 million in PE 63869C. The remaining $10.0 million shall be used to assess alternatives to the current MEADS concept, including the use of the Patriot PAC–3 system in an air-directed surface-to-air missile (ADSAM) configuration.

Theater High Altitude Area Defense (THAAD) system

The committee continues to support the development, production, and fielding of THAAD as a matter of highest priority, including early fielding of the User Operational Evaluation System (UOES). The committee supports BMDO's incremental approach to the execution of the UOES missile option in order to minimize funding risks associated with beginning the UOES missile program following a single successful intercept test. The committee directs that no funds be obligated for acquisition of THAAD UOES missiles until the Secretary of Defense certifies to the congressional defense committees that the THAAD program has successfully completed an

intercept flight test, and that this test has adequately demonstrated that the THAAD program is ready to proceed with the production of UOES missiles. The committee supports the budget request of $497.7 million in PE 63861C for THAAD Demonstration and Validation (Dem/Val).

Given recent delays in the THAAD testing program, and the requirement for THAAD to achieve three successful intercept tests prior to entering Engineering and Manufacturing Development (EMD), the committee is not convinced that BMDO will be able to execute the entire THAAD EMD budget request before the end of the fiscal year. Therefore, the committee recommends a reduction of $70.0 million from the budget request for THAAD EMD, for a total of $253.9 million in PE 64861C.

Navy Upper Tier (Theater Wide)

The committee continues to support the Navy Upper Tier program. The committee urges the Secretary of Defense to accelerate this important development effort while maintaining it as a low to moderate risk program. To facilitate this acceleration, the committee also urges the Navy to begin allocating funds from within its budget to complement those already programmed within the BMDO budget. The committee is concerned that necessary radar improvements have not kept up with developments in the Navy Upper Tier interceptor missile system. Therefore, the committee recommends an increase of $50.0 million for the High Power Discriminator and an increase of $70.0 million for Navy Upper Tier acceleration, for an overall increase of $120.0 million in PE 63868C.

BMD Technical Operations

The committee supports the efforts being performed at the Army Space and Strategic Defense Command's Advanced Research Center (ARC). The ARC continues to be a valuable tool in support of the Army's development of both theater and national missile defense systems. Therefore, the committee recommends an increase of $5.0 million in PE 63874C for support of the ARC.

The committee notes substantial unexplained growth in BMDO's system architecture and engineering effort and recommends a reduction of $5.0 million in PE 63874C.

International Cooperative Programs

The budget request included $37.9 million for BMDO's Israeli Cooperative Project, which includes funding for the Arrow ballistic missile defense system. The committee recommends an increase of $12.0 million in PE 63875C to support interoperability design so the Arrow can operate alongside forward deployed U.S. missile defense systems.

The budget request included $12.7 million for the Russian-American Observation Satellites (RAMOS) program. The committee is concerned that this program is not funded beyond fiscal year 1999 and that the potential payoff of such an experiment is questionable. Therefore, the committee recommends no funds for the RAMOS program in fiscal year 1999.

Patriot PAC–3

At the request of the Director of BMDO, the committee recommends a zero-balance transfer of $40.0 million from PAC–3 procurement to PAC–3 EMD to properly align funds for the type of work being performed. The committee notes with concern that this realignment is the result of significant delays in the PAC–3 flight test program. Although the committee does not recommend a reduction in PAC–3 funding at this time, if the PAC–3 test program does not demonstrate significant improvement, the committee does not rule out the possibility of future funding reductions.

BMD Targets

The committee is concerned that current TMD surrogate targets do not sufficiently represent ballistic missile threats based on liquid fuel engines. Therefore, the committee directs the Secretary of Defense to assess the need for a new liquid fueled target, or family of targets, for TMD testing and to submit a report to the committee by April 15, 1999.

Report of the Panel on Reducing Risk in Ballistic Missile Defense Test Programs

The committee directs the Director of BMDO to submit a report to the congressional defense committees by February 15, 1999 on the conclusions and recommendations of the Panel on Reducing Risk in Ballistic Missile Defense Test Programs, which recently reviewed a number of BMDO's hit-to-kill interceptor programs. The report should include discussions of lessons learned, actions that BMDO intends to take as a result of these lessons, and areas where the Director of BMDO does not agree with the report.

Countermeasures to missile defense systems

The committee directs the Director of BMDO to submit a report to the congressional defense committees by March 15, 1999 on anticipated countermeasures to U.S. ballistic and cruise missile defense systems. The report should include an analysis of existing and foreseen countermeasures as well as a description of the programs and plans that the United States has developed to overcome any such countermeasures. The committee acknowledges that such a report will have to be submitted in a classified form.

Medical free electron laser

The committee recommends an increase of $7.0 million in PE 62227D to ensure reasonable stability for the program in fiscal year 1999. The committee believes that this program continues to make breakthroughs in a number of areas of importance to military medicine, including soft tissue surgery, thermal and chemical burn treatment, sepia control, and wound healing.

Computing systems and communications technology

The budget request included $69.9 million for a new start program in PE 62301E for project ST–26, Joint Infrastructure Protection. The committee recommends a decrease of $30.0 million and a transfer of an additional $10.0 million to PE 33140F from funds requested for the project. With respect to the transfer of $10.0 mil-

lion to PE 33140F, the committee recommends that the transferred funds be used for a cyber-security program to conduct research and development at federally funded research and development centers that are currently working in collaboration on issues relating to security and information assurance and to facilitate the transition of information assurance technology to the defense community.

The committee strongly supports research in information infrastructure security in accordance with the recommendations of the President's Commission on Critical Infrastructure Protection. However, the committee believes that a new start of $69.9 million in fiscal year 1999 is not warranted given the steep increase in proposed funding and the lack of definition of research and development activities to be conducted. The committee believes that gradual program growth would more likely result in sound planning and investments, and that a comprehensive survey of ongoing related research and development efforts, sponsored by defense agencies and the military departments, is needed before a new program of this magnitude is initiated. The committee directs the Secretary of Defense to prepare a comprehensive plan and funding profile for information security research and to provide the plan to the congressional defense committees no later than March 1, 1999. The plan should serve as the basis for future funding requests for research in this area.

Telemedicine

The committee recommends an increase of $1.5 million in PE 62383E to initiate and complete a demonstration of the use of data compression and dynamic bandwidth allocation technologies for the deployment of telemedicine and other capabilities to the warfighters. The committee directs that all applicable competitive procedures be used in the award of contracts, grants, and other agreements under this program and that the Defense Advanced Research Projects Agency require significant cost-sharing from all non-federal participants.

Tactical technology

The committee recommends a reduction of $5.0 million in PE 62702E of the funds requested for increased scope of work on the micro unmanned aerial vehicle program. The committee recommends this reduction to fund other higher priority programs.

High definition systems

Since 1994, the Department of Defense has undertaken a program of investing in the development of a domestic flat panel display industry to provide the Department with assured access to affordable flat panel display technology for defense applications. As a result of this sustained investment, the domestic supplier base now numbers over 100 companies. The committee believes that the military utility of flat panel display technology has continued to grow because of the proven durability and low life cycle costs, as compared to other display technologies. Therefore, the committee believes that additional funding in fiscal year 1999 is warranted and recommends an increase of $8.0 million in PE 62708E to con-

tinue the development of a domestic infrastructure within the context of the flat panel display initiative.

Mixed mode electronics

The committee recommends an increase of $6.0 million in PE 62712E for the continuation of the mixed mode electronics multi-technology insertion program (MIME). The committee believes that this program has significant potential benefits for electronics in military applications.

Weapons of mass destruction technologies

The budget request included $203.6 million for weapons of mass destruction technologies (PE 62715BR) of the Defense Special Weapons Agency (DSWA) to support and develop the technology base necessary for national security issues related to nuclear and other advanced weapons and force application technologies. In November, 1997, the Department of Defense (DOD) recommended the establishment of an agency to carry out programs related to counter proliferation, to reduce threats posed by weapons of mass destruction, and to provide nuclear weapon stockpile and related support as part of its Defense Reform Initiative (DRI). The formation of this agency was to be accomplished through the consolidation of several agencies, including the DSWA. Consistent with the DRI recommendation, the mission, function, and resources for DSWA in fiscal year 1999 have been transferred to the Defense Threat Reduction Agency (DTRA) for DSWA.

Core Competencies and Critical Expertise

While the end of the Cold War has changed the risk to the United States from a nuclear weapons attack, the nuclear threat continues to evolve. The United States now faces potential nuclear threats from emerging capabilities of terrorists and third world proliferation. There is also the potential for a resurgence of superpowers. With continued reductions in the defense budget, the committee remains concerned about the loss of technical expertise and the impact on the nation's ability to analyze the effects of a nuclear weapons attack on military and civilian infrastructure and systems, as well as the effect on the ability to provide reliable and timely technical guidance. The DOD must continue to ensure that the military services and civilian personnel retain their nuclear core competencies and critical scientific and engineering skills. The committee recommends a $10.0 million increase to the budget request to maintain nuclear core competencies and critical scientific and engineering expertise.

Implications of nuclear and conventional explosions on critical civil and commercial activities

The committee remains concerned about the potential vulnerability of the next generation satellites and high level technology upon which U.S. forces continue to rely, and the possibility that an adversary could seriously impair or negate military operations, as well as critical civil and commercial activities. The committee recommends an increase of $2.0 million to reduce potential

vulnerabilities of the effects of radiation and electromagnetic pulse (EMP) on advanced electronic technologies and space systems.

Structural Response and Blast Mitigation

The committee understands that the Technical Support Working Group (TSWG) is responsible for coordinating the development of technologies to meet the needs for combating terrorism, and encourages the Department to utilize the unique expertise and testing capabilities of the DSWA to accelerate the fielding of new protective technologies, including affordable and practical retrofit options for existing infrastructures. Additionally, the committee encourages the Department to continue to leverage existing and promising technologies designed to mitigate earthquake and corrosion related damage. The committee directs the Department to report to congressional defense committees by December 1, 1998 on efforts, commensurate with previous recommendations, to develop structural engineering design guidelines and standards modeled after those developed by other federal agencies (similar to those developed by the Department of State for new embassy office buildings) to prevent the collapse of buildings and structures subjected to heavy blast loads.

Hard and Deeply Buried Underground Structures

The committee supports the unique contributions made by DSWA toward the defeat of hard and deeply buried targets. Efforts to develop technology to detect and discriminately attack and destroy or neutralize deeply buried underground facilities would address a critical gap in the capabilities of our armed forces. The committee believes that the successful completion of the proof of principal demonstration of the "deep digger" concept by DSWA represents a significant step forward. Accordingly, the committee recommends an increase of $3.0 million in PE 62715BR to accelerate the pace and development of components and subsystems toward a prototype "deep digger" system within the larger context of the DSWA hard and deeply buried target defeat program.

Explosives and conventional demilitarization

Currently, there are over 400,000 tons in the existing conventional munitions stockpile that are obsolete, unserviceable, or unusable, and no longer of any use. The Department of Defense (DOD) expects that the stockpile will grow by an additional 400,000 tons by the end of fiscal year 1999. The munitions storage depots in the United States are currently at their maximum storage capacity, without room for new munitions until such time as the munitions stockpile is reduced.

In September 1996, the Under Secretary of Defense for Acquisition and Technology announced the DOD Munitions Strategy. An element of that overall strategy included conventional munitions demilitarization. The Congress endorsed the Department's recommendation to expand its demilitarization program by establishing a new research and development program to investigate and develop safe, efficient, and environmentally compliant technologies as alternatives to open burning/open detonation (OB/OD) to reduce the munitions stockpile. The Department also included as part of

its strategy the increased reliance on commercial industry to augment demilitarization capabilities.

The Secretary of Defense was directed in the National Defense Authorization Act for Fiscal Year 1998 to conduct a demonstration program utilizing an existing commercial technology as an alternative to open burn/open detonation. The committee understands that a commercially available blast chamber technology is available which is recognized by industry experts as a viable alternative to OB/OD demilitarization of conventional munitions. The Congress provided a $4.0 million increase to the budget request in fiscal year 1998 in the Army munitions standardization effectiveness and safety program (PE 65805A) to conduct a demonstration using an existing commercially available blast chamber technology. The committee recommends an increase of $4.0 million to the budget request to complete the demonstration program.

There are demilitarization sites in the United States where small numbers of conventional munitions exist which need to be destroyed, and where it may not be cost effective, or practical, to construct a demilitarization facility, such as in Alaska, South Carolina and California. There are also sites which are either remote in nature, or are in close proximity to residences or businesses, such as in Colorado and Massachusetts. The committee is aware that the capability exists to design a mobile system utilizing the commercially available blast chamber technology. The committee recommends an increase of $1.5 million for this activity.

Counterterror technical support

The budget request included $35.8 million for the counterterror technical support program for antiterrorism and counterterrorism projects.

The committee recommends an increase of $5.0 million for the facial recognition technology program.

In the statement of managers to the National Defense Authorization Act for Fiscal Year 1998, the conferees directed the Secretary of Defense to report to the Congress on its assessment of the operational requirements for a pulsed fast neutron analysis (PFNA) cargo inspection system. On April 10, 1998, the Secretary of Defense, in concurrence with the Secretary of the Treasury, reported his assessment to the Congress that neither the Department of Defense nor the Department of Treasury had a specific requirement for developing and fielding a PFNA system.

Funds were provided for the PFNA in the Department of Defense Appropriations Act for Fiscal Year 1998. The committee has supported funding for the PFNA technology program in prior years. However, with the report of the Secretary of Defense assessing no need for the development or fielding of this technology, the committee believes that funds appropriated for this activity should be utilized for unfunded requirements for operational needs to counter terrorism, such as chemical and biological detection, neutralization, mitigation and decontamination.

The committee continues to support collaborative efforts with allies who have demonstrated counter-terrorism capabilities, such as Israel and the United Kingdom, which can provide the United States a cost-effective way of remaining at the cutting edge of tech-

nology. The committee also believes that the Department should examine retrofit options and develop design guidelines for new and existing structures, to include the use of composite systems and retrofit applications technologies such as those demonstrated for seismic retrofitting of highway columns and corrosion damage.

Defense Threat Reduction Agency (DTRA)

In November 1997, the Department of Defense recommended the establishment of an agency to carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and to provide nuclear weapon stockpile and related support as part of its Defense Reform Initiative (DRI). The formation of this agency is to be accomplished through the consolidation of several agencies, and several functions from the Office of the Secretary of Defense (OSD) involved in the management of associated programs. Consistent with the DRI recommendation, the committee recommends the transfer of the counterterror technical support program to the Defense Threat Reduction Agency (DTRA).

Counterproliferation support program

The fiscal year 1998 budget request included $80.4 million for the counterproliferation support program to accelerate the development and deployment of essential counterproliferation technologies and capabilities in the Department of Defense (DOD) and the military services.

The committee recommends an increase of $7.0 million to the counterproliferation support program: $3.0 million for the high frequency active auroral research program (HAARP); $4.0 million for the continuation of the Counterproliferation Analysis and Planning System (CAPS) to support theater commanders and special operations forces in preparing for regional contingencies involving weapons of mass destruction.

In addition, the committee recommends a $20.5 million increase to the budget request for defense, including operation and maintenance ($7.6 million), research and development ($7.8 million) and procurement ($5.1 million), for unfunded requirements for the U.S. Special Operations Command (USSOCOM) for equipment to detect and destroy underground facilities and for training activities to locate, identify, render safe, destroy, or recover weapons of mass destruction from deep underground structures.

The committee raised concerns last year in the National Defense Authorization Act for Fiscal Year 1998 (S. Rept. 105–29) that funds authorized for HAARP were being diverted to fund government overhead and Systems Engineering and Technical Assessments (SETA) support in the range of about 20 percent. The committee directs that the combined government overhead/SETA support costs be no more than 10 percent.

Counterproliferation Analysis and Planning System

The proliferation of weapons of mass destruction remains a continuing national security concern and challenge for the long term. To address this challenge, the committee has supported funding for the Counterproliferation Analysis Planning Systems (CAPS). The committee understands that the Joint Requirements Oversight

Council (JROC) endorsed a funding level for CAPS in the 2000–2005 Five Year Defense Plan at $12.0 million per year. To address the fiscal year 1999 shortfall, of the total increase recommended for the counterproliferation support program, the committee recommends that PE 65160D8Z be increased by $4.0 million for CAPS.

Defense Threat Reduction Agency (DTRA)

In November 1997, as part of its Defense Reform Initiative (DRI), the Department of Defense recommended the establishment of a single agency, the Defense Threat Reduction Agency (DTRA), to carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and to provide nuclear weapon stockpile and related support. The formation of this agency is to be accomplished through the consolidation of several agencies, and several functions from the Office of the Secretary of Defense (OSD) involved in the management of associated programs. Consistent with the DRI recommendation, the committee recommends the transfer of the counterproliferation support program to the Defense Threat Reduction Agency.

Generic logistics research and development technology demonstrations

The committee recommends an increase of $4.0 million in PE 63712S to continue the computer assisted technology transfer program in fiscal year 1999. The committee directs the Defense Logistics Agency to develop a plan for deploying any technology successfully developed under this program broadly throughout the major systems support infrastructure.

Advanced lithography

Advanced lithography is an important enabling technology needed to produce advanced integrated circuits. The Department of Defense has a strong interest in maintaining access to this technology for application in new and future military systems. There are presently three basic lithography technologies (based upon the use of x-ray, electron-beam, and extreme ultra-violet radiation sources) in various stages of development that are capable of producing integrated circuits to meet the future needs of the Department.

The committee understands that the Department is currently developing an initiative to develop cross-cutting technologies, such as mask fabrication and defect reduction, metrology, development of new radiation sensitive imaging materials, and modeling and simulation, that will be applicable to all three basic lithography technologies. Because this initiative is still under development, no funding was provided in the fiscal year 1999 budget. The committee recommends an increase of $10.0 million to PE 603739E for the advanced mask writer development. This funding is intended to bridge the gap until the Department's cross-cutting technology initiative takes effect in fiscal year 2000. The committee expects that sufficient funding will be devoted to this initiative in the budget request for fiscal year 2000 so that consideration of further increases by Congress will not be necessary.

Advanced electronics technologies

The committee recommends a reduction of $4.0 million in PE 63739E for a portion of new start work in project MT–04 to allow funding of higher priority research.

Maritime technology

The budget request included $15.0 million in PE 603746E for the maritime technology (MARITECH) advanced shipbuilding enterprise (ASE) program. The MARITECH ASE program is a government, shipbuilding industry and academia cooperative effort to improve process and products required for ship design, construction and repair. The effort continues the MARITECH focus on making U.S. shipbuilders competitive in the international market and reducing the costs to build Navy ships. The committee recommends a $5.0 million increase to PE 603746E for MARITECH ASE.

Advanced concept technology demonstrations

The committee recommends a reduction, without prejudice, of $6.0 million in PE 63739E to allow funding of other priority initiatives. The committee notes that this reduction will leave approximately $20.0 million for new start advanced concept technology demonstrations (ACTD) in fiscal year 1999.

During hearings this year, the committee received testimony concerning the problem of providing adequate manning for ACTD participation by the unified and specified commands. One of the justifications for the ACTD program is its ability to put mature technologies in hands of the warfighters for evaluation and possible use in a much more rapid manner than can be accommodated in the standard acquisition process. The joint staff has been reluctant to provide the unified and specified commands with any additional manning to allow for a thorough evaluation by the warfighter and for support of residual operational capability should an ACTD prove successful. The committee commends the efforts of the Office of the Under Secretary of Defense for Acquisition and Technology to alleviate this situation through the provision of increased contractor support and other resources. Unfortunately, such support cannot substitute for the intensive, necessary warfighter field evaluation.

The committee directs the Under Secretary of Defense for Acquisition and Technology to work closely with the joint staff to develop an approach to improve manning allocation to allow the unified and specified commands to more effectively support ACTD execution. The committee directs the Under Secretary of Defense for Acquisition and Technology to report to the congressional defense committees no later than February 15, 1999 on the status of these efforts.

High performance computing modernization

The committee recommends an increase of $3.0 million in PE 63755D to initiate a program to address the related challenges of remote visualization, collaborative exploitation of high performance computing modernization capabilities, and distance learning expansion. Advances in telecommunications, high performance computing, and computer networking have created opportunities to over-

come these challenges, especially to the extent that the major shared resource centers can increase collaboration and shared capabilities.

The committee believes that the proposed program would offer a significant opportunity for participation by historically black colleges and universities, and other minority institutions. The committee directs the Department of Defense (DOD) to seek substantial participation of at least one minority institution in the program. The committee directs that all applicable competitive procedures be used for the award of any contract, grant, or other agreement under this program and that cost-sharing requirements for non-federal participants be utilized, where appropriate.

The committee also recommends an increase of $20.0 million in PE 63755D to sustain operations of supercomputing centers established with DOD funds. The committee notes that the increase is $5.0 million less than the amount authorized in fiscal year 1998 for this purpose and reflects sustainment funding provided by other users. The committee believes that any sustainment funding increases provided in fiscal year 2000 for such supercomputing centers should be reduced by a similar amount to reflect increased support from government and non-government users, as well as sponsoring institutions.

Command, control, and communications systems

The committee recommends a total reduction of $11.0 million in PE 63760E to fund higher priority research and development. The committee intends the reduction to be made in increased scope of work included in the budget request for projects CCC01 and CCC02.

Land warfare technology

The committee recommends a reduction of $4.0 million in PE 63764E for a new start project in CNW01 to allow funding of higher priority programs.

Physical security

The committee recommends authorization of $25.7 million for the physical security program for fiscal year 1999, a $6.0 million reduction to the budget request for force protection commercial off-the-shelf activities. The committee supports research and development activities that would provide force protection to U.S. forces, and recommends that no reductions be taken out of programs currently underway in this program element.

The committee is aware of a software technology for evaluating safeguards and security developed jointly by industry and the national laboratories known as Analytic System and Software for Evaluating Safeguards and Security (ASSESS), which has been used as a primary security modeling tool by the Department of Energy to analyze the vulnerabilities of its facilities to theft or sabotage of its nuclear materials. The committee understands that this software tool can be used to assess physical security vulnerabilities of existing buildings as well as new construction under design.

The committee believes that the ASSESS technology could be an integral component to vulnerability assessments conducted at nu-

merous Department of Defense (DOD) facilities and installations. The committee recommends that $3.0 million be made available for a study to analyze how this technology can best be utilized by DOD, and for upgrades and computer-aided design enhancements so that DOD agencies can utilize this technology.

Advanced sensor applications

The budget request included $15.1 million for advanced sensor applications. The committee recommends an increase of $2.0 million to continue the high frequency active auroral research program (HAARP).

Integrated data environment

The committee recommends an increase of $2.0 million in PE 63736D to continue the integrated data environment program in fiscal year 1999. The committee believes that programs such as this have the potential to provide cost-effective tools for reducing life cycle costs and improve logistics support for the warfighter.

Joint robotics program

The committee recommends an increase of $6.0 million in PE 64709D to allow the Department of Defense to accelerate engineering and manufacturing development efforts for the Vehicle Teleoperation Capability, including the Remote Combat Support System and the transfer of technology, where necessary. This accelerated transfer of technology has great potential for avoiding life cycle costs for a family of systems that are of growing importance to the missions of the warfighters.

Defense support activities

The committee recommends an increase of $2.0 million in PE 65798S to increase the scope of the commodity management system consolidation (CMSC) program in fiscal year 1999. The committee believes that the CMSC program is a key part of the efforts to migrate the Defense Logistics Agency commodity management system to a common operating environment to support the logistics vision incorporated in Joint Vision 2010.

Defense technical information services

The committee recommends a reduction of $2.0 million in PE 65801K for expanded activities at the Defense Technical Information Center in order to fund higher priority initiatives.

Joint simulation system

The committee recommends an increase of $4.5 million in PE 92740J to accelerate the fielding of the fully capable joint simulation system. The committee believes that this system has the potential to provide significant realistic training capability for the joint field commanders.

Surgical strike

The committee recommends an increase of $7.8 million for this classified program.

Maritime equipment

The committee recommends an increase of $10.5 million for this classified program.

OTHER ITEMS OF INTEREST

Acoustic firefinding system

The committee notes that the Army is currently conducting tests on a system that detects the shock waves of passing supersonic projectiles to provide real time data to locate and classify fire in multiple force protection situations. The committee is aware that the Army Research Laboratory (ARL) is scheduled to receive five such systems, one of which will be mounted on a high mobility multipurpose wheeled vehicle. The program is also in development for participation and evaluation under the military operations in urban terrain advanced concept technology demonstration program. The committee urges the Army to transition the program from ARL to an Army Research, Development, and Engineering Center effort in fiscal year 2000 should the technology prove successful in current and planned evaluations.

Army After Next Initiatives

The committee supports the Army's plan to restructure the 2nd Armored Cavalry Regiment as an experimental strike force to investigate alternative land force organizations for the Army After Next (AAN) initiative. The committee recommends the Army expedite this initiative.

Furthermore, in this pursuit of Army After Next capabilities, the Army will experiment with new armored vehicles that are lighter, faster, more deployable, and with similar or increased lethality and survivability. These AAN systems are not yet available. However, several surrogates are available to investigate the impact of AAN systems on new organizational structures and operational concepts that address 21st Century operational requirements. For example, the Army has already invested over $200.0 million in the development of the Armored Gun System (AGS) which is C130 aircraft deployable, has top speeds of 45 miles per hour, modular armor, a reduced crew size, and a cannon that fires up to 12 rounds per minute. The committee believes the Army should employ its AGS prototypes, along with other surrogate systems, in strike force experimentation activities.

Army multimedia tactical adaptor

The committee believes that the Army Multimedia Tactical Adapter may have the potential to enhance the warfighter's survivable wireless communications links by increasing speed and bandwidth while decreasing the costs of operations during critical battlefield operations. Additionally, joint standardization and interoperability of this device have the potential to benefit all military networks. The committee directs the Secretary of the Army to review this program and determine whether additional funding should be provided in the fiscal year 2000 budget.

Brain protection in combat head injury

The committee is aware of a proposal to research approaches for using pharmacological intervention mechanisms for reversing brain injury due to combat head injury or exposure to chemical weapons. If successful, such research could result in reduction of combat mortality and morbidity from such causes. The committee urges the Secretary of Defense to review this or similar proposals and, if determined to be of sufficient promise, to include funding for such research in the fiscal year 2000 budget.

Defense imagery and mapping program

The committee urges the Department of Defense to fund the defense imagery and mapping system research programs at adequate levels to sustain critical spatial information systems research programs. The development efforts will assume increasing importance to the achievement of national security objectives as the military services work to enhance battlespace awareness.

Dual use applications programs

The committee notes that the budget request contains $6.0 million for dual use applications program administered by the Defense Logistics Agency (DLA). This program differs fundamentally from other Department of Defense dual use programs in that it is managed through an agreement with a single, non-governmental entity for the purposes of establishing cost-shared pilot programs at selected public sector maintenance facilities in the areas of commercial manufacturing technologies and best business practices. Accordingly, the committee recommends a provision that would change the name of the program to Commercial Technology for Maintenance Activities. The committee further directs that, in managing the program in fiscal year 1999, the DLA shall require each of the participating services to match on a one-for-one basis any DLA funds expended for the projects under the program.

Electronic commerce resource centers

The committee directs that competitive procedures be used, to the maximum extent practicable, in the award of future contracts or other agreements, including subcontracts for the operation of individual regional centers under the Electronic Commerce Resource Center (ECRC) program, and that cost-sharing requirements for the non-Federal participants be utilized where appropriate. The committee further directs that the establishment of any additional ECRC sites be based on a Department of Defense analysis that considers the needs of the Department and the concentration of Defense suppliers, particularly manufacturing enterprises located near such sites.

Electronic safe and arm devices

The committee is encouraged by the positive results of the recent Cooperative Research and Development (CRADA) conducted by the Naval Surface Warfare Center and industry to design and develop a modular electronic safe and arm device (ESAD) that could be used in multiple tactical missile systems. The results of this CRADA parallel a recent initiative conducted by the Army. This

Army program resulted in the development of an ESAD with common components for the full spectrum of Army tactical missile systems. This initiative was consistent with the Department of Defense goals to develop an affordable multi-missile manufacturing (AM^3) program and was accomplished in a cost-effective manner in cooperation with industry's missile manufacturers.

In order to also capitalize on the positive results of the recent CRADA, the committee needs more information. Therefore, the committee directs the Navy to provide a report to the congressional defense committees, not later than December 1, 1998, that outlines the Navy's participation in the AM^3 program, as well as an analysis of the costs and benefits of integrating these electronic devices in all of the Navy's tactical missile product lines (both surface and air launched).

Flat panel display technology

In the statement of managers to accompany the National Defense Authorization Act for Fiscal Year 1998 (S. Rept. 105–29), the committee expressed concern that program managers and contractors were making procurement decisions on flat panel displays (FPD's) based on cost and schedule constraints without benefit of life-cycle cost and performance trade-off analysis. In March 1998, the Department responded to the committee's direction by submitting a report on the application of flat panel displays for military applications. The committee applauds the report as a good first step and encourages the Department to follow through on its conclusions: to better coordinate flat panel display activities; to mitigate supply uncertainty; to promote life-cycle affordability by supporting programs for sound technology choices; to continue the development of an integrated product teams approach; and to address cross-program coordination needs. The committee urges the Department to develop defense-wide common procurement training, to generate an FPD technical road-map, and to establish product standards for use by program managers.

Global Positioning System alternate master control station

Dependence on the Global Positioning System (GPS) in the military, civil, and commercial sectors continues to grow exponentially. GPS is vital to the national interests of the United States and the committee recognizes this system must be operated and maintained at the highest levels of readiness and reliability. GPS remains, however, the only critical national satellite system that does not have an adequate separate and secure backup ground control station. The committee is pleased that the Department of Defense and the Air Force initiated development of an alternate master ground control station at Vandenberg Air Force Base, California, but urges the Air Force to evaluate fully any potential vulnerabilities that may exist at Vandenberg.

The committee urges the Department of Defense and the Air Force to continue to make GPS a top priority program and ensure that the alternate master ground control station will be operational by fiscal year 2001. The committee previously recognized the need to reduce vulnerabilities of the current GPS command and control infrastructure and continues to be concerned that plans to modern-

ize, operate, and maintain the aging GPS worldwide ground control system are not being developed on a timely basis. The committee, therefore, directs the Secretary of the Air Force to submit a report by February 15, 1999 to the congressional defense committees on the alternate master control station and the plan to modernize the entire GPS ground control system to ensure GPS will support our national security and economic interests well into the next century.

Joint experimentation plan report

The committee is concerned there is too little coherent focus and effort on joint experimentation. In the National Defense Authorization Act for Fiscal Year 1998, the Secretary of Defense was directed to provide a joint experimentation plan report by March 30, 1998.

The committee conducted hearings this year to address Department of Defense activities directed at transforming the armed forces to address operational challenges anticipated in the early 21st Century. Members of the National Defense Panel testified that it was "absolutely critical" and "urgent" that the Department establish a joint experimentation process to investigate capabilities dealing with these future challenges.

The committee remains concerned about the progress and joint oversight of transformation activities across the Department. The Secretary of Defense submitted the Joint Experimentation Plan Report to the Congress on April 14, 1998. This report failed to provide the requested information relating to a process of joint experimentation, and the relationship of this process to the experimentation efforts of the military departments. It is clear that the experimentation activities of the military departments do not currently provide an adequate foundation for joint experimentation because they do not employ a joint headquarters or a consistent set of joint enablers in command, control, communications and computers (C4); intelligence; surveillance; reconnaissance (ISR); and other areas. Therefore, it is necessary that an overarching process of joint experimentation be established.

The committee supports the initiative of the Secretary of Defense to approve a charter assigning the mission of joint experimentation to a combatant commander. This charter provides necessary clarification in terms of responsibility and authority among the combatant commanders, services, and defense agencies.

The committee notes that the Joint Experimentation Plan Report states: "The Department is committed to making rapid progress on joint experimentation as a central part of our efforts to pursue the revolution in military affairs (RMA) through Joint Vision 2010." The committee directs the Secretary of Defense to provide an addendum to his report, no later than December 1, 1999, that addresses the following issues:

(1) describe the responsibilities and the authorities of the Office of the Secretary of Defense and defense agencies, services, combatant commands, and the Joint Staff in each of the concept development; assessment/experimentation; and implementation phases of the joint experimentation process;

(2) describe the activities of and the results achieved by the RMA oversight council in accomplishing its stated tasks to oversee the Department's planned and current RMA trans-

formation activities, recommend areas that could benefit from greater jointness, and direct changes in funding or activities;

(3) describe the responsibilities and authority of the Department of Defense, unified commands, the Joint Staff, and the services for the Information Superiority Implementation and Assessment Plan (ISIAP) and describe how the ISIAP impacts decisions to modify, accelerate, or terminate C4ISR;

(4) describe the authority and responsibility of the joint force experimenter in service experimentation efforts that include joint elements, the authority and responsibility for the integration of C4ISR and developing and assessing the information, sensor, and engagement grids for service network centric efforts;

(5) estimate the proportion of transformation activities undertaken in service unique arenas against the joint venue described in the report, and identify duplicative efforts;

(6) describe the relationship of vulnerability assessments conducted in joint experiments with vulnerability assessments conducted in service experimentation activities, including a description of the authority and responsibility of the proponent for conducting vulnerability assessments in joint experimentation activities and a description of the responsibilities of the Director of Operational Test and Evaluation with respect to those responsible for conducting vulnerability assessments in service experiments;

(7) describe the feedback process by which the results of vulnerability assessments, as well as other experimentation results, are reflected in future experimentation, or in changes to doctrine, operational concepts, organizational structures, or programs for the development of new technologies; and

(8) identify the joint experimentation activities which have been completed and describe the command and control process for each experiment, the budget and forces employed, capabilities assessed, and impact on changes in doctrine, operational concepts, organizational structures, or programs for the development of advanced technologies.

The committee further directs the General Accounting Office to investigate the following matters related to the Secretary of Defense Joint Experimentation Plan Report and report findings to the committee by March 31, 1999. This review should include the following:

(1) assess the Joint Vision 2010 Implementation Plan with respect to the following areas:

(A) whether the Joint Vision 2010 Implementation Plan reflects a viable time line, adequate resources including forces, funding and facilities, and the integrating functions necessary to achieve the operational concepts of the vision by 2010;

(B) whether the plan incorporates the operational challenges and desired force characteristics described in the Report of the National Defense Panel;

(C) whether the funding for the execution of the Joint Vision 2010 assessment roadmaps is adequately reflected in the future years defense program and whether service

plans for experimentation activities are consistent with these roadmaps;

(2) assess whether the plan for the development of joint enablers in areas such as command, control, communications and computers (C4), intelligence, surveillance, and reconnaissance (ISR), logistics, force protection and others is adequate to implement the operational concepts of Joint Vision 2010 by 2010;

(3) assess whether the Defense Planning Guidance for fiscal years 2000 through 2005 and the subsequent budget and planning review process, to include the Chairman's Program Recommendations and Assessment, directs the fielding of advanced technologies, preparation of forces, and funding required for the joint experimentation plan;

(4) assess the capability and limitations of existing and developing models and simulations to support the assessment and experimentation phase of the joint experimentation process;

(5) assess whether the Defense Science and Technology Strategy, Basic Research Plan, Defense Technology Area Plan, and Joint Warfighting Science and Technology plan are effective in synchronizing the fielding of advanced technologies across the services to support the development of joint capabilities; and

(6) compare the charter assigning U.S. Atlantic Command (USACOM) the mission for joint warfighting experimentation to the framework for Joint Forces Command recommended by the National Defense Panel and assess the capabilities of USACOM to implement this charter.

Man overboard notification technology

Each year lives are lost at sea as a result of sailors accidentally falling off ships. The committee encourages the Navy to investigate the feasibility of integrating a commercial off-the-shelf water-activated person overboard indicator as a means of immediately alerting ship control personnel of a person accidentally falling overboard.

Molten salt oxidation waste disposal technology

The committee is aware of the potential value of molten salt oxidation (MSO) technology to solve many of the problems with the disposal of hazardous materials. In particular, MSO technology, if made cost effective, would certainly be beneficial in a shoreside shipyard environment. The committee is aware that a consortium comprised of academic institutions and the Naval Surface Warfare Center (NSWC) has been developing a working MSO system at NSWC Indian Head, Maryland. The committee directs the Secretary of the Navy to provide a report by February 1, 1999 to the congressional defense committees on the potential costs and benefits of MSO technology for shoreside waste disposal and the desirability of continuing development of the MSO system at Indian Head in order to develop a working prototype leading to a full scale model.

National automotive center

The committee views the rapid infusion of advanced commercial technology into military land warfare systems as a key component of maintaining cost effective U.S. military dominance in ground combat technology. The committee commends the Army's National Automotive Center, part of the Tank-automotive and Armaments Command, for its role as the Army's focal point for collaborative research and development in the land combat vehicle arena, including advancements in alternative propulsion technology. The committee believes that the National Automotive Center should serve as the focal point for all Department of Defense shared commercial-military automotive technology development that is directly applicable to military land warfare systems, including alternative propulsion technologies. In support of this goal, the committee directs that the Secretary of Defense develop and submit an implementation plan to the congressional defense committees by February 15, 1999.

National solar observatory

The Air Force provided for the support of the National Solar Observatory (NSO) for fiscal year 1999 through the Air Force science and technology program in the amount of $650,000, which would be transferred to the National Science Foundation to operate NSO. The committee supports the continuation of this annual contribution for the support of NSO.

National technology alliance

During the last ten years, the National Technology Alliance (NTA) has helped the Intelligence community realize cost savings by providing commercially available information technology. Prior year funding for the NTA has led to reductions in operations and maintenance costs, improved intelligence analysis in the field, and advanced capabilities for reconnaissance and surveillance. The committee directs the Secretary of Defense to study the feasibility and desirability of expanding the NTA into a Defense-wide program and to report the findings to the congressional defense committees not later than 90 days after the enactment of this Act.

Next generation internet

The committee supports industry and government efforts to improve the communications and data transfer capability for future high speed data networks. The next generation of computer data networks will have important ramifications for military communications and technology. Industry is making considerable investment in the next generation of communication networks, and the federal government is involved in a partnership with industry and academia through the Next Generation Internet (NGI) program to help ensure that the following generation of technology is accessible to the military, as well as to the civilian sector.

It is important for the Department of Defense to focus its efforts and resources on the promising technologies that are not already the subject of substantial investment by commercial industry for near-term deployment, but rather to focus on the next generation of technology that will ensure higher speeds and higher volumes of

data transmission. In this regard, the committee believes that the Defense Advanced Research Projects Agency (DARPA), through its NGI program, should investigate the possibility of placing greater research emphasis on future promising technologies in the area of ultra-high speed optical data networks.

It is widely recognized that wavelength-division-multiplexed (WDM)systems and access networks are already being commercialized by industry. However, many consider time-division-multiplexed (TDM) technologies to be the next phase of development in high speed communication, and an area in which the United States should devote increased funding in the near-term to maintain our technological advantage. Therefore, the committee urges DARPA to consider focusing more of its near-term funding to support the development of TDM systems and access nodes technologies.

Patriot anti-cruise missile defense system

The committee reaffirms its support for fully evaluating the Patriot anti-cruise missile (PACM) concept and directs the Secretary of the Army to complete a rigorous test and evaluation program in fiscal year 1999, using funds previously appropriated for this purpose, to determine the effectiveness of the PACM seeker against the full range of advanced cruise missile threats. Results of this evaluation shall be provided to the committee in a written report by April 15, 1999. The report shall also include an assessment of options and associated costs for utilizing the PACM seeker in future upgrades to existing Patriot missiles.

Rapid acquisition of manufactured parts

The committee commends the Department of Defense for the decision to transfer the rapid acquisition of manufactured parts (RAMP) program to the Defense Logistics Agency (DLA). As a DLA-sponsored program, RAMP should be fully leveraged to support the rapid acquisition of non-standard and difficult-to-acquire spare parts in a timely and cost effective manner. The committee expects the Department of Defense to continue to support this important initiative.

Report on Department of the Navy applications for high-performance computing

The federal government is making substantial investments in the development of advanced computational capability through the Department of Energy's Accelerated Strategic Computing Initiative (ASCI). The hardware and software advances developed within the ASCI program could be applicable to Department of Defense requirements, such as integrated, simulation-based engineering; design and acquisition of complex platforms and weapons systems; distributed computation for network-centric warfare; and integrated simulation and database tools to support a just-in-time, over-the-horizon logistics train.

The committee notes that the Department of the Navy appears to be well positioned to leverage these unique resources. Specifically, ASCI is expected to enable significantly advanced computational fluid dynamics capabilities that could be of use in the design of high-performance ships, submarines, and aircraft. Accordingly,

the committee directs the Department of the Navy to deliver a report to the congressional defense committees, not later than February 1, 1999, on its needs for high-performance computational capability and the extent to which it could utilize technology being developed with the ASCI program.

Report on national security space policy

The National Space Policy, issued in September 1996, established the goals of the U.S. space program and established guidelines for national security space policy. The key national security priorities under the National Space Policy are: (1) improve our ability to support military operations worldwide; (2) monitor and respond to strategic military threats; and (3) monitor arms control and non-proliferation agreements and activities.

Although the Department of Defense has begun work on a defense space policy document, such a document has yet to be produced. As national security grows more dependent on space for a wide variety of applications, a definitive national security space policy document is a necessity. Such a document should be a key underpinning of national security space programmatic and funding priorities. The committee is concerned that there is no coordinated and unified national security space policy. The committee notes that, pursuant to the National Space Policy, space activities necessary for national security will be overseen by the Secretary of Defense and the Director of Central Intelligence, with the assistance of other departments and agencies as appropriate. Therefore, the committee directs the Secretary of Defense and the Director of Central Intelligence, in consultation with other appropriate departments and agencies, to prepare by September 1, 1999 a national security space policy document, consistent with the National Space Policy. The committee also directs the Secretary of Defense to complete the Department of Defense space policy document by February 15, 1999.

Software engineering institute

The committee is aware of the important work undertaken by the Software Engineering Institute (SEI) in promulgating the use of best software engineering practices throughout the Department of Defense acquisition and development community, the defense industry, and supporting software suppliers. Such work is critical to help maintain the momentum of defense acquisition reform. The committee understands that the sponsorship of SEI was transferred in June 1997 from the Defense Advanced Research Projects Agency (DARPA) to the Office of the Under Secretary of Defense for Acquisition and Technology, but that the funding request for SEI in fiscal year 1999 is included within the programs administered by DARPA. The committee directs that DARPA make no reduction in funding for SEI below any amounts mandated by congressional authorization.

Software productivity

The committee affirms the importance of applications-specific software for military systems to enable full systems performance. The basis for future development of such software is the result of

combining the precision personal software processes with new developments in software visualization. The committee urges the Department of Defense to consider moving rapidly toward the development and implementation of new software tools based on these theoretical bases. This development should provide for software resilience and fault tolerance issues, which are critical for systems that will be deployed in battlefield environments.

Space weather

The committee is concerned about potential disruptions to military operations caused by the next solar maximum in the solar cycle, which will occur in the year 2000. This solar maximum will bring with it increased instances of solar flares and geomagnetic storm activity that history has demonstrated can render considerable damage to fragile space assets and ground-based infrastructure, such as power grids. The 1989 solar maximum resulted in interference at missile warning radar sites, temporary loss by U.S. Space Command of over 1,300 objects in space, and the collapse of Quebec Province's power grid. Given its huge investment in satellites, the United States can not afford to be unprepared for the effects of space weather. The committee directs the Secretary of Defense to submit a report to the congressional defense committees by April 15, 1999 on the plans of the Department of Defense to protect these valuable yet fragile assets from the 2000 solar maximum.

Torpedo defense

The committee strongly supports the torpedo defense advanced technology demonstration included in the President's budget request (PE 63792N). The torpedo defense demonstration will be the culmination of significant research and investment in this highly versatile weapon. The 6.25" anti-torpedo torpedo will significantly enhance surface amphibious and support ship defense against incoming torpedoes and give submarine fleet an in-close weapon as well as an anti-torpedo capability. The development tests have shown the weapon to be highly effective and in-water validation should commence without delay.

Totally integration munitions enterprise

The committee notes that Secretary of the Army has not included funding in the budget request for the total integration munitions enterprise, despite indications that this technology could significantly improve the cost of lower volume ammunition production. The committee urges the Secretary of the Army to review the potential of this project and to consider support for such technologies in future year budget requests.

Trajectory correctable munition

The committee is aware of a new 155 millimeter artillery system under development by the government of Sweden, known as the trajectory correctable munition (TCM) program. This program may have significant potential for unprecedented accuracy through the ability to correct the course of the projectile in flight. The committee understands that the senior officials from the government of the United States and Sweden have met and are initiating actions

to determine common requirements to achieve interoperability standards through sharing mature technologies. The committee sees TCM as a potential candidate for inclusion in the foreign comparative testing program or as an advanced concept technology demonstration. The committee urges the Department of Defense to consider TCM for evaluation and accelerated deployment should the technology be demonstrated to have sufficient promise.

United States-Japan management training

The committee believes that the United States-Japan management training program has demonstrated the potential for preparing U.S. scientists, engineers, and managers for positions in U.S. defense and commercial industries and government. The program provides access to Japanese research and development, institutions, and facilities for the purpose of learning current Japanese management policies and practices. The committee expressed its desire for this program to transition to non-defense support in the statement of managers to accompany the National Defense Authorization Act for Fiscal Year 1998 (S. Rept. 105–29). The committee notes the process of transition is currently under negotiation in accordance with that guidance. The Secretary of Defense may apply up to $10.0 million from discretionary funds in fiscal year 1999 to enable the program to complete the transition. The committee understands that any Department of Defense funding for the program will be discontinued after fiscal year 1999.

TITLE III—OPERATION AND MAINTENANCE

The Approaching Crisis

Over the past several years, a number of military officers have expressed deep concerns regarding the trends in the operational readiness of the armed forces. Last year, these trends led one military officer to state: "The storm clouds are on the horizon." This was a year in which most of the Armed Forces were ready to meet their wartime mission; but in order to do so in a resource constrained environment, they were forced to resort to cost-saving practices which could impact negatively on wartime readiness. For example, the Marine Corps began using retread tires for some of their vehicles in order to save funds that are desperately needed for training and other essential operations. Hopefully, the Marines will never have to test the performance of retread tires in the desert heat of the Middle East.

While the overall readiness of forward deployed units remains adequate, this is increasingly accomplished at the expense of non-deployed units. According to Vice Admiral Browne, Commander of the Navy's Third Fleet, "more today than in the past, forward deployed readiness is being maintained with the slimmest of margins and at the expense of CONUS based training and increased individual PERSTEMPO." He went on to say, "to get the USS Denver underway early as part of the Tarawa ARG, two other ships were cannibalized for parts." Furthermore, as Colonel Bozarth of the Air Force's 388th Operations Group stated, "The people that pay the price, though, are the folks that are back home. Because if you take a wing like ours, 5 years ago, in 1993, we were looking at FMC [Full Mission Capable] rates in the 90's. In the 1995 to 1997 time frame, we are looking at mission capable rates in the 80's. Now we are down in the lower 70's." Finally, according to Captain Kilcline, Commander of Carrier Air Wing 14 which is preparing for deployment, "the Air Wing reflects Navy-wide trends with FMC rates 10 to 15 percent lower than comparable phases last turnaround cycle. This is due to reduced funding for spare parts, manning levels and technical expertise, and aging aircraft."

Maintaining the readiness of deployed forces at the expense of CONUS based forces can be accomplished with little noticeable impact during peacetime. However, the impact on the ability of the Armed Forces to be able to successfully execute the requirements of two major theater wars is potentially significant. Lt. General Hendrix, Commanding General of the Army's 5th Corps in Europe, commenting on the risk associated with the readiness of the forces to fulfill these requirements stated: "it is certainly a medium to high risk."

Unfortunately, there are reports that even the readiness of the forward deployed units is beginning to suffer. According to Naval officers in the Pacific, 20 percent of the deployed planes on the car-

riers are grounded awaiting parts or other maintenance requirements while cannibalization of aircraft has gone up by 15 percent over the last three carrier deployments. In fact, Admiral Browne recently acknowledged that "Full Mission Capable (FMC) rates from fiscal year 1996 to fiscal year 1997 for our deployed aircraft have declined from 62 percent to 55 percent." Such grim statistics raise concerns about the ability of the fleet to carry out a major theater war, or even maintain a two carrier presence in the Persian Gulf, unless adequate resources are provided.

The Air Force faces similar problems. In the words of Colonel Bozarth, "I am concerned that ongoing operational commitments, chronic shortages of skilled personnel and inadequate funding are eroding our readiness. Simply, I don't feel we're as ready to execute our precision guided munition (PGM) mission as we were 3 years ago."

The concerns that these and other military officers raised are generally rooted in two key problems which threaten the readiness of the U.S. Armed Forces: a lack of modernization funding which has led to older and more maintenance intensive equipment, and the increased commitment of a greatly reduced force structure.

Maintaining Current Readiness on the Backs of the Troops

It has largely been due to the selfless dedication of the men and women in uniform that our military establishment has been able to maintain the standards of readiness necessary to meet the current high operating tempos of our military forces. In fact, according to General Butch Neal, Assistant Commandant of the Marine Corps, "during these challenging and busy times, while we are maintaining required readiness standards, and we are ready for every call, we are doing it on the backs of the troops * * * we are maintaining readiness on the backs of our young Marines." General Neal is not alone in expressing this concern. According to General Esmond, Commander of the Air Force's Air Warfare Center: "The average workweek has been extended to 60 to 65 hours * * *.Duty schedules have included 12-hour shifts for the past three years. And this has been the duty schedule exclusively since October of 1996."

The demands that have been placed upon military personnel and their families, along with the increased opportunities in the private sector, is beginning to erode the retention rates of enlisted and officer ranks alike. Pilots and highly skilled enlisted technicians are leaving at extraordinarily high rates as civilian companies offer better pay, shorter work days, and no chance of a six month deployment to Bosnia. Perhaps most disconcerting is that this loss of personnel is true even for elite and highly motivated groups such as the Navy SEALs, where lieutenants are departing the service at more than twice the historic rate, which threatens to undermine the readiness and future leadership of this elite force.

Balancing Current and Future Readiness

Given the readiness problems faced by the Armed Forces and the constraints of the Federal budget, the committee carefully examined the best approach to preserve the national security of the United States. Unfortunately, the resources available for the De-

partment of Defense (DOD) are insufficient to prepare for the most critical national security threats in both the near and long-term, while simultaneously responding to an extremely demanding foreign policy. Therefore, a balance must be achieved in order to minimize the overall risks.

Readiness is jeopardized because the military equipment in use is increasingly older and more time-consuming and expensive to maintain. The aging equipment, coupled with increased deployments for contingency and other operations, is resulting in reduced equipment readiness that undermines the ability of the armed forces to perform their mission.

In recent testimony before the committee, General Richard of the Marine Corps Air-Ground Combat Center stated: "This equipment, especially some of the rolling stock, is getting exceedingly old, and the maintenance to maintain that equipment is getting more expensive every year." He further stated: "We are living off past investments. We cannot extend equipment life forever, particularly when we are using it three to four times the TEMPO of operational forces gear."

This point was further reinforced by General Fulford, Commanding General of the First Marine Expeditionary Force, who stated, "I MEF [First Marine Expeditionary Force] operations and training continue to place extraordinary demands on our aging equipment; it is wearing out at an exponentially accelerating rate and increasingly requires more time, effort, and money to maintain it." He went on to say, "the best maintained equipment has service life limitations and the best people can only work so many hours a day." This message was reinforced by General Hendrix when he stated, "You've got to get to the future."

There is a strong desire to follow the traditional approach of increasing the Operation and Maintenance accounts in order to rectify near-term readiness problems. However, to do so could jeopardize the future readiness of the armed forces by continuing to delay essential modernization. Perhaps General Neal best captured the readiness impact associated with the deferment of modernization programs when he said that * * *, "today's modernization concerns will become tomorrow's readiness dilemmas."

For this reason, and because of the need to modernize the military to ensure that it is prepared to meet the threats of the future, and because the threats of today, although dangerous, pale in comparison to the potential threats of the 21st Century, the committee determined that the appropriate course of action was to dedicate additional resources to the procurement accounts in order to enhance long-term readiness. However, the committee recognizes that this limited transfer of funds will not go far in resolving the bow-wave of modernization needs that is quickly approaching.

Rather than jeopardizing near-term readiness by cutting the operations and training funds of the military services in order to generate the necessary resources for modernization, the committee recommends a reduction in DOD overhead including the downsizing of its civilian bureaucracy. The committee notes that such a reduction is in line with the goals of the Defense Reform Initiative. Furthermore, in order to preserve the near-term readiness of the military services in these challenging times, the committee rec-

ommends additional funds for the operations and training accounts of each active and reserve component.

Overview

The Operations and Maintenance (O&M) accounts amount to more than 33 percent of the total Department of Defense budget. Expenditures from these accounts pay the costs for the day-to-day operations of our military forces; all individual, unit and joint training for military members; maintenance and support of the weapons, vehicles and equipment in the military services; purchase and distribution of spare parts and supplies to support military operations; and support, maintenance, and repair of buildings and bases throughout the Department of Defense.

The funding in these accounts has a direct impact on the combat readiness of U.S. military forces. While insufficient O&M funds would lead to problems with short-term or current readiness, excessive and unnecessary O&M expenditures for low priority or non-defense programs only serve to restrict the availability of funds for modernization programs.

The budget request included $94.2 billion for the operation and maintenance of the armed forces and component agencies of the Department of Defense in fiscal year 1999.

The committee recommends authorization of $93.8 billion for the O&M accounts for fiscal year 1999, a decrease of approximately $300.0 million from the budget request.

The recommended amount authorized for the O&M accounts includes, to the extent provided in an appropriations act, transfer of $150.0 million from the National Defense Stockpile Transaction Fund.

The committee recommends authorization of $764.1 million for the revolving and management funds.

The recommended authorization for fiscal year 1999 is summarized in the following table:

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

TITLE III	Authorization Request	Senate Change	Senate Recommended
PERATION AND MAINTENANCE & WORKING CAPITAL FUNDS			
Operation and Maintenance, Army	17,273,063	122,500	17,395,563
Operation and Maintenance, Navy	21,927,202	74,100	22,001,302
Operation and Maintenance, Marine Corps	2,523,703	115,000	2,638,703
Operation and Maintenance, Air Force	19,177,004	36,400	19,213,404
Operation and Maintenance, Special Operations Command	1,238,853	12,650	1,251,503
Operation and Maintenance, Defense-wide	9,511,848	(486,250)	9,025,598
Operation and Maintenance, Army Reserve	1,202,622	15,000	1,217,622
Operation and Maintenance, Navy Reserve	928,639	15,000	943,639
Operation and Maintenance, Marine Corps Reserve	114,593	20,000	134,593
Operation and Maintenance, Air Force Reserve	1,744,696	15,000	1,759,696
Operation and Maintenance, Army National Guard	2,436,815	40,000	2,476,815
Operation and Maintenance, Air National Guard	3,093,933	20,000	3,113,933
Office of the Inspector General	130,764		130,764
United States Court of Appeals for the Armed Forces	7,324		7,324
Environmental Restoration, Army	377,640	(7,000)	370,640
Environmental Restoration, Navy	281,600	(7,000)	274,600
Environmental Restoration, Air Force	379,100	(7,000)	372,100

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended
Environmental Restoration, Defense-Wide	26,091	(3,000)	23,091
Environmental Restoration, Formerly Used Defense Sites	195,000		195,000
Overseas Humanitarian, Disaster, & Civic Aid	63,311	(13,311)	50,000
Drug Interdiction and Counter-drug Activities, Defense	727,582		727,582
Defense Health Program	9,653,435		9,653,435
Former Soviet Union Threat Reduction	442,400	(2,000)	440,400
Payment to Kaho' Olawe Island Fund	15,000		15,000
Overseas Contingency Operation Transfer Fund	746,900		746,900
Impact Aid		35,000	35,000
General Reduction (Fuel Price Inflation Change)		(304,000)	(304,000)
Disposal of DoD Real Property			
Lease of DoD Real Property			
Restoration of Rocky Mountain Arsenal			
National Science Center, Army			
Defense Burdensharing-Allies/Nato			
Subtotal Operation and Maintenance	94,219,118	(308,911)	93,910,207
REVOLVING FUNDS			
Defense Working Capital Fund (Air Force)	30,800		30,800

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended
Military Commisary Revolving Fund	63,700		63,700
National Defense Sealift Fund	418,166	251,400	669,566
Reserve Moblization Insurance Fund	37,300	(37,300)	0
National Defense Stockpile Transaction Fund (Routine & Ongoing Sales)			
Transfer from National Stockpile to WCF	350,000	(350,000)	0
National Defense Stockpile Transaction Fund (Excess of Routine Sales)			
Subtotal Working Capital Funds	899,966	(135,900)	764,066
Total Operation and Maintenance & Working Capital Funds	95,119,084	(444,811)	94,674,273

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	Request	FY 1999 Change	Recommended
		OPERATION AND MAINTENANCE, ARMY			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		LAND FORCES	2,966,468	0	2,966,468
2020A	10	DIVISIONS	1,091,232	0	1,091,232
2020A	20	CORPS COMBAT FORCES	299,739	0	299,739
2020A	30	CORPS SUPPORT FORCES	316,361	0	316,361
2020A	40	ECHELON ABOVE CORPS FORCES	434,579	0	434,579
2020A	50	LAND FORCES OPERATIONS SUPPORT	824,557	0	824,557
		LAND FORCES READINESS	1,919,575	0	1,919,575
2020A	60	FORCE READINESS OPERATIONS SUPPORT	973,814	0	973,814
2020A	70	LAND FORCES SYSTEMS READINESS	375,038	0	375,038
2020A	80	LAND FORCES DEPOT MAINTENANCE	570,723	0	570,723
		LAND FORCES READINESS SUPPORT	3,219,888	315,000	3,534,888
2020A	90	BASE SUPPORT	2,332,231	185,000	2,517,231
2020A	100	MAINTENANCE OF REAL PROPERTY	641,651	130,000	771,651
2020A	110	MANAGEMENT AND OPERATIONAL HEADQUARTERS	110,538	0	110,538
2020A	120	UNIFIED COMMANDS	71,990	0	71,990
2020A	130	MISCELLANEOUS ACTIVITIES	63,478	0	63,478
		TOTAL, BUDGET ACTIVITY 1:	8,105,931	315,000	8,420,931
		BUDGET ACTIVITY 2: MOBILIZATION			
		MOBILITY OPERATIONS	624,635	0	624,635

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
2020A	140	POMCUS	0	0	0
2020A	150	STRATEGIC MOBILIZATION	314,541	0	314,541
2020A	160	ARMY PREPOSITIONED STOCKS	165,349	0	165,349
2020A	170	INDUSTRIAL PREPAREDNESS	78,645	0	78,645
2020A	180	MAINTENANCE OF REAL PROPERTY	66,100	0	66,100
		TOTAL, BUDGET ACTIVITY 2:	**624,635**	**0**	**624,635**
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
		ACCESSION TRAINING	**339,001**	**0**	**339,001**
2020A	190	OFFICER ACQUISITION	63,580	0	63,580
2020A	200	RECRUIT TRAINING	14,264	0	14,264
2020A	210	ONE STATION UNIT TRAINING	14,909	0	14,909
2020A	220	RESERVE OFFICER TRAINING CORPS (ROTC)	130,270	0	130,270
2020A	230	BASE SUPPORT (ACADEMY ONLY)	72,999	0	72,999
2020A	240	MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	42,979	0	42,979
		BASIC SKILL/ ADVANCE TRAINING	**2,165,176**	**0**	**2,165,176**
2020A	250	SPECIALIZED SKILL TRAINING	215,964	0	215,964
2020A	260	FLIGHT TRAINING	226,501	0	226,501
2020A	270	PROFESSIONAL DEVELOPMENT EDUCATION	192,720	0	192,720
2020A	280	TRAINING SUPPORT	488,799	0	488,799
2020A	290	BASE SUPPORT (OTHER TRAINING)	782,265	0	782,265
2020A	300	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	258,927	0	258,927

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		RECRUITING/OTHER TRAINING	731,386	0	731,386
2020A	310	RECRUITING AND ADVERTISING	234,154	0	234,154
2020A	320	EXAMINING	71,593	0	71,593
2020A	330	OFF-DUTY AND VOLUNTARY EDUCATION	100,203	0	100,203
2020A	340	CIVILIAN EDUCATION AND TRAINING	73,517	0	73,517
2020A	350	JUNIOR ROTC	73,423	0	73,423
2020A	360	BASE SUPPORT (RECRUITING LEASES)	178,496	0	178,496
		TOTAL, BUDGET ACTIVITY 3:	3,235,563	0	3,235,563
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		SECURITY PROGRAMS	404,340	0	404,340
2020A	370	SECURITY PROGRAMS	404,340	0	404,340
		LOGISTICS OPERATIONS	1,505,999	0	1,505,999
2020A	380	SERVICEWIDE TRANSPORTATION	398,473	0	398,473
2020A	390	CENTRAL SUPPLY ACTIVITIES	370,824	0	370,824
2020A	400	LOGISTIC SUPPORT ACTIVITIES	336,403	0	336,403
2020A	410	AMMUNITION MANAGEMENT	400,299	0	400,299
		SERVICEWIDE SUPPORT	3,131,374	0	3,131,374
2020A	420	ADMINISTRATION	304,679	0	304,679
2020A	430	SERVICEWIDE COMMUNICATIONS	606,379	0	606,379
2020A	440	MANPOWER MANAGEMENT	142,081	0	142,081
2020A	450	OTHER PERSONNEL SUPPORT	150,483	0	150,483
2020A	460	OTHER SERVICE SUPPORT	618,384	0	618,384

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
2020A	470	ARMY CLAIMS ACTIVITIES	118,886	0	118,886
2020A	480	REAL ESTATE MANAGEMENT	68,815	0	68,815
2020A	490	BASE SUPPORT	700,689	0	700,689
2020A	500	COMMISSARY OPERATIONS	338,400	0	338,400
2020A	510	MAINTENANCE OF REAL PROPERTY	82,578	0	82,578
		SUPPORT OF OTHER NATIONS	265,221	0	265,221
2020A	520	INTERNATIONAL MILITARY HEADQUARTERS	227,377	0	227,377
2020A	530	NATO ENLARGEMENT	0	0	0
2020A	540	MISC. SUPPORT OF OTHER NATIONS	37,844	0	37,844
		TOTAL, BUDGET ACTIVITY 4:	**5,306,934**	**0**	**5,306,934**
		Miscellaneous	**0**	**(192,500)**	(192,500)
		Civilian Underexecution		(120,000)	
		Foreign Currency		(81,300)	
		DFAS workyears		8,800	
		TOTAL, OPERATION AND MAINTENANCE, ARMY	**17,273,063**	**122,500**	**17,395,563**
		OPERATION AND MAINTENANCE, NAVY			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		AIR OPERATIONS	**4,788,805**	**70,000**	**4,858,805**
1804N	10	MISSION AND OTHER FLIGHT OPERATIONS	2,089,630	0	2,134,630

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		Flying Hour Spares		45,000	
1804N	20	FLEET AIR TRAINING	751,533	0	751,533
1804N	30	INTERMEDIATE MAINTENANCE	46,925	0	46,925
1804N	40	AIR OPERATIONS AND SAFETY SUPPORT	88,459	0	88,459
1804N	50	AIRCRAFT DEPOT MAINTENANCE	735,731	0	735,731
1804N	60	AIRCRAFT DEPOT OPERATIONS SUPPORT	20,249	0	20,249
1804N	70	BASE SUPPORT	772,678	0	772,678
1804N	80	MAINTENANCE OF REAL PROPERTY	283,600	25,000	308,600
		SHIP OPERATIONS	7,093,373	94,000	7,187,373
1804N	90	MISSION AND OTHER SHIP OPERATIONS	1,987,873	0	1,987,873
1804N	100	SHIP OPERATIONAL SUPPORT AND TRAINING	541,069	0	541,069
1804N	110	INTERMEDIATE MAINTENANCE	388,408	0	388,408
1804N	120	SHIP DEPOT MAINTENANCE	1,947,424	30,000	1,977,424
1804N	130	SHIP DEPOT OPERATIONS SUPPORT	1,147,209	0	1,147,209
1804N	140	BASE SUPPORT	832,789	35,000	867,789
1804N	150	MAINTENANCE OF REAL PROPERTY	248,601	23,000	277,601
		Dredging		6,000	
		COMBAT OPERATIONS/SUPPORT	1,723,193	7,000	1,730,193
1804N	160	COMBAT COMMUNICATIONS	234,450	0	234,450
1804N	170	ELECTRONIC WARFARE	7,734	0	7,734
1804N	180	SPACE SYSTEMS AND SURVEILLANCE	138,271	0	138,271
1804N	190	WARFARE TACTICS	134,014	0	134,014
1804N	200	OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	228,159	0	235,159

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		Naval Meteorology & Oceanography Command		7,000	
1804N	210	COMBAT SUPPORT FORCES	444,072	0	444,072
1804N	220	EQUIPMENT MAINTENANCE	170,937	0	170,937
1804N	230	DEPOT OPERATIONS SUPPORT	694	0	694
1804N	240	BASE SUPPORT	312,259	0	312,259
1804N	250	MAINTENANCE OF REAL PROPERTY	52,603	0	52,603
		WEAPONS SUPPORT	1,535,843	22,000	1,557,843
1804N	260	CRUISE MISSILE	121,192	0	143,192
		Tomahawk Recertication		22,000	
1804N	270	FLEET BALLISTIC MISSILE	812,041	0	812,041
1804N	280	IN-SERVICE WEAPONS SYSTEMS SUPPORT	61,598	0	61,598
1804N	290	WEAPONS MAINTENANCE	389,469	0	389,469
1804N	300	BASE SUPPORT	119,868	0	119,868
1804N	310	MAINTENANCE OF REAL PROPERTY	31,675	0	31,675
		WORKING CAPITAL FUND SUPPORT	43,300	0	43,300
1804N	320	NWCF SUPPORT	43,300	0	43,300
		TOTAL, BUDGET ACTIVITY 1:	15,184,514	193,000	15,377,514
		BUDGET ACTIVITY 2: MOBILIZATION			
		READY RESERVE AND PREPOSITIONING FORCES	428,775	0	428,775
1804N	330	SHIP PREPOSITIONING AND SURGE	428,775	0	428,775
		ACTIVATIONS/INACTIVATIONS	512,627	0	512,627

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
1804N	340	AIRCRAFT ACTIVATIONS/INACTIVATIONS	651	0	651
1804N	350	SHIP ACTIVATIONS/INACTIVATIONS	511,976	0	511,976
		MOBILIZATION PREPAREDNESS	**56,891**	**0**	**56,891**
1804N	360	FLEET HOSPITAL PROGRAM	23,496	0	23,496
1804N	370	INDUSTRIAL READINESS	16,166	0	16,166
1804N	380	COAST GUARD SUPPORT	17,229	0	17,229
		TOTAL, BUDGET ACTIVITY 2:	**998,293**	**0**	**998,293**
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
		ACCESSION TRAINING	**287,693**	**0**	**287,693**
1804N	390	OFFICER ACQUISITION	75,643	0	75,643
1804N	400	RECRUIT TRAINING	4,556	0	4,556
1804N	410	RESERVE OFFICERS TRAINING CORPS (ROTC)	69,087	0	69,087
1804N	420	BASE SUPPORT	57,036	0	57,036
1804N	430	MAINTENANCE OF REAL PROPERTY	81,371	0	81,371
		BASIC SKILLS AND ADVANCED TRAINING	**1,187,896**	**0**	**1,187,896**
1804N	440	SPECIALIZED SKILL TRAINING	237,916	0	237,916
1804N	450	FLIGHT TRAINING	315,874	0	315,874
1804N	460	PROFESSIONAL DEVELOPMENT EDUCATION	71,780	0	71,780
1804N	470	TRAINING SUPPORT	138,319	0	138,319
1804N	480	BASE SUPPORT	331,607	0	331,607
1804N	490	MAINTENANCE OF REAL PROPERTY	92,400	0	92,400

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		RECRUITING, AND OTHER TRAINING AND EDUCATION	265,851	(9,000)	256,851
1804N	500	RECRUITING AND ADVERTISING	130,415	0	130,415
1804N	510	OFF-DUTY AND VOLUNTARY EDUCATION	74,669	0	74,669
1804N	520	CIVILIAN EDUCATION AND TRAINING	37,425	(9,000)	28,425
1804N	530	JUNIOR ROTC	22,830	0	22,830
1804N	540	BASE SUPPORT	451	0	451
1804N	550	MAINTENANCE OF REAL PROPERTY	61	0	61
		TOTAL, BUDGET ACTIVITY 3:	1,741,440	(9,000)	1,732,440
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		SERVICEWIDE SUPPORT	1,825,674	(18,000)	1,807,674
1804N	560	ADMINISTRATION	565,193	0	565,193
1804N	570	EXTERNAL RELATIONS	21,456	0	21,456
1804N	580	CIVILIAN MANPOWER AND PERSON MANAGEMENT	140,247	(20,000)	120,247
1804N	590	MILITARY MANPOWER AND PERSON MANAGEMENT	125,125	0	125,125
1804N	600	OTHER PERSONNEL SUPPORT	201,014	0	201,014
1804N	610	SERVICEWIDE COMMUNICATIONS	244,766	0	246,766
		NISE-East		2,000	
1804N	620	BASE SUPPORT	228,046	0	228,046
1804N	630	MEDICAL ACTIVITIES	0	0	0
1804N	640	MAINTENANCE OF REAL PROPERTY	44,827	0	44,827
1804N	650	COMMISSARY OPERATIONS	255,000	0	255,000
		LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	1,590,349	0	1,590,349
1804N	660	SERVICEWIDE TRANSPORTATION	144,245	0	144,245

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
1804N	670	PLANNING, ENGINEERING AND DESIGN	262,615	0	262,615
1804N	680	ACQUISITION AND PROGRAM MANAGEMENT	473,159	0	473,159
1804N	690	AIR SYSTEMS SUPPORT	280,437	0	280,437
1804N	700	HULL, MECHANICAL AND ELECTRICAL SUPPORT	55,467	0	55,467
1804N	710	COMBAT/WEAPONS SYSTEMS	41,700	0	41,700
1804N	720	SPACE AND ELECTRONIC WARFARE SYSTEMS	72,178	0	72,178
1804N	730	BASE SUPPORT	219,826	0	219,826
1804N	740	MAINTENANCE OF REAL PROPERTY	40,722	0	40,722
		SECURITY PROGRAMS	**578,497**	**0**	**578,497**
1804N	750	SECURITY PROGRAMS	568,257	0	568,257
1804N	760	BASE SUPPORT	8,814	0	8,814
1804N	770	MAINTENANCE OF REAL PROPERTY	1,426	0	1,426
		SUPPORT OF OTHER NATIONS	**8,435**	**0**	**8,435**
1804N	780	INTERNATIONAL HEADQUARTERS AND AGENCIES	8,435	0	8,435
		CANCELLED ACCOUNTS	0	0	0
		PROBLEM DISBURSMENTS	0	0	0
		TOTAL, BUDGET ACTIVITY 4:	**4,002,955**	**(18,000)**	**3,984,955**
		Miscellaneous	**0**	**(91,900)**	**(91,900)**
		Civilian Underexecution		(106,000)	
		Foreign Currency		(7,900)	
		DFAS Workyears		10,000	

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	Request	FY 1999 Change	Recommended
		Y2K System Compliance		12,000	
		TOTAL, OPERATION AND MAINTENANCE, NAVY	**21,927,202**	**74,100**	**22,001,302**
		OPERATION AND MAINTENANCE, MARINE CORPS			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		EXPEDITIONARY FORCES	**1,660,869**	**116,000**	**1,776,869**
1106N	10	OPERATIONAL FORCES	375,531	0	420,531
		Training OPTEMPO		20,000	
		Initial Issue		25,000	
1106N	20	FIELD LOGISTICS	221,693	0	221,693
1106N	30	DEPOT MAINTENANCE	78,713	20,000	98,713
1106N	40	BASE SUPPORT	692,716	15,000	707,716
1106N	50	MAINTENANCE OF REAL PROPERTY	292,216	36,000	328,216
		USMC PREPOSITIONING	**85,653**	**0**	**85,653**
1106N	60	MARITIME PREPOSITIONING	81,325	0	81,325
1106N	70	NORWAY PREPOSITIONING	4,328	0	4,328
		TOTAL, BUDGET ACTIVITY 1:	**1,746,522**	**116,000**	**1,862,522**
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
		ACCESSION TRAINING	**81,309**	**0**	**81,309**
1106N	80	RECRUIT TRAINING	10,202	0	10,202

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
1106N	90	OFFICER ACQUISITION	289	0	289
1106N	100	BASE SUPPORT	53,526	0	53,526
1106N	110	MAINTENANCE OF REAL PROPERTY	17,292	0	17,292
		BASIC SKILLS AND ADVANCED TRAINING	**196,026**	**0**	**196,026**
1106N	120	SPECIALIZED SKILLS TRAINING	28,269	0	28,269
1106N	130	FLIGHT TRAINING	161	0	161
1106N	140	PROFESSIONAL DEVELOPMENT EDUCATION	6,478	0	6,478
1106N	150	TRAINING SUPPORT	81,338	0	81,338
1106N	160	BASE SUPPORT	55,771	0	55,771
1106N	170	MAINTENANCE OF REAL PROPERTY	24,009	0	24,009
		RECRUITING AND OTHER TRAINING EDUCATION	**115,951**	**0**	**115,951**
1106N	180	RECRUITING AND ADVERTISING	80,798	0	80,798
1106N	190	OFF-DUTY AND VOLUNTARY EDUCATION	15,016	0	15,016
1106N	200	JUNIOR ROTC	9,201	0	9,201
1106N	210	BASE SUPPORT	8,496	0	8,496
1106N	220	MAINTENANCE OF REAL PROPERTY	2,440	0	2,440
		TOTAL, BUDGET ACTIVITY 3:	**393,286**	**0**	**393,286**
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		SERVICEWIDE SUPPORT	**383,895**	**0**	**383,895**
1106N	230	SPECIAL SUPPORT	224,668	0	224,668
1106N	240	SERVICEWIDE TRANSPORTATION	29,630	0	29,630
1106N	250	ADMINISTRATION	26,509	0	26,509

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
1106N	260	BASE SUPPORT	14,557	0	14,557
1106N	270	MAINTENANCE OF REAL PROPERTY	1,931	0	1,931
1106N	280	COMMISSARY OPERATIONS	86,600	0	86,600
		TOTAL, BUDGET ACTIVITY 4:	**383,895**	**0**	**383,895**
		Miscellaneous	**0**	**(1,000)**	**(1,000)**
		Foreign Currency		(2,300)	
		DFAS Workyears		1,300	
		TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS	**2,523,703**	**115,000**	**2,638,703**
		OPERATION AND MAINTENANCE, AIR FORCE			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		AIR OPERATIONS	**7,400,896**	**129,100**	**7,529,996**
3400F	10	PRIMARY COMBAT FORCES	2,311,299	0	2,341,299
		Flying Hours Spares		30,000	
3400F	20	PRIMARY COMBAT WEAPONS	236,147	0	245,147
		ALCM/ACM		9,000	
3400F	30	COMBAT ENHANCEMENT FORCES	196,036	0	196,036
3400F	40	AIR OPERATIONS TRAINING	562,839	5,100	567,939
3400F	45	DEPOT MAINTENANCE	1,022,087	0	1,022,087
3400F	50	COMBAT COMMUNICATIONS	958,706	0	958,706
3400F	60	BASE SUPPORT	1,538,126	35,000	1,573,126
3400F	65	MAINTENANCE OF REAL PROPERTY	575,656	50,000	625,656

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		COMBAT RELATED OPERATIONS	1,385,350	0	1,385,350
3400F	70	GLOBAL C3I AND EARLY WARNING	669,379	0	669,379
3400F	80	NAVIGATION/WEATHER SUPPORT	118,337	0	118,337
3400F	90	OTHER COMBAT OPS SUPPORT PROGRAMS	221,593	0	221,593
3400F	100	JCS EXERCISES	30,521	0	30,521
3400F	110	MANAGEMENT/OPERATIONAL HEADQUARTERS	117,540	0	117,540
3400F	120	TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	227,980	0	227,980
		SPACE OPERATIONS	1,123,425	0	1,123,425
3400F	130	LAUNCH FACILITIES	221,046	0	221,046
3400F	140	LAUNCH VEHICLES	102,064	0	102,064
3400F	150	SPACE CONTROL SYSTEMS	246,940	0	246,940
3400F	160	SATELLITE SYSTEMS	36,152	0	36,152
3400F	170	OTHER SPACE OPERATIONS	85,292	0	85,292
3400F	180	BASE SUPPORT	309,406	0	309,406
3400F	185	MAINTENANCE OF REAL PROPERTY	122,525	0	122,525
		TOTAL, BUDGET ACTIVITY 1:	9,909,671	129,100	10,038,771
		BUDGET ACTIVITY 2: MOBILIZATION			
		MOBILITY OPERATIONS	2,808,949	12,000	2,820,949
3400F	190	AIRLIFT OPERATIONS	1,326,774	0	1,326,774
3400F	200	AIRLIFT OPERATIONS C3I	21,676	0	21,676
3400F	210	MOBILIZATION PREPAREDNESS	134,807	0	146,807
		WAR RESERVE MATERIALS		12,000	

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
3400F	215	DEPOT MAINTENANCE	316,485	0	316,485
3400F	220	PAYMENTS TO TRANSPORTATION BUSINESS AREA	470,000	0	470,000
3400F	230	BASE SUPPORT	390,876	0	390,876
3400F	235	MAINTENANCE OF REAL PROPERTY	148,331	0	148,331
		TOTAL, BUDGET ACTIVITY 2:	**2,808,949**	**12,000**	**2,820,949**
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
		ACCESSION TRAINING	**205,044**	**0**	**205,044**
3400F	240	OFFICER ACQUISITION	57,679	0	57,679
3400F	250	RECRUIT TRAINING	4,360	0	4,360
3400F	260	RESERVE OFFICER TRAINING CORPS (ROTC)	46,522	0	46,522
3400F	270	BASE SUPPORT (ACADEMIES ONLY)	58,828	0	58,828
3400F	275	MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	37,655	0	37,655
		BASIC SKILLS AND ADVANCED TRAINING	**1,264,253**	**0**	**1,264,253**
3400F	280	SPECIALIZED SKILL TRAINING	215,477	0	215,477
3400F	290	FLIGHT TRAINING	406,940	0	406,940
3400F	300	PROFESSIONAL DEVELOPMENT EDUCATION	90,709	0	90,709
3400F	310	TRAINING SUPPORT	65,742	0	65,742
3400F	315	DEPOT MAINTENANCE	12,186	0	12,186
3400F	320	BASE SUPPORT (OTHER TRAINING)	370,961	0	370,961
3400F	325	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	102,238	0	102,238
		RECRUITING, AND OTHER TRAINING AND EDUCATION	**229,246**	**0**	**229,246**
3400F	330	RECRUITING AND ADVERTISING	54,775	0	54,775

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
3400F	340	EXAMINING	2,668	0	2,668
3400F	350	OFF DUTY AND VOLUNTARY EDUCATION	84,122	0	84,122
3400F	360	CIVILIAN EDUCATION AND TRAINING	61,124	0	61,124
3400F	370	JUNIOR ROTC	26,557	0	26,557
		TOTAL, BUDGET ACTIVITY 3:	**1,698,543**	**0**	**1,698,543**
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		LOGISTICS OPERATIONS	**2,535,950**	**0**	**2,535,950**
3400F	380	LOGISTICS OPERATIONS	706,893	0	706,893
3400F	390	TECHNICAL SUPPORT ACTIVITIES	389,685	0	389,685
3400F	400	SERVICEWIDE TRANSPORTATION	196,178	0	196,178
3400F	405	DEPOT MAINTENANCE	69,344	0	69,344
3400F	410	BASE SUPPORT	916,165	0	916,165
3400F	415	MAINTENANCE OF REAL PROPERTY	257,685	0	257,685
		SERVICEWIDE ACTIVITIES	**1,653,027**	**(15,000)**	**1,638,027**
3400F	420	ADMINISTRATION	140,879	0	140,879
3400F	430	SERVICEWIDE COMMUNICATIONS	234,065	0	234,065
3400F	440	PERSONNEL PROGRAMS	127,718	(15,000)	112,718
3400F	450	RESCUE AND RECOVERY SERVICES	48,466	0	48,466
3400F	470	ARMS CONTROL	30,005	0	30,005
3400F	480	OTHER SERVICEWIDE ACTIVITIES	517,780	0	517,780
3400F	490	OTHER PERSONNEL SUPPORT	31,828	0	31,828
3400F	500	CIVIL AIR PATROL CORPORATION	13,927	0	13,927
3400F	505	COMMISSARY OPERATIONS	302,071	0	302,071

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
3400F	510	BASE SUPPORT	180,221	0	180,221
3400F	515	MAINTENANCE OF REAL PROPERTY	26,067	0	26,067
		SECURITY PROGRAMS	**557,256**	**0**	**557,256**
3400F	520	SECURITY PROGRAMS	557,256	0	557,256
		SUPPORT TO OTHER NATIONS	**13,608**	**0**	**13,608**
3400F	530	INTERNATIONAL SUPPORT	13,608	0	13,608
		TOTAL, BUDGET ACTIVITY 4:	**4,759,841**	**(15,000)**	**4,744,841**
		Miscellaneous	**0**	**(89,700)**	**(89,700)**
		Civilian Underexecution		(83,800)	
		Foreign Currency		(19,200)	
		DFAS Workyears		13,300	
		TOTAL, O&M, AIR FORCE	**19,177,004**	**36,400**	**19,213,404**
		OPRATIONS AND MAINTENANCE, SPECIAL OPERATIONS COMMAND			
		BUDGET ACTIVITY 1: OPERATING FORCES			
0100D	10	SPECIAL OPERATIONS COMMAND	1,149,328	0	1,161,978
		CPRO Training		7,650	
		Maritime Training		5,000	
		TOTAL, BUDGET ACTIVITY 1:	**1,149,328**	**12,650**	**1,161,978**

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
0100D	30	SPECIAL OPERATIONS COMMAND	42,408	0	42,408
		TOTAL, BUDGET ACTIVITY 3:	**42,408**	**0**	**42,408**
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
0100D	40	SPECIAL OPERATIONS COMMAND	47,117	0	47,117
		TOTAL, BUDGET ACTIVITY 4:	**47,117**	**0**	**47,117**
		TOTAL, OPRATIONS AND MAINTENANCE, SPECIAL OPERATIONS COMMAND	**1,238,853**	**12,650**	**1,251,503**
		OPERATION AND MAINTENANCE, DEFENSE-WIDE			
		BUDGET ACTIVITY 1: OPERATING FORCES			
0100D	10	JOINT CHIEFS OF STAFF	410,065	0	415,065
		Joint Experimentation		5,000	
		TOTAL, BUDGET ACTIVITY 1:	**410,065**	**5,000**	**415,065**
		BUDGET ACTIVITY 2: MOBILIZATION			
0100D	30	DEFENSE LOGISTICS AGENCY	38,934	0	38,934
		TOTAL, BUDGET ACTIVITY 2:	**38,934**	**0**	**38,934**
		BUDGET ACTIVITY 3: TRAINING AND RECRUITING			

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Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
0100D	40	DEFENSE ACQUISITION UNIVERSITY	0	0	0
0100D	45	AMERICAN FORCES INFORMATION SERVICE	11,059	0	11,059
		TOTAL, BUDGET ACTIVITY 3:	11,059	0	11,059
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
0100D	55	AMERICAN FORCES INFORMATION SERVICE	93,815	0	93,815
0100D	60	CIVIL MILITARY PROGRAMS	44,894	27,000	71,894
0100D	65	CLASSIFIED AND INTELLIGENCE	3,803,561	(26,200)	3,777,361
0100D	70	CORPORATE INFORMATION MANAGEMENT	0	0	0
0100D	75	DEFENSE CONTRACT AUDIT AGENCY	330,087	0	330,087
0100D	80	DEFENSE FINANCE AND ACCOUNTING SERVICE	83,277	0	83,277
0100D	85	DEFENSE HUMAN RESOURCES ACTIVITY	198,923	(18,000)	180,923
0100D	90	DEFENSE INFORMATION SYSTEMS AGENCY	771,106	0	771,106
0100D	95	DEFENSE LEGAL SERVICES AGENCY	9,027	0	9,027
0100D	100	DEFENSE LOGISTICS AGENCY	1,140,137	0	1,142,437
		DFAS Workyears		2,300	
0100D	105	DEFENSE POW /MISSING PERSONS OFFICE	14,110	0	14,110
0100D	100	DEFENSE SECURITY ASSISTANCE AGENCY	4,610	0	4,610
0100D	105	DEFENSE SECURITY SERVICE	83,419	0	83,419
0100D	110	DEFENSE SPECIAL WEAPONS AGENCY	0	0	0
0100D	115	DEFENSE SUPPORT ACTIVITIES	0	0	0
0100D	120	DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	0	0	0
0100D	125	DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY	304,745	(29,450)	275,295
0100D	130	DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,347,718	0	1,347,718
0100D	135	FEDERAL ENERGY MANAGEMENT PROGRAM	0	0	0

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
0100D	140	JOINT CHIEFS OF STAFF	139,616	0	139,616
0100D	145	OFFICE OF ECONOMIC ADJUSTMENT	31,233	0	31,233
0100D	150	OFFICE OF THE SECRETARY OF DEFENSE	369,836	0	369,836
0100D	155	OFFICE OF THE SECRETARY OF DEFENSE (NO YEAR)	0	0	0
0100D	160	ON SITE INSPECTION AGENCY	0	0	0
0100D	170	WASHINGTON HEADQUARTERS SERVICE	281,676	0	281,676
		TOTAL, BUDGET ACTIVITY 4:	**9,051,790**	**(44,350)**	**9,007,440**
		Miscellaneous	**0**	**(446,900)**	**(446,900)**
		Foreign Currency Fluctuation		(8,500)	
		Civilian Underexecution		(349,000)	
		Defense Reform Initiative		(150,000)	
		Y2K Testing/Contingency Planning		60,000	
		Arctic Military Cooperation Program		(1,500)	
		DFAS Work years		2,100	
		TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	**9,511,848**	**(486,250)**	**9,025,598**
		OPERATION AND MAINTENANCE, ARMY RESERVE			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		LAND FORCES	**509,126**	**15,000**	**524,126**
2080A	10	DIVISION FORCES	10,918	0	10,918

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Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
2080A	20	CORPS COMBAT FORCES	17,890	0	17,890
2080A	30	CORPS SUPPORT FORCES	165,897	15,000	180,897
2080A	40	ECHELON ABOVE CORPS FORCES	86,565	0	86,565
2080A	50	LAND FORCES OPERATIONS SUPPORT	227,856	0	227,856
		LAND FORCES READINESS	184,923	0	184,923
2080A	60	FORCES READINESS OPERATIONS SUPPORT	123,824	0	123,824
2080A	70	LAND FORCES SYSTEM READINESS	13,757	0	13,757
2080A	80	DEPOT MAINTENANCE	47,342	0	47,342
		LAND FORCES READINESS SUPPORT	368,427	0	368,427
2080A	90	BASE SUPPORT	305,760	0	305,760
2080A	100	MAINTENANCE OF REAL PROPERTY	61,177	0	61,177
2080A	110	UNIFIED COMMANDS	107	0	107
2080A	120	MISCELLANEOUS ACTIVITIES	1,383	0	1,383
		TOTAL, BUDGET ACTIVITY 1:	1,062,476	15,000	1,077,476
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	140,146	0	140,146
2080A	130	STAFF MANAGEMENT HEADQUARTERS	27,465	0	27,465
2080A	140	INFORMATION MANAGEMENT	23,601	0	23,601
2080A	150	PERSONNEL/FINANCIAL ADMINISTRATION	47,327	0	47,327
2080A	160	RECRUITING AND ADVERTISING	41,753	0	41,753
		TOTAL, BUDGET ACTIVITY 4:	140,146	0	140,146

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	1,202,622	15,000	1,217,622
		OPERATION AND MAINTENANCE, NAVY RESERVE			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		RESERVE AIR OPERATIONS	569,877	0	569,877
1806N	10	MISSION AND OTHER FLIGHT OPERATIONS	300,682	0	300,682
1806N	20	FLEET AIR TRAINING	484	0	484
1806N	30	INTERMEDIATE MAINTENANCE	17,271	0	17,271
1806N	40	AIR OPERATION AND SAFETY SUPPORT	3,044	0	3,044
1806N	50	AIRCRAFT DEPOT MAINTENANCE	121,740	0	121,740
1806N	60	AIRCRAFT DEPOT OPS SUPPORT	323	0	323
1806N	70	BASE SUPPORT	101,963	0	101,963
1806N	75	MAINTENANCE OF REAL PROPERTY	24,370	0	24,370
		RESERVE SHIP OPERATIONS	152,723	15,000	167,723
1806N	80	MISSION AND OTHER SHIP OPERATIONS	61,924	15,000	76,924
1806N	90	SHIP OPERATIONAL SUPPORT AND TRAINING	611	0	611
1806N	100	INTERMEDIATE MAINTENANCE	9,472	0	9,472
1806N	110	SHIP DEPOT MAINTENANCE	79,257	0	79,257
1806N	120	SHIP DEPOT OPERATIONS SUPPORT	1,459	0	1,459
		RESERVE COMBAT OPERATIONS SUPPORT	72,372	0	72,372
1806N	140	COMBAT SUPPORT FORCES	28,355	0	28,355

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
1806N	150	BASE SUPPORT	34,411	0	34,411
1806N	155	MAINTENANCE OF REAL PROPERTY	9,606	0	9,606
		RESERVE WEAPONS SUPPORT	**5,217**	**0**	**5,217**
1806N	160	WEAPONS MAINTENANCE	5,217	0	5,217
		TOTAL, BUDGET ACTIVITY 1:	**800,189**	**15,000**	**815,189**
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	**125,916**	**0**	**125,916**
1806N	170	ADMINISTRATION	6,209	0	6,209
1806N	180	CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	1,015	0	1,015
1806N	190	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	25,420	0	25,420
1806N	210	SERVICEWIDE COMMUNICATIONS	50,534	0	50,534
1806N	220	BASE SUPPORT	29,571	0	29,571
1806N	225	MAINTENANCE OF REAL PROPERTY	7,182	0	7,182
1806N	230	COMBAT/WEAPONS SYSTEMS	5,398	0	5,398
1806N	240	GENERAL DEFENSE INTELLIGENCE PROGRAM	587	0	587
		LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	**2,534**	**0**	**2,534**
1806N	250	AIR SYSTEMS SUPPORT	2,534	0	2,534
		PROBLEM DISBURSEMENTS	0	0	0
		TOTAL, BUDGET ACTIVITY 4:	**128,450**	**0**	**128,450**
		TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE	**928,639**	**15,000**	**943,639**

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		OPERATION AND MAINTENANCE, MARINE CORPS RESERVE			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		MISSION FORCES	74,327	20,000	94,327
1107N	10	TRAINING	14,435	0	29,435
		Initial Issue		10,000	
		782 Gear		5,000	
1107N	20	OPERATING FORCES	33,823	0	33,823
1107N	30	BASE SUPPORT	16,272	0	16,272
1107N	35	MAINTENANCE OF REAL PROPERTY	6,976	0	6,976
1107N	40	DEPOT MAINTENANCE	2,821	5,000	7,821
		TOTAL, BUDGET ACTIVITY 1:	74,327	20,000	94,327
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	40,266	0	40,266
1107N	50	RECRUITING AND ADVERTISING	7,920	0	7,920
1107N	60	SPECIAL SUPPORT	11,080	0	11,080
1107N	70	SERVICEWIDE TRANSPORTATION	4,714	0	4,714
1107N	80	ADMINISTRATION	8,763	0	8,763
1107N	90	BASE SUPPORT	7,789	0	7,789
		PROBLEM DISBURSEMENTS	0	0	0
		TOTAL, BUDGET ACTIVITY 4:	40,266	0	40,266
		TOTAL, O&M, MARINE CORPS RESERVE	114,593	20,000	134,593

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		OPERATION AND MAINTENANCE, AIR FORCE RESERVE			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		AIR OPERATIONS	1,663,150	15,000	1,678,150
3740F	10	AIRCRAFT OPERATIONS	1,038,509	15,000	1,053,509
3740F	20	MISSION SUPPORT OPERATIONS	40,926	0	40,926
3740F	30	BASE SUPPORT	223,606	0	223,606
3740F	35	MAINTENANCE OF REAL PROPERTY	61,616	0	61,616
3740F	40	DEPOT MAINTENANCE	298,493	0	298,493
		TOTAL, BUDGET ACTIVITY 1:	**1,663,150**	**15,000**	**1,678,150**
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	81,546	0	81,546
3740F	50	ADMINISTRATION	46,002	0	46,002
3740F	60	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	20,205	0	20,205
3740F	70	RECRUITING AND ADVERTISING	8,360	0	8,360
3740F	80	OTHER PERSONNEL SUPPORT	6,366	0	6,366
3740F	90	AUDIOVISUAL	613	0	613
		TOTAL, BUDGET ACTIVITY 4:	**81,546**	**0**	**81,546**
		TOTAL, O&M, AIR FORCE RESERVE	**1,744,696**	**15,000**	**1,759,696**

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Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		MISSION OPERATIONS	2,285,721	40,000	2,325,721
2065A	10	LAND FORCES	1,302,542	40,000	1,342,542
2065A	20	LAND FORCES READINESS	144,113	0	144,113
2065A	30	LAND FORCES READINESS SUPPORT	839,066	0	839,066
		TOTAL, BUDGET ACTIVITY 1:	2,285,721	40,000	2,325,721
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		ADMINISTRATION AND SERVICEWIDE ACTIVITIES	151,094	0	151,094
2065A	50	PERSONNEL ADMINISTRATION	59,249	0	59,249
2065A	60	STAFF MANAGEMENT	33,490	0	33,490
2065A	70	INFORMATION MANAGEMENT	21,793	0	21,793
2065A	80	PUBLIC AFFAIRS	0	0	0
2065A	90	RECRUITING AND ADVERTISING	36,562	0	36,562
		TOTAL, BUDGET ACTIVITY 4:	151,094	0	151,094
		TOTAL, OPERATION AND MAINTENANCE, ARMY NAT. GUARD	2,436,815	40,000	2,476,815
		OPERATION AND MAINTENANCE, AIR NATIONAL GUARD			
		BUDGET ACTIVITY 1: OPERATING FORCES			
		AIR OPERATIONS	3,083,268	20,000	3,103,268
3840F	10	AIRCRAFT OPERATIONS	1,935,880	0	1,935,880

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Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
3840F	20	MISSION SUPPORT OPERATIONS	340,884	0	340,884
3840F	30	BASE SUPPORT	295,163	0	295,163
3840F	35	MAINTENANCE OF REAL PROPERTY	82,633	20,000	102,633
3840F	40	DEPOT MAINTENANCE	428,708	0	428,708
		TOTAL, BUDGET ACTIVITY 1:	**3,083,268**	**20,000**	**3,103,268**
		BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
		SERVICEWIDE ACTIVITIES	**10,665**	**0**	**10,665**
3840F	50	ADMINISTRATION	2,913	0	2,913
3840F	60	RECRUITING AND ADVERTISING	7,752	0	7,752
		TOTAL, BUDGET ACTIVITY 4:	**10,665**	**0**	**10,665**
		TOTAL, O&M, AIR NATIONAL GUARD	**3,093,933**	**20,000**	**3,113,933**
		TRANSFER ACCOUNTS AND MISCELLANEOUS			
		TRANSFER ACCOUNTS	**2,733,913**	**(24,000)**	**2,709,913**
0810A	10	ENVIRONMENTAL RESTORATION, ARMY	377,640	(7,000)	370,640
0810N	20	ENVIRONMENTAL RESTORATION, NAVY	281,600	(7,000)	274,600
0810F	30	ENVIRONMENTAL RESTORATION, AIR FORCE	379,100	(7,000)	372,100
0810D	40	ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	26,091	(3,000)	23,091
0811D	50	ENVIRONMENTAL RESTORATION, FORMERLY UTILIZED DEFENSE SITES	195,000	0	195,000
0105D	60	DRUG INTERDICTION	727,582	0	727,582
0118D	70	OVERSEAS CONTINGENCIES	746,900	0	746,900
		TOTAL, O&M, TRANSFER ACCOUNTS:	**2,733,913**	**(24,000)**	**2,709,913**

Title III - Operations and Maintenance

(Dollars in Thousands)

APPROP	ID	ACCOUNT/BA/AG/SAG	FY 1999 Request	Change	Recommended
		O&M, MISCELLANEOUS	**10,312,234**	**(15,311)**	**10,296,923**
0107D	80	INSPECTOR GENERAL	130,764	0	130,764
0104D	90	COURT OF MILITARY APPEALS	7,324	0	7,324
0833D	100	EMERGENCY RESPONSE FUND, DEFENSE	0	0	0
0838D	110	SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE	0	0	0
0819D	120	OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AFFAIRS	63,311	(13,311)	50,000
1236N	130	PAYMENT TO KAHO'OLAWE ISLAND	15,000	0	15,000
0130D	140	DEFENSE HEALTH PROGRAM	9,653,435	0	9,653,435
0134D	150	FORMER SOVIET UNION THREAT REDUCTION	442,400	(2,000)	440,400
0839D	160	QUALITY OF LIFE ENHANCEMENTS	0	0	0
0840D	170	OPPLAN 34A-35	0	0	0
		TOTAL, O&M, MISCELLANEOUS:	**10,312,234**	**(15,311)**	**10,296,923**
		TOTAL, O&M, MISCELLANEOUS AND TRANSFER ACCOUNTS:	**13,046,147**	**(39,311)**	**13,006,836**
		IMPACT AID		35,000	35,000
		GENERAL REDUCTION (Fuel Price Inflation)		(304,000)	(304,000)
		TOTAL OPERATION AND MAINTENANCE TITLE:	**94,219,118**	**(308,911)**	**93,910,207**

Sec. 303. Armed Forces Retirement Home.

The committee recommends a provision that would authorize $70.7 million from the Armed Forces Retirement Home Trust Fund to be appropriated for operation of the Armed Forces Retirement Home during fiscal year 1999.

Sec. 304. Transfer from the National Defense Stockpile Transaction Fund.

The committee recommends a provision that would authorize the Secretary of Defense, to the extent provided in an appropriations act, to transfer $150.0 million from the National Defense Stockpile Transaction Fund (NDSTF) to the operations and maintenance accounts. The committee does not believe that the transfer of $350.0 million from the NDSTF to the Defense Working Capital Funds (WCFs), as requested by the administration, was necessary or appropriate, and therefore does not recommend a provision authorizing this transfer. The Department of Defense should eliminate its advanced billings through better management of the WCFs rather than seek relief through transfers from the NDSTF.

SUBTITLE B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

Sec. 311. Special Operations Command counterproliferation and counterterrorism activities.

The committee recommends a provision that would provide $18.5 million for the unfunded training requirements associated with the counter-proliferation and counter-terrorism activities of the Special Operations Command (SOCOM). Furthermore, the committee recommends an additional $5.0 million in SOCOM's Operation and Maintenance account for the unfunded maritime training requirements associated with this mission.

Over the past several years we have witnessed a dramatic increase in the threat posed to U.S. national security from terrorists or rogue nations possessing weapons of mass destruction. For this reason, SOCOM has been assigned an increased role in countering these threats, which has forced the command to intensify its training and related operations. The budget request does not provide sufficient funding to fully carry out the training that is required to ensure that these forces are able to effectively perform their assigned missions. Therefore, the committee has included a provision that would allow SOCOM to use the funds that are no longer necessary for the operation of six patrol coastal craft, that will be funded through the counter-narcotics central transfer account, to enhance its readiness to meet its counter-proliferation and counterterrorism missions.

Sec. 312. Tagging system for identification of hydrocarbon fuels used by the Department of Defense.

The committee recommends a provision that would authorize the Department of Defense to conduct a pilot program to determine if hydrocarbon fuels used by the Department can be tagged. The tagging of these fuels would help deter theft and facilitate the deter-

mination of the source of surface and underground pollution in locations having separate fuel storage facilities from the Department and civilian companies.

Sec. 313. Pilot program for acceptance and use of landing fees charged for use of domestic military airfields by civil aircraft.

The committee recommends a provision that would authorize a military service to accept payments for the use of domestic military and shared use airfields by civil aircraft and to use those payments for the operation and maintenance of the airfield.

SUBTITLE C—ENVIRONMENTAL PROVISIONS

Sec. 321. Transportation of polychlorinated biphenyls from abroad for disposal in the United States.

Based on an administration request, the committee recommends a provision that would amend Chapter 157 of title 10, United States Code, by adding a new section to permit Department of Defense agencies to transport to the United States for disposal, treatment, or storage of foreign manufactured polychlorinated biphenyls (PCBs) generated by the Department's overseas activities. The provision would ensure that the PCB-containing material transported to the United States is handled in an environmentally responsible manner.

Consistent with Environmental Protection Agency (EPA) regulations and guidance, the Department previously transported both domestic and foreign source PCBs at concentrations of less than 50 ppm. Department of Defense agencies have relied on 40 C.F.R. 761.93(a)(i) as the authority for transporting foreign manufactured PCBs from overseas locations to the United States for disposition. Domestic source PCBs have been returned to the United States pursuant to a November 13, 1980 EPA General Counsel opinion.

On July 7, 1997, the United States Court of Appeals for the Ninth Circuit rendered a decision that the EPA General Counsel has interpreted as banning imports of foreign manufactured PCBs at any concentration. (*Sierra Club* v. *EPA,* No. 96–7–223, slip op. (9th Cir. July 7, 1997)). Basel Convention limitations on the transboundary movement of hazardous waste, and the associated regional or national waste importation bans, renders third country disposition a very limited option. Without the authority to transport PCBs to the United States for disposal, the Department faces the prospect of indefinite storage at overseas installations with inadequate facilities that may or may not be available to meet future disposal needs.

The committee understands that the provision would have a relatively minor impact on the overall level of U.S. disposal of PCBs generated by the Department of Defense. In fact, the Department has informed the committee that it anticipates an annual need to transport approximately 150,000 pounds of foreign manufactured PCB-containing materials into the United States for the next five years. In comparison, the Department has disposed of about 9 million pounds of U.S. manufactured PCB-containing material in the United States during the past 18 months.

The committee recommends a provision that would resolve a difficult overseas hazardous waste management issue, without amending Toxic Substances Control Act (TSCA) or creating any new standards under that Act. The provision specifically precludes the use of U.S. landfills for the disposition of foreign manufactured PCBs, unless the landfill meets all of the technical requirements set forth in 40 C.F.R. section 761.75(b)(3), without waiver. Consistent with TSCA, the provision would require a determination of no unreasonable risk by the EPA Administrator prior to any transportation of foreign manufactured PCBs into the United States.

The committee directs the Department to submit to EPA and the congressional defense committees a plan, no later than 60 days after the enactment of this Act, that provides for the transportation and disposition of foreign manufactured PCBs. The plan would serve as a basis for public notice and comment, and for the Administrator's determination in accordance with the requirements of this provision.

Sec. 322. Modification of deadline for submittal to Congress of annual reports on environmental activities.

Current law requires the Department of Defense to submit detailed reports on environmental cleanup and compliance activities 30 days after the President submits the fiscal year budget to the Congress. The Department has not been able to consistently meet that 30 day deadline. As a result, the administration requested legislation that would amend section 2706 of title 10, United States Code, by extending the annual reporting deadline. The committee recommends a provision that would substitute the 45 day annual reporting deadline for the current 30 day period.

Sec. 323. Submarine solid waste control.

The National Defense Authorization Act for Fiscal Year 1994, section 1003, amended the Act to Prevent Pollution from Ships (APPS) (33 U.S.C. 1901, et. seq.) by requiring the Navy to submit a plan to Congress by November 1996 that addresses compliance with the prohibition against discharging solid waste (paper, cardboard, metal, and glass) in "special areas" (the Baltic Seas, the North Sea, the Mediterranean Sea, the Red Sea, the Persian Gulf, and the Antarctic Ocean). The APPS, as amended in fiscal year 1994, implemented the Annex V of the International Convention for the Prevention of Pollution on Ships (MARPOL).

The amended APPS specifically required the Navy to: (1) install plastic processors aboard U.S. Navy surface ships by December 31, 1998; (2) comply with the prohibition on plastics discharges for submarines by December 31, 2008; (3) comply with the prohibition on discharges of other solid waste (except food waste) in special areas from surface ships by December 31, 2000; and (4) comply with the prohibition on discharges of other solid waste (except food waste) in special areas from submarines by December 31, 2008.

In 1996, the Navy concluded that full compliance with the APPS was not technologically feasible for surface ships. Consistent with that determination, the administration requested legislation in fiscal year 1997 that would amend section 1902(c) of the APPS to allow for the use of pulpers and shredders to dispose of non-plastic

and non-floating solid waste within MARPOL Annex V special use areas. Submersible vessels or submarines were not addressed in the APPS amendment.

As part of the fiscal year 1999 budget proposal, the administration has requested a legislative proposal that would authorize certain submersible vessels owned or operated by the Navy to discharge, within Annex V special use areas, non-plastic garbage that has been compacted and weighted to ensure negative buoyancy. The Navy has determined that compliance with the special use area requirements of Annex V would impair submarine operations and operational capability, or would not be technologically feasible. A comprehensive Navy environmental analysis revealed that the discharge of non-plastic garbage from Navy submarines would not have a significant effect on the marine environment, either within or beyond the limits of MARPOL Annex V special use areas. Moreover, discharges would only be authorized beyond 12 nautical miles from land.

The committee recommends a provision that would authorize continued use of existing submarine solid waste processing equipment. Such authorization would remain subject to the requirements of 33 U.S.C. 1902(e)(1), which requires the Navy to continue development of technologies and practices necessary to ensure compliance with Annex V on or before December 31, 2008.

Sec. 324. Payment of stipulated penalties assessed under CERCLA.

The Department of Defense (DOD) has entered into Federal Facility Agreements (FFAs) with environmental regulators for installations that are on or proposed for inclusion on the National Priorities List. FFAs are typically three party agreements between a DOD installation, the state, and the Environmental Protection Agency (EPA) region. FFAs establish schedules and milestones for the completion of actions related to environmental cleanup of DOD installations. The agreements are intended to establish a working relationship between DOD and the regulators to facilitate site cleanup, consistent with the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). The FFAs allow for dispute resolution and the use of stipulated penalties in the event of missed deadlines. However, stipulated penalties are not available if a delay is the result of an unforeseen disruptive or *force majeure* event.

Payment of stipulated penalties is contingent upon authorization and appropriation. Subsequent to authorization and appropriation, stipulated penalties are paid out of the Defense Environmental Restoration Account (DERA) or the Base Realignment and Closure Account (BRAC), depending upon the status of the installation.

On September 5, 1996, McClellan Air Force Base (AFB), a BRAC installation, informed state and federal regulators of a contaminated groundwater discharge that exceeded safe drinking water limits. The FFA for McClellan AFB requires the operation of a groundwater extraction system (GES) and a groundwater treatment plant (GWTP). The discharge occurred during the modification of the GWTP.

In February 1997, the EPA and the State of California assessed a $15,000 penalty for noncompliance with the FFA. McClellan AFB acknowledged its failure to meet GWTP sampling and operational requirements under the FAA and declined to invoke dispute resolution.

Based on an administration request, the committee recommends a provision that would authorize payment of the $15,000 stipulated penalty. The committee expects that the parties to the FFAs will focus on their evolving partnership and work out their differences in a manner that avoids assessment of penalties.

Sec. 325. Authority to pay negotiated settlement for environmental cleanup of formerly used defense sites in Canada.

In fiscal year 1998, the administration submitted a legislative proposal that would authorize the Secretary of Defense to provide an ex-gratia reimbursement to the Government of Canada in the amount of $100.0 million through annual payments over a ten year period for the environmental cleanup of four sites formerly operated by the U.S. Armed Forces in Canada: 21 Distant Early Warning (DEW) Line sites; Goose Bay Airfield; Haines-Fairbanks Pipeline sites; and the U.S. Naval Station, Argentia. The authorization request was based on a negotiated agreement between the United States and Canada.

The agreement provided for the payment of the $100.0 million into the Foreign Military Sales (FMS) Trust Fund Account so that the Canadian Government could draw against this account to purchase unspecified military equipment from an undetermined manufacturing source. The Congress declined to authorize the payment in the National Defense Authorization Act for Fiscal Year 1998.

As part of the fiscal year 1999 budget request, the administration has renewed its legislative proposal to pay Canada $100.0 million. Based on information regarding the unique environmental implications for U.S. border states and the longstanding U.S.-Canadian national security alliance, the committee recommends a provision that would allow for the payment of the $100.0 million reimbursement to Canada, subject to the annual authorizations and appropriations process. With each annual request for authorization and appropriation, the Department shall submit to Congress evidence of a proportionate Canadian investment in environmental cleanup activities conducted at the four facilities in question. The funds for each fiscal year shall be paid from amounts appropriated for Operation and Maintenance, Defense-Wide, Administration and Servicewide Activities.

It is the specific intent of this committee that the basis for and the authorization of such reimbursement not extend to similar claims by other nations. It is also the committee's intent that the $100.0 million ex-gratia reimbursement of Canada be paid in full satisfaction of any and all claims asserted against the United States by Canada for environmental cleanup of sites in Canada. Finally, the committee understands that the Canadian Government has committed to spending the entire $100.0 million of the reimbursement in a manner that will benefit U.S. industry and workers.

Sec. 326. Settlement of claims of foreign governments for environmental cleanup of overseas sites formerly used by the Department of Defense.

The committee recommends a provision that would require the administration to provide the Congress with advance notice of any negotiations related to the ex-gratia settlement of environmental cleanup claims by other countries.

Sec. 327. Arctic Military Environmental Cooperation Program.

The budget request included $5.5 million in the defense operations and maintenance account to address military environmental matters in the Arctic region under the Arctic Military Environmental Cooperation (AMEC) program, to include environmental restoration activities. The committee understands that the Department of Defense developed the AMEC program to address military environmental matters in the Arctic region with fiscal year 1998 funds appropriated under the Cooperative Threat Reduction (CTR) program. The committee, however, was not notified of the obligation of CTR funds, pursuant to existing legislative requirements. Moreover, the Congress has consistently precluded the use of funds authorized and appropriated under the CTR program to promote environmental restoration.

The committee notes that the statutory notice requirement and limitations on the use of CTR funds have helped to preserve the integrity of the program. AMEC is a unique environmental program in that it is not based on treaty obligations or legal requirements. Instead, AMEC evolved out of the environmental concerns underlying the removal, storage, and disposal of weapons grade materials, directly related to the national security focus of CTR. Based on the Department's fiscal year 1999 budget request, which is unsupported by a program, plan, or statutory direction, the committee is concerned that AMEC has the potential to become the cleanup program for the Arctic region.

The committee recommends a provision that would authorize $4.0 million in fiscal year 1999 for AMEC and would direct that the program address important military environmental issues related to U.S. national security in the Arctic. The AMEC funds would be used to continue cooperation with appropriate international military organizations involved in activities within the Arctic region, particularly the Russian Federation. The provision would designate AMEC as a program that would be subject to the legislative prohibitions and limitations of the CTR program, to include section 1503 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 105–85). The committee declined to fund the entire requested amount because there are fiscal year 1999 AMEC projects that would be inconsistent with section 1503.

The committee directs that the fiscal year 1999 AMEC funds not be obligated or expended until 45 days after the Secretary of Defense submits a plan that specifies the conformance of AMEC projects to existing prohibitions and limitations on the use of CTR funds. That plan shall also identify overall program goals, projects, and outyear budget projections. Moreover, the committee directs that the plan specify a program termination date.

SUBTITLE D—COUNTER-DRUG ACTIVITIES

The budget request for drug interdiction and other counter-drug activities of the Department of Defense (DOD) totals $882.8 million. This includes $727.6 million for the central transfer account and $155.2 million for the operating budgets of the military services for authorized counter-drug operations.

However, these numbers do not accurately represent DOD's total commitment to the war on drugs. For example, these numbers do not include a proportionate share of the costs of procuring military systems that are used to support the war on drugs. Although originally purchased for different missions, these systems are also used for drug-interdiction efforts. Therefore, any analysis of DOD's contributions should take into account an appropriate portion of these procurement costs, just as the procurement costs for any equipment that the Drug Enforcement Agency and the U.S. Customs Service would be accounted for if used for their counter-narcotics operations.

Furthermore, the drug interdiction budget does not capture the approximately $130.0 million in personnel costs for the thousands of active duty service members who are engaged in counter-narcotics activities at any one time. Moreover, the budget does not include all depot level maintenance costs for assets used in counter-drug activities and a proportionate share of base operation support costs for units assigned to counter-drug activities.

In addition, these numbers do not reflect the value of the equipment and training that DOD provides to other nations in support of their counter-narcotics activities pursuant to section 506 of the Foreign Assistance Act. This section provides authorization for up to $75.0 million worth of counter-narcotics support to foreign governments each year. The committee is concerned that this authority, which was intended to be used to enhance U.S. counter-narcotics support to nations in the source zone, is simply used to offset Department of State budgets. The committee believes that such drawdowns should give highest priority to those items that will enhance a source nation government's counter-narcotics capability, rather than to items that provide offset savings to Department of State budgets as is suggested in State's fiscal year 1998 drawdown proposal.

A careful examination of the total DOD resources dedicated to this mission reveals a significant contribution on the part of our armed forces to America's war on drugs, far more significant than some are willing to acknowledge. The committee directs the Secretary of Defense to include an estimate of DOD's total contributions in future years budget submissions.

The committee is concerned that in some cases the Department of Defense may be pressured into dedicating scarce resources within its budget recommendation to the President for the counter-narcotics missions that are the primary responsibility of the Department of State or other Federal agencies. This practice could be detrimental to other high priority military missions, including counter-terrorism and counter-proliferation, in today's resource constrained environment. The committee believes that the Secretary of Defense and the Chairman of the Joint Chiefs of Staff are in the

best position to understand all of the national security responsibilities of DOD, and to make a balanced recommendation to the President regarding the manner in which the resources of the armed forces should be utilized in such a way as to most effectively carry out those responsibilities.

The committee recommends the following budget for DOD's counter-narcotics activities.

Drug Interdiction & Counter-drug Activities, Operations and Maintenance

(In thousands of dollars; may not add due to rounding)

	Amount
Fiscal year 1997 drug and counter-drug request	$882,831
Goal 1 (dependent demand reduction)	$12,830
Goal 2 (Support to DLEAs)	$97,384
Goal 3 (DOD personnel demand reduction)	$72,936
Goal 4 (drug interdiction—TZ/SWB)	$406,554
Goal 5 (Supply reduction)	$293,127
Increases:	
Caribbean/eastern Pacific surface interdiction	$10,000
Gulf states initiative/regional counter-drug training	$7,000
Decreases:	
JIATF south	$17,000

Enhanced Caribbean/Eastern Pacific Interdiction Initiative

The Committee continues to be concerned with the impact that our military withdrawal from Panama will have on our drug interdiction capabilities. The Panamanian facilities provide a unique location from which to deploy our counter-narcotics assets. The loss of these facilities will have a significant impact upon our ability to maintain the current level of drug interdiction efforts. Since the United States and the Government of Panama have been unable to reach an agreement regarding the continued deployment of U.S. military personnel to Panama after the remaining facilities are turned over at the end of 1999, the Committee believes it is imprudent to significantly expand and facilitize Joint Interagency Task Force (JIATF) South as recommended in the President's budget request. Until such an agreement is signed, the committee believes that JIATF South should operate with the same resources that it received for fiscal year 1998. Therefore, the committee recommends a $17.0 million reduction in the budget request for this program.

The committee believes that DOD should explore new initiatives to enhance current interdiction capabilities so that if Panamanian facilities are lost, a viable interdiction program remains. To assist DOD in this effort, the committee has included a provision that would provide $18.5 million ($10.0 million more than requested for the Carribean) within the counter-narcotics central transfer account for the increased deployment of DOD's Patrol Coastal Craft (PCs) to the Caribbean and Eastern Pacific, and any maintenance or modifications of these craft necessary to enhance their interdiction capabilities. This deployment will provide the Commander-in-Chief of the United States Southern Command (CINCSOUTH) with a more substantial Naval presence in his theater of operations with which to increase the surface interdiction efforts of suspected narco-traffickers. The Department should explore the opportunity of using Reserve personnel, to the maximum extent practicable, in the operation of these vessels in order to maintain satisfactory PERSTEMPO rates of the PC crews.

The committee understands that DOD has performed an initial assessment of the viability of utilizing PCs in a mothership concept to enhance its maritime interdiction capabilities. This will be of particular help in the interdiction of go-fast boats that are used by the narco-traffickers to move the bulk of their drugs through the Caribbean and Eastern Pacific. Under this concept, Patrol Coastal Craft and small Coast Guard vessels that are particularly effective platforms for intercepting maritime targets, including go-fast boats, would be supported by a large ship such as an amphibious vessel, CD modified T–AGOS, or Coast Guard Bouy Tenders. This would allow a large number of the smaller vessels to remain on station for longer periods of time performing interdiction missions. Such a presence would seriously disrupt the narco-traffickers" maritime smuggling capabilities. According to a DOD report "the combination of a mothership with maritime interceptor craft, coupled with airborne detection and monitoring, is a potential solution to the Western Caribbean [WCARIB] go fast threat . . . A mothership operation provides both a very long-duration, at-sea presence covering a large threat area, and the requisite fast maritime craft necessary to intercept the target go-fasts." . . . "Coast Guard Patrol Boats (WPBs) and Navy Cyclone Class Patrol Craft (PCs) are very effective platforms for intercepting maritime targets, placing boarding teams on suspect vessels, and relieving larger ships of end-game units."

The committee encourages the Department of Defense to pursue this mothership concept utilizing the PCs and any other available Navy and Coast Guard vessels as maritime interceptor craft. The Department of Defense, the U.S. Coast Guard, and the U.S. Customs Service should develop a plan to ensure that the necessary mothership platforms and surveillance vessels (including DOD and Customs tracker aircraft) are available for the requisite time period to effectively test this concept.

The committee directs the Secretary of Defense to provide the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives, with a report outlining the extent to which the PCs, operating either with or without a mothership, were effective during fiscal year 1999 in the interdiction and deterrence of maritime drug trafficking. This report should also outline CINCSOUTH's and Commander-in-Chief Special Operation Command's (CINCSOCOM's) recommendation regarding any future deployment of these craft to Southern Command's (SOUTHCOM's) area of responsibility (AOR), and the Secretary of Defense's recommendation as to the appropriate funding mechanism for these future deployments.

Gulf States Counter-drug Initiative

The committee understands the Gulf States Counter-drug Initiative has grown beyond its original counter-drug mission and now performs important work for other high priority missions of the Department of Defense, including counter-terrorism.

Therefore, the committee supports the transfer of this activity from the Department's Counter-drug account to the C3I Joint Military Intelligence Program in accordance with its increased mission and provides an additional $7.0 million for its counter-narcotics ac-

tivities. The committee expects that the Department will fund GSCI's operations through the JMIP budget in the future.

Patrol Coastal Craft for Drug Interdiction by Southern Command (sec. 331)

The committee is concerned with the quantity of narcotics that are being transported by ship and fast boat through the Caribbean and the Eastern Pacific. The committee believes that the Department should explore new ways to increase our Naval presence in theater in order to impede the ability of narco-traffickers to use this method of transportation.

Therefore, to assist the Department in this effort, the committee recommends a provision that would provide $18.5 million within the counter-narcotics central transfer account for the increased deployment of the Department's Patrol Coastal Craft to the Caribbean and Eastern Pacific.

Program Authority for Department of Defense Support for Counter-Drug Activities (sec. 332)

The committee recommends a provision that would extend section 1004 of the National Defense Authorization Act for Fiscal Year 1991 through fiscal year 2004. The provision would also allow the Department of Defense to use counterdrug funds for any major renovation or modification of a Defense facility being used for counter-narcotics purposes. Prior to using this authority for any such projects that will exceed $500,000, the Department must notify the congressional defense committees.

Southwest Border Fence (sec. 333)

The committee is concerned with the continued transportation of narcotics across the southwest border and into the United States. Over the past few years, the Department of Defense has explored several initiatives to reducing this flow of illegal drugs. One such initiative was the construction of a border fence along portions of the border. Unfortunately, it appears that this fence, in its current form, has not contributed significantly to reducing drug smuggling. Although the committee supports such initiatives, the committee believes that a thorough analysis should be performed to determine how the fence might be made more effective before the Department proceeds with any planned expansion. Therefore, the committee recommends a provision that would require the Secretary of Defense to perform such an analysis before further expansion of the southwest border fence.

SUBTITLE E—OTHER MATTERS

Sec. 341. Liquidity of working-capital funds.

The committee recommends provisions that would ensure the liquidity of the working-capital funds (WCFs) and provide a mechanism to allow the Department of Defense to recover operating losses during the year of execution. The committee is concerned about the Department's inability to maintain sufficient cash balances in the WCFs. The lack of liquidity in the WCFs and lack of a procedure to recover operating losses in the year of execution has

resulted in inefficient business practices. With the implementation of the recommended provision, advanced billing procedures will no longer be necessary and depot maintenances activites will be able to maintain sufficent cash balances within WCFs.

Sec. 342. Termination of authority to manage working-capital funds and certain activities through the Defense Business Operations Fund.

In light of the Department of Defense decision to terminate the Defense Business Operations Fund (DBOF), the committee recommends a provision that would transfer the relevant statutory authorities and reporting requirements to the Department's working-capital fund operations (section 2208 of title 10, United States Code) and would repeal the statutory authority for the DBOF.

Section 363 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–724) required the Department of Defense to submit a management improvement plan for its working-capital funds, including the Defense Business Operations Fund, by September 30, 1997. Section 363 stipulated that unless Congress approved this plan, the statutory authority for the DBOF would be repealed.

In December 1996, prior to the conclusion of the study, the Department of Defense terminated the DBOF and created separate working-capital funds for each military department and for the defense agencies. These funds have continued to operate using many of the same procedures created under the DBOF.

It is intended that the recommended provision would ensure that the progress brought about by the DBOF, such as recovery of the full cost of support activities and separate accounting of the financial operations of each business area, are not lost now that the DBOF has been terminated.

The committee commends the Department for the quality of the working-capital funds review and report to the Congress, and in general supports the recommendations in the Department's report. The committee remains concerned, however, that the financial problems in the working capital funds, including significant financial losses and advance billing, have not yet been brought under control.

Sec. 343. Clarification of authority to retain recovered costs of disposals in working capital funds.

The committee recommends a provision that would clarify the authority of the Defense Reutilization and Marketing Service (DRMS) to retain, from proceeds received from sales of surplus supplies, materials, or equipment, an amount equal to the costs incurred in the selling, reutilizing, or otherwise disposing of such items. The provision does not result in the retention of any additional funds by the Department of Defense.

Sec. 344. Best commercial inventory practices for management of secondary supply items.

The committee commends the Department of Defense for its efforts to reform its business practices including inventory management. The committee is concerned with continuing reports that the

Department of Defense possesses several billion dollars worth of excess inventory. Furthermore, the committee is concerned that the Department of Defense continues to purchase items for which the Department already possesses excess quantities. While the committee understands that there will always be some level of excess inventory as well as excess on order, the committee believes that the Department should pursue all available opportunities to streamline and improve its operations.

Therefore, the committee recommends a provision that would direct the secretary of each military department to develop and submit to Congress a schedule for the implementation of the best inventory management practices found in the commercial sector that are consistent with military requirements. The provision would also require the Comptroller General to review the extent to which the service secretaries comply with this requirement, and the extent to which the best commercial inventory practices are being implemented at the Defense Logistics Agency.

The committee commends the Department of the Navy for reducing its level of excess inventory on order to three percent, one percent below the Department's goal. The committee believes that the other services and the Defense Logistics Agency should seek to achieve this same reduced level.

Sec. 345. Increased use of SMART cards.

The committee recommends a provision that would require the Department of Defense to take action to further integrate the Smart Card into the naval services.

Sec. 346. Public-private competition in the provision of support services.

The committee recommends a provision that would make several changes to existing law to encourage public-private competition of support functions and give the Department greater flexibility to manage support services in the most cost-effective manner, consistent with the national defense. In particular, the provision would: (1) express the sense of the Senate that the Secretary of Defense should initiate A–76 competitions covering 30,000 full time equivalent's (FTE) per year for five years as specified in the Secretary's Defense Reform Initiative; (2) raise the threshold below which the Department is authorized to conduct public-private competitions and privatize support functions without going through the A–76 notification and study process from 20 employees to 50 employees; and (3) give the Department increased flexibility to choose the public or private option that provides the best overall value for the taxpayer by expressly authorizing the application of "best value" techniques common to the acquisition system to public-private competitions for support services. The new authority provided by this section would be effective on January 1, 2001.

The committee expects the Department to take appropriate steps to ensure that the authority to conduct public-private competitions and privatize support functions involving fewer then 50 employees without going through the A–76 notification and study process is not abused by breaking up larger functions into sub-elements of 50 or fewer employees. If the Department fails to prevent such abuses,

the committee anticipates that the threshold would again be lowered.

Sec. 347. Condition for providing financial assistance for support of additional duties assigned to the Army National Guard.

The committee recommends a provision that would require competition before the Secretary of the Army could expand the amount of support that the Army National Guard performs pursuant to section 113(b) of title 32, United States Code, if that support is not yet performed by a public entity such as the National Guard, or that support is not currently under official consideration by the Secretary of the Army for award to the National Guard.

Sec. 348. Repeal of prohibition on joint use of Gray Army Airfield, Fort Hood, Texas.

The committee recommends a provision that would repeal section 319 of the National Defense Authorization Act for Fiscal Year 1987 that prohibits the Secretary of the Army from entering into an agreement to allow civil aviation use of Gray Army Airfield, Fort Hood, Texas. The provision would enhance the use of Gray Army Air Field and ease the travel of military personnel stationed at Fort Hood and the surrounding communities.

ADDITIONAL MATTERS OF INTEREST

Navy

Ship depot maintenance

The committee is concerned with the continuing backlog in ship depot maintenance. The committee is aware that the Navy has an unfunded requirement of $90.0 million for this important maintenance function. The committee is concerned with the turmoil this may cause within current maintenance schedules, and that the cost of this maintenance could increase if current problems go uncorrected for another year. Therefore, the committee recommends an increase of $30.0 million for ship depot maintenance in order to reduce the Navy's unfunded requirement in this area.

Tomahawk recertification

The committee is aware that the Navy has an unfunded requirement to recertify 175 Tomahawk missiles. Given the reports from the field regarding the shortage of such missiles and the need to ensure that those in the inventory are ready and reliable, the committee recommends an additional $27.0 million to eliminate this backlog. However, as a result of the recent reprogramming that was approved by the congressional defense committees, there is a $5.0 million savings in the weapons support/cruise missile account for fiscal year 1999. Therefore, the committee recommends a net increase of $22.0 million.

Dredging operations for the maintenance of ships in the inactive reserve

The committee is aware of the facility capacity constraints at Norfolk Naval Shipyard where the Navy currently maintains some of its inactive reserve vessels. These constraints require the relocation of the U.S.S. Wisconsin to a different location in order to make space available for active vessels in need of repair and maintenance. Because of the requirement for the Navy to berth this deep draft vessel within the Norfolk vicinity so that it can be returned to the shipyard for reactivation, if necessary, the Navy is exploring alternative berthing sites, including some within the Elizabeth River. The committee is aware that the redeployment of this vessel to a suitable location in the Norfolk area may require some additional dredging. Therefore, the committee recommends an increase of $6.0 million for the dredging and other costs associated with the redeployment of the *U.S.S. Wisconsin* within the Norfolk region.

Naval oceanographic program

The committee recommends an additional $7.0 million to the Naval Meteorology and Oceanography Command for equipment purchases, air operations, and contract support in order to support survey operations and other data collection requirements of the Navy.

Adjustments to civilian personnel education and training funds

The committee recommends a reduction of $29.0 million in the Operation and Maintenance, Navy account. Specifically, civilian education and training, line 520, would be reduced by $9.0 million and the civilian manpower and personnel management, line 580, would be reduced by $20.0 million. These funds would be used, in part, to fund increases in the National Guard Youth Challenge program, STARBASE and impact aid.

Marine Corps

United States Marine Corps initial issue

The committee recommends an increase of $35.0 million in the operation and maintenance accounts for the Marine Corps ($25.0 million) and Marine Corps Reserves ($10.0 million) to purchase items of individual combat clothing and equipment. This will help provide Marines in the field with the clothing and equipment they need to survive and sustain themselves during cold weather combat operations.

Depot maintenance and corrosion control

The committee is concerned with reports that some Marine Corps units do not have sufficient funds to maintain equipment. Currently, the Marine Corps has an unfunded backlog of $53.3 million worth of depot maintenance. Furthermore, the Corps requires an additional $3.2 million in its Corrosion Control and Coating Program to avoid the deterioration of major end items of equipment and to extend the life cycle. The committee recognizes the importance of maintaining and preserving military equipment in order to

ensure that it is available for essential training and possible deployment. Therefore, the committee recommends an increase of $20.0 million to reduce the depot maintenance backlog of Marine Corps equipment, and an additional $5.0 million for the depot maintenance and corrosion control program of the Marine Corps Reserve.

United States Marine Corps Reserve personal equipment

The committee recommends an increase of $5.0 million in the Marine Corps Reserve Operations and Maintenance account to pay for 782 personal gear.

Air Force

Air launched cruise missiles and advanced cruise missile engineering analysis

The committee is aware of the shortfall in funding for the recurring sustaining engineering activities associated with the flight analysis of the air launched cruise missile and advanced cruise missile. Sustaining the readiness of these two systems requires the Air Force to analyze three shots of each per year. The President's budget request did not provide sufficient funding for this analysis. Therefore, the committee recommends an increase of $9.0 million to fund the required analysis.

Air Force combat training range

The committee is aware of the $5.1 million unfunded requirement for the operation and maintenance of the Air Force's primary training ranges, electronic scoring sites, and air combat maneuvering instrumentation systems. Failure to fully fund these operations will lead to a reduction in required services and aircrews that are not combat ready. Therefore, the committee recommends an increase of $5.1 million to fund this requirement.

War reserve materials

The committee is aware of the funding shortfall for the rehabilitation and replacement of critical wartime bare base equipment that is degraded and worn out due to extensive use in contingency operations. These systems, Harvest Falcon and Harvest Eagle, are designed to provide theater Commanders-in-Chief with billeting, hygiene, feeding, and airfield/backshop capability for over 68,000 troops and 822 aircraft. These are important assets for U.S. military capability to successfully execute a major theater war. Therefore, the committee recommends an increase of $12.0 million for the rehabilitation and replacement of these systems.

Adjustments to personnel program funds

The committee recommends a reduction of $15.0 million in the Operation and Maintenance, Air Force account. Specifically, personnel programs, line 440, would be reduced. These funds would be used, in part, to fund increases in the National Guard Youth Challenge program, STARBASE and impact aid.

Guard and Reserve Components

Defense-Wide

National Guard Youth Challenge

The budget request for the National Guard Youth Challenge program included $28.5 million. The committee recommends an increase of $22.0 million in the National Guard Youth Challenge program, an increase from the fiscal year 1998 level. The committee recognizes the value of this important program and believes that it should be expanded to include states that have not been able to initiate programs with the reduced funding levels.

STARBASE

STARBASE was not funded in the budget request. The committee recommends an increase of $5.0 million in the STARBASE program. The committee understands that this program was intended to transition to self-sustaining status, however, there has been no progress made to locate non-defense or private sector funding. The committee recognizes the value of this important program and believes that it should be expanded to include school districts that have not been able to initiate programs with the reduced funding levels. The Secretary of Defense is directed to assist participating school districts in identifying non-defense, local, or private sector funding as an alternative to continued funding within the defense budget.

Defense reform initiative

The committee is encouraged by the recent report released by the Department of Defense outlining the reform initiatives it plans to undertake in order to streamline and improve its operations. The committee understands that the Department believes that it will achieve great savings through such initiatives as prime vendor contracting and other inventory reduction programs, consolidating logistics and transportation, travel and household goods transportation reengineering, and competition for commercial activities using Office of Mangagement and Budget (OMB) Circular A–76. It projected that these initiatives will generate monetary savings and enable the Department to reduce personnel.

The Department has already started to implement portions of this initiative, particularly in the Office of the Secretary of Defense and other Defense-wide activities. However, rather than reducing the budget request for the Defense-wide account, the Department has increased this account by over $300.0 million. Therefore, the committee recommends a reduction of $150.0 million in the budget request for the Defense-wide Operation and Management (O&M) account to reflect the savings that are assumed to be generated as a result of the Defense Reform Initiative.

Adjustments to human resource activity funds

The committee recommends a reduction of $18.0 million in the Operation and Maintenance, Defensewide account. Specifically, defense human resources activity, line 85, would be reduced. These

funds would be used, in part, to fund increases in the National Guard Youth Challenge program, STARBASE and impact aid.

Overseas humanitarian demining and Commander-in-Chief initiative activities

The committee strongly supports the humanitarian demining and Commander-in-Chief initiative activities of the Department of Defense. These activities have enabled military personnel within the Department to forge valuable relationships with the armed forces and civilian population of other nations. Therefore, the committee recommends $50.0 million to fund these important programs.

Cooperative Threat Reduction (CTR) Program

The budget request included $442.4 million for the Cooperative Threat Reduction (CTR) program, a $60.9 million increase to the budget request for fiscal year 1998. The committee recommends a reduction of $2.0 million to the budget request.

Defense Threat Reduction Agency (DTRA)

The committee recommends that the mission and function of the Cooperative Threat Reduction (CTR) program be transferred to the Defense Threat Reduction Agency (DTRA).

Operational units readiness resources

The committee is concerned about the continuing reports from operational commanders that readiness is being jeopardized for numerous reasons, including a lack of training funds. This has been particularly true with the non-deployed units. Furthermore, although the Army's budget request has traditionally included full funding for training requirements, these funds have been transferred during the year of execution in order to pay for necessary base operations that have been underfunded.

Given the current pace of operations, an uncertain national security environment, and the potential for short notice deployment of troops, the committee believes that the armed forces need to be fully trained to carry out their assigned missions. Therefore, the committee recommends an increase of $450.0 million for base operations and training as outlined below:

Item	*In millions*
Army Base Ops	185.0
Navy Base Ops	35.0
Navy Flying Hours	45.0
USMC Base Ops	15.0
USMC OPTEMPO	20.0
Air Force Base Ops	35.0
Air Force Flying Hours	30.0
National Guard OPTEMPO	40.0
Army Reserve OPTEMPO	15.0
Navy Reserve Steaming Days	15.0
Air Force Reserve Flying Hours	15.0
Total	450.0

Real property maintenance

The committee is concerned with the continued growth in the backlog of real property maintenance (RPM) throughout the De-

partment of Defense. If this necessary maintenance continues to go unfunded, the Department will be faced with even larger costs to repair damages caused by inclement weather and other environmental conditions. Although the condition of facilities at all military installations continues to suffer from inadequate funding, this problem is particularly serious within the Army and the Marine Corps. Necessary repairs on barracks, roads, airstrips, rifle ranges, and other facilities at these and other locations are continually deferred because of insufficient funding. In many cases, this deferral of property maintenance will lead to higher costs in the near-term, a problem that will be compounded by the "bow wave" in procurement and modernization. Therefore, the committee recommends an increase of $284.0 million to the operations and maintenance accounts of the military services for the maintenance of real property; as outlined below:

Department:	*In millions*
Army	130.0
Navy	48.0
USMC	36.0
Air Force	50.0
Air National Guard	20.0
Total	284.0

Civilian personnel levels

The committee notes that the Department of Defense civilian personnel drawdown continues at a more rapid pace than expected. During the past several years, civilian personnel levels in the Department of Defense have been reduced faster than anticipated in each succeeding fiscal year budget process. The Congressional Budget Office estimates that this drawdown means lower-than-budgeted civilian personnel levels, resulting in savings of approximately $658.8 million during fiscal year 1999. The committee has made the appropriate adjustments in the fiscal year 1999 budget to reflect these savings.

Foreign currency fluctuation

The committee notes the recent strength of the American dollar in relation to foreign currencies. This makes the purchase of services and goods overseas less expensive than was originally projected by the Department of Defense when it submitted its fiscal year 1999 budget request. The committee has made appropriate changes to the budget request to reflect the $119.2 million savings that would be realized in fiscal year 1999.

Fuel price reduction

The committee notes the recent reduction in the price of oil and the impact that this will have on the fuel funding requirements of the Department of Defense (DOD). The price of oil has declined from $19.00 a barrel when the President's budget request was prepared, to an estimated $17.00 a barrel in fiscal year 1999. This makes the purchase of gasoline and other fuels less expensive than was originally believed when the DOD put together its budget submission. The committee has made appropriate changes to the budg-

et request to reflect the $304.0 million savings which will be realized in fiscal year 1999.

Restoration of work years to accomplish essential finance and accounting services

The committee is aware that there is a mismatch of workload and work years in the budget request for the Defense Finance and Accounting Service. The committee provided increased funding to restore 1500 work years to ensure better management of expected requirements and maintenance of vital finance and accounting services within the Department of Defense. The committee fully expects that future requirements will be fully funded and that any reductions will be based on a comprehensive plan that considers expected workload and capacity to accomplish that workload.

Restoration of 1500 work years

(In millions)

Army	$8.8
Navy	10.0
Marines	1.3
Air Force	13.3
DLA	2.3
Other Defense agencies	2.1
Total	$37.8

Assistance to local educational agencies that have benefit dependents of members of the Armed Forces and Department of Defense civilian employees

The committee recommends an increase of $35.0 million in the Operation and Maintenance, Defensewide account to provide assistance to local educational agencies. The committee intends that this supplemental impact aid be made available to severly impacted local educational agencies where the standard for the minimum level of education within the state can not be maintained because of large numbers of military connected students or the effects of base realignment and closures.

Revolving Funds

Reserve Mobilization Income Insurance Program

The budget request included $37.0 million for the Reserve Mobilization Income Insurance Fund. The Congress included funding for the Reserve Mobilization Insurance Fund in the supplemental appropriation bill. Since the Army National Guard schools and special training account was underfunded in the budget request, the committee recommends transferring the $37.0 million requested for the Reserve Mobilization Income Insurance program in the operation and maintenance appropriation to the military personnel appropriation.

OTHER ITEMS OF INTEREST

Defense Threat Reduction Agency (DTRA)

In February, the Congress was briefed on the Defense Reform Initiative (DRI), a plan by the Department of Defense to achieve

savings by reorganizing and applying successful corporate business practices. The savings generated by these efforts would be used to develop and procure new generation information-based weapons systems. One element of the DRI was consolidation of activities related to weapons of mass destruction.

The Secretary of Defense has identified countering the threat of proliferation of weapons of mass destruction (WMD) as a high priority. The Secretary believes that preventing the proliferation of, reducing the number of, and defending against WMD will present a complex challenge to national security over the next 10–20 years.

The budget request described the establishment of the Defense Threat Reduction Agency (DTRA) and set an establishment target date of October 1, 1998. The mission of the agency would be to carry out programs to counter the proliferation of, and reduce threats posed by, weapons of mass destruction, and to provide nuclear weapons stockpile and related support. The new agency will be formed by consolidating existing agencies, as well as certain functions from the Office of the Secretary of Defense and Washington Headquarters Services.

The committee supports efforts by the Department to reduce redundancies and conserve scarce resources by establishing a single agency to provide services and support related to WMD to the warfighters and the Department. The committee understands that the DTRA would provide the cross-integration of DOD efforts in the WMD area, which is not adequately addressed by other agencies.

The committee understands that the new agency would primarily be an acquisition organization, with strong operational commitments and support, to include planning, programming, execution, and warfighter support responsibilities. Within this broad mission, the DTRA would provide technical expertise in nuclear weapons and their effects to ensure the operational effectiveness of U.S. nuclear forces and their survivability; provide independent assessment to the Secretary of Defense and the Chairman of the Joint Chiefs of Staff on nuclear weapons safety, security, reliability and control, and support the Commanders in Chief (CINCs) and services in these areas; maintain and manage the nuclear weapons stockpile as previously assigned to the Defense Special Weapons Agency (DSWA); and participate in and support DOD input to the Department of Energy Stockpile Stewardship and Management program.

In the area of reducing or countering WMD threats, the DTRA would provide support to operational forces in developing and fielding systems. Operational support would include monitoring and implementing arms control treaties and the Cooperative Threat Reduction (CTR) program; conducting force protection assessments for the Chairman of the Joint Chiefs of Staff and the CINCs; supporting the development of nuclear, chemical and biological defense doctrine, training readiness and modeling and simulation; and preventing the proliferation of WMD technology through technology security, export control and international cooperative initiatives; and coordinating these activities with the concerned U.S. departments and agencies, as well as foreign and international agencies.

Areas of development, or fielding of equipment for which DTRA would be responsible, would include nuclear, chemical and biologi-

cal defense capabilities for domestic emergency response protection, technologies to monitor and verify treaties, as well as to counter the proliferation of WMD, or defeat hardened and deeply buried, and mobile targets. DTRA would also support the Office of the Assistant Secretary of Defense for Special Operations/Low Intensity Conflict in implementing its guidance with regard to developing technologies to combat terrorism.

Combat support is an important element of the mission of the agency; the committee understands that DTRA will be designated as a combat support agency in recognition of the considerable support it will provide to the warfighting CINCs.

Based on the criteria used to determine the transfer of functions, missions, and resources to the DTRA, the committee directs that additional activities be transferred to DTRA. Those activities are the chemical and biological defense program, the counterproliferation support program, and the unitary and nonstockpile chemical and munitions destruction programs. These programs are important examples of cross-DOD integration that can be performed by the new agency. The committee understands that the base of technology and expertise for the chemical and biological defense program and the chemical agents and munitions destruction program is largely in the Department of the Army, and believes that the Department of the Army should continue to manage and execute both programs with guidance and oversight from the DTRA.

In addition, the committee recommends that programs that focus on providing technology to assist military forces in protecting themselves against acts of terrorism, to include the use of WMD, such as the physical security program (PE 63228D8Z) and the counterterror technical support program (PE 63122D8Z), be transferred to DTRA. The committee expects the Office of Special Operations/Low Intensity Conflict and the Technical Support Working Group (TSWG) will continue to provide policy oversight and develop responsive solutions for combating terrorism.

Defense Special Weapons Agency (DSWA)

The Field Command of the Defense Special Weapons Agency (DSWA) executes functions critical to the Department of Defense role in supporting the nuclear weapons stockpile, performs nuclear weapons surety inspections, and conducts unique WMD testing and simulation. The committee is concerned to learn that the Department may consider fragmenting and transferring critical nuclear and WMD-related functions currently performed by the Field Command, DSWA and transferring them to other organizations. The committee believes these functions are fundamental and integral to the success of the mission of the DTRA, and should remain a responsibility of the new agency. In addition, the committee believes Field Command should remain at Kirtland Air Force Base.

On-Site Inspection Agency (OSIA) and Arms Control Implementation

The budget request for defense arms control compliance activities included $9.5 million for implementing the Chemical Weapons Convention (CWC). These funds would be used to reimburse the CWC

international monitoring agency, the Organization for the Prohibition of Chemical Weapons (OPCW), for equipment used during inspections as well as salaries, subsistence allowances and international travel costs for the inspection teams. In addition, these funds would be used to provide reimbursement for arms control implementation inspection costs borne by the inspected party to a treaty or agreement.

The CWC requires that States Parties pay the administrative costs of the Organization for the Prohibition of Chemical Weapons (OPCW) according to the United Nations assessment scale. Additionally, CWC States Parties are responsible for the costs of destroying their chemical weapons and chemical weapons production facilities, as well as the costs of the OPCW to verify compliance with the Treaty. The budget request included funds for the direct costs of implementing the inspection of DOD assets and to provide for procurement, operation and maintenance (O&M), training, and research, development, testing and evaluation (RDT&E) funding for the military services, the OSIA, and the DSWA. The budget request also included funds for the destruction of the chemical stockpile.

The committee does not support the use of defense funds to pay for those costs that are not appropriately the responsibility of the Department of Defense, and more appropriately included in the foreign affairs budget. The committee understands that the Department of State is responsible for all other U.S. costs associated with the Treaty. The committee further understands the Department of State agreed in the first Conference of State Parties in May 1997 to fund not only the "usual" in-country inspection costs (meals, lodging, and transportation of inspectors within the United States), but also inspector salaries and transportation from The Hague to the Point of Entry. The committee does not agree that these additional costs should be paid for from the defense budget, and therefore recommends a reduction of $9.5 million to the budget request for OSIA.

Lastly, the budget request included funds for estimated U.S. reimbursement of payments for arms control implementation inspection costs borne by the inspected party to a treaty or agreement. Other than the two policy agreements under the Intermediate-Range Nuclear Forces (INF) Treaty and Strategic Arms Reduction Treaty (START) concluded in May 1994 and February 1995, respectively, the committee is not aware of additional policy agreements concluded by the Department. The committee understood in previous correspondence from the Department that these two agreements would not be precedents for other agreements, and the committee is not aware of any other policy agreements for other arms control agreements. The committee recommends that no funds be authorized specifically for the reimbursement of arms control implementation inspection costs to a foreign country.

Nuclear Weapons Council and Maintaining the Nuclear Deterrent

The committee believes that maintaining a credible nuclear deterrent is a fundamental and integral part of efforts to counter and respond to the full spectrum of the challenge posed by WMD. The programs to sustain the nuclear deterrent are currently performed

by multiple organizations, including the Office of the Secretary of Defense, the DSWA and the military services. In this environment, guidance and direction from the Secretary of Defense is essential.

Although they are not as high a priority as during the Cold War, the committee believes that the nuclear program should not be handled in an ad hoc manner without consideration for long range coherent planning. As a result, adequate funding and senior policy and implementation attention will continue to be necessary to sustain a coherent DOD program.

The committee is encouraged by the Department's efforts to undertake initiatives to provide improved management and coordination of all activities related to countering or reducing the threat of WMD through the creation of DTRA. It is imperative, however, that there be no lessening of the Secretary's core responsibilities to oversee and sustain the Nation's nuclear deterrent. The committee is concerned that in implementing the reforms recommended in the Defense Reform Initiative (DRI), the Secretary's role in maintaining a strong nuclear deterrent may be diminished. The committee believes that any new management approaches should preserve and reinforce existing statutory oversight responsibilities, as well as congressional involvement.

Management and Oversight of the Defense Threat Reduction Agency

The committee believes that the Office of the Secretary of Defense must retain the oversight responsibilities of the Office of the Assistant to the Secretary of Defense (Nuclear, Chemical and Biological). The committee believes that a senior Department of Defense official nominated by the President and confirmed by the Senate should be designated responsibility for the DTRA. This individual should report directly to the Under Secretary of Defense for Acquisition and Technology.

Further Efficiencies and Economies

The committee is advised that in consolidating the various organizations and programs to form DTRA, the Department was able to achieve a five percent savings, which is reflected in the budget request. However, the committee believes that further savings can be realized by the consolidation and recommends an undistributed reduction of $20.0 million to DTRA operations and maintenance.

Department of Defense demolition program and historic properties

Each of the military services is currently pursuing an ambitious demolition program for unneeded base infrastructure. The Committee is concerned that without adequate planning, such demolition efforts could pose a significant threat to historic properties under the stewardship of the Department of Defense(DOD). Hundreds of military properties are listed on the National Register of Historic Places and thousands more may be eligible. A 1994 survey by the DOD Cultural Resources Council estimated that there are 120 historic districts on installations, and that the Department currently owns more than 25,000 pre-1940 buildings, and as many as 80,000 World War II era buildings.

In the Department of the Army, general construction and maintenance funds cannot be used for a building if rehabilitation costs would exceed 70 percent of new construction estimates. Policies for new construction require demolition of an equal amount of existing square footage, leaving historic buildings as vulnerable to a formula regardless of quality. The committee is concerned about the possibility that these requirements may inhibit rehabilitation of some historic structures.

The committee directs each military department to examine how that department's construction, maintenance, and demolition policies impact historic properties. The Secretary of Defense shall compile the results of each department's review and submit a report to the congressional defense committees within one year from the date of enactment of this Act. The report shall discuss how each department uses or could use analysis of relative historical significance, and the potential for adaptive use in planning departmental demolition programs.

The report shall also discuss alternatives to demolition of properties that may have historical significance, including the mothballing of buildings and leasing of buildings pursuant to section 111 of the National Historic Preservation Act. In this regard, the reports should address the leasing policies of each military department and identify any impediments to leasing historic properties or retaining lease proceeds under section 111. In addition, the report should address the feasibility of allowing installations to use demolition funds for rehabilitation. In developing the report, the military departments are encouraged to consult with the Advisory Council on Historic Preservation, the National Conference of State Historic Preservation Officers, and the National Trust for Historic Preservation, and other relevant organizations with preservation expertise.

Department of Defense shipscrapping practices

Recently, questions have been raised about the worker safety and environmental standards related to Department of Defense shipscrapping contracts. The committee has observed closely the Department's efforts to address concerns in this area.

The Navy's inactive fleet has increased by 82 percent since 1990 and the rate of inactivations has exceeded the number of ship removals. The pressures related to the size of the inactive fleet continue to grow as additional ships near the end of a 30–50 year life cycle, the Quadrennial Defense Review (QDR) recommends continued active force reductions, base closures reduce ship berthing capacity, and multiple ship disposition options extend disposal timelines. The current inventory of 196 inactive ships already exceeds the Navy's berthing capacity and 115 of those inactive ships have been designated for scrap.

The Office of the Chief of Naval Operations determines the disposition of decommissioned Navy ships that have become a part of the inactive fleet, as follows: retain for mobilization; foreign military sale or lease; donation; transfer to MARAD; or scrap. During inactivation, the Navy removes bulk and containerized hazardous materials, seals any friable asbestos containing materials, inventories and labels equipment containing liquid polychlorinated

biphenyls (PCBs), pumps fuels and lube oil tanks, drains all hydraulic oil systems, and takes various other steps to limit and identify risks. In addition, prior to transferring ships for scrapping, the ship is demilitarized. The transfer agent for the Navy's non-nuclear vessels is the Defense Logistics Agency (DLA). Radiological decontamination and disposal of nuclear vessels is conducted exclusively by the Navy and the Department of Energy manages the storage of any radioactive or mixed waste.

Once the Navy notifies the DLA that a ship is ready for sale, that agency has the responsibility to advertise, evaluate, award, and administer any scrapping contracts. Consistent with its responsibility to administer scrapping contracts, the DLA manages on-site environmental and safety assessments, meetings with regulatory agencies, and on-site contractor progress reviews.

In January 1996, DLA suspended shipscrapping sales following an unannounced multi-media regulatory inspection that identified environmental violations at a Wilmington, N.C. scrapping site. In response to Navy and DLA concerns regarding contract award and oversight practices, the DLA developed a two-step sealed bid and competitive evaluation procedure to improve source selection of scrapping contractors. The first step involves the issuance of a Request for Technical Proposal (RFTP) to determine the technical qualifications of potential bidders. A team of environmental, safety, legal, and program personnel review and evaluate the RFTP, to include: an environmental plan; a safety plan; an operational plan; and a business and financial plan. The second step involves an Invitation for Bid (IFB) from only those firms whose proposals are found to be technically acceptable.

In addition, the Navy tightened its program management capability and now works jointly with DLA to review draft solicitations, technical proposals received, and contractor performance. The DLA has established a dedicated Naval ship sales program office, increased the number of sales contracting officers, and contracted for technical support related to on-site environmental assessments, health and safety assessments, and progress assessments. Consistent with the efforts initiated in January 1996, the Navy and DLA have indicated that there are ongoing efforts to maintain effective management and oversight of shipbreaking safety and environmental practices.

In response to recent concerns reflected in a series of Baltimore Sun articles, the Undersecretary of Defense (Acquisition and Technology) established a senior panel to review Department of Defense shipscrapping practices and policies. In addition, the Secretary of the Navy suspended any further action to explore overseas shipscrapping options, pending receipt and review of the panel report. Further, an interagency ship disposal working group has also been established to foster an exchange of ideas among the Navy, the Maritime Administration (MARAD), the U.S. Coast Guard, the National Oceanic and Atmospheric Agency (NOAA), and the Army.

On April 20, 1998, the Department provided the Congress with the recommendations of the senior panel established by the Undersecretary of Defense (Acquisition and Technology). The panel noted that the "[s]crapping of vessels presents many challenges due to the complexity of the ships themselves, the environmental and

safety issues, uncertainties about the domestic industrial base and our limited economic leverage in international markets." The panel acknowledged and endorsed the recent efforts of the Department of the Navy, DLA, and the U.S. Maritime Administration to resolve some of the problems associated with past ship scrapping practices. The panel also made some recommendations on how to improve the process both domestically and internationally.

The Undersecretary of Defense (Acquisition and Technology) is currently reviewing the panel recommendations to determine appropriate future actions. The agencies that participated in the panel are also reviewing the recommendations for implementation. The committee is satisfied with the Department's progress in this area. In light of the complex nature of this issue, the committee is convinced that the Department must be allowed to continue to resolve this matter internally. The committee looks forward to the recommendations of the Undersecretary.

Environmentally-preferable products

The committee understands that the Department of Defense plans to advise its procurement officials of energy-efficient products and products that contain recovered or recycled content through defense-wide electronic cataloging system known as the Federal Logistics Information System (FLIS). That system is currently under development by the Joint Logistics Commanders.

The committee is concerned that the Department has not yet developed any consistent methodology for assessing vendor claims and determining the environmental preferability of products procured through FLIS. Accordingly, the committee directs the Department to: (1) identify specific criteria for identifying environmentally preferable and energy-efficient products, and the source of such criteria; (2) identify product categories for which the Department has not yet been able to identify such standards; (3) develop procedures to provide reasonable assurance that particular products meet these criteria; and (4) develop procedures for tracking purchases of such products and estimating the extent to which the Department is meeting environmental objectives established in 48 C.F.R. 23.704. To the extent necessary, the Department should support research and recommend modifications to specifications for military unique items to further these objectives. The committee directs the Secretary of Defense to report to the congressional defense committees, not later than March 1, 1999, on the status of this effort.

Federal facilities

The Armed Services Committee has jurisdiction over the defense related environmental restoration efforts of the Departments of Defense and Energy. As a result, the committee has observed closely the progress of S.8, the Superfund Reauthorization bill, specifically as it pertains to federal facilities.

During the Environment and Public Works Committee markup of S.8, an amendment was approved to waive federal sovereign immunity under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. 9601 et seq. The amendment would require federal facilities to comply with state and local substantive and procedural requirements, rather than the

uniform, national process described in the National Contingency Plan.

Under current law, federal facilities are already subject to state laws concerning removal and remedial action, including laws regarding enforcement (42 U.S.C. 9620(a)(4)), but state challenges must be brought after remedial action is complete. (42 U.S.C. 9613 (g)). Federal facilities must comply with state substantive cleanup standards, which may be more stringent than federal standards and must be legally applicable or relevant and appropriate. (42 U.S.C. 9621).

Both the Department of Defense and the Department of Energy have expressed concerns about the impact the proposed amendment could have on cleanup activities at their respective sites. In particular, the two agencies have expressed concern that because the amendment would render federal facilities susceptible to state and local procedural requirements (such as fees and permits), state and local authorities could compel federal agencies to stop Superfund cleanup actions pending completion of procedural requirements. The amendment could invalidate interagency agreements regarding cleanup schedules and milestones by superimposing state and local substantive and procedural requirements that previously did not apply. As a result, the amendment could substantially increase federal facilities cleanup costs and enable States to reorder funding priorities at Superfund sites, shifting resources away from sites with higher relative risks.

There are thousands of Department of Defense sites and Department of Energy sites that have been identified as requiring environmental cleanup, and there is the potential that additional such sites may be identified. The cost to the taxpayers of completing the environmental cleanup of these facilities is likely to be in the hundreds of billions of dollars. Funding for site assessments and cleanup is provided through agency budgets and congressional appropriations. The Department of Defense prioritizes funding for cleanup sites through relative risk site evaluations and cleanup milestones committed to in Federal Facility agreements. Based on those cleanup priorities the Department has maintained a steady fiscal year funding level of about $2.0 billion during the past five years. The Department of Energy has also committed to cleanup schedules under federal facility compliance agreements and provided for a steady environmental restoration funding profile of about $1.5 billion.

Congress must ensure that federal agencies maintain coherent national cleanup programs with resources and funds directed to federal sites where the needs and prospective benefits are the greatest. Because Congress strictly controls the funding available to the Departments of Defense and Energy through the annual authorization and appropriations process, the agencies do not have the same degree of funding flexibility as the private sector. For this reason, the Departments have expressed concern that new or accelerated requirements could divert funds from higher priority cleanup activities and other important national security missions, reducing the overall level of protection for public health and safety.

The committee believes that the full scope of concerns expressed by the Department of Defense and the Department of Energy about

the proposed amendment should be made a part of the public record so that they may be addressed in the course of debate on the bill. Accordingly, the committee directs the Secretary of Defense and the Secretary of Energy to submit a report, not later than September 30, 1998, to the congressional defense committees on the impact of the proposed amendment to S.8. The report, which should be prepared in consultation with the Environmental Protection Agency, should specifically address: (1) any additional costs that might be incurred by the taxpayers as a result of the proposed amendment; and (2) any impact that the amendment may have on the cleanup of Department of Defense and the Department of Energy sites pursuant to agreements that the two agencies have entered into with the Environmental Protection Agency and with State and local governments.

Retread tires and re-refined oils

The committee notes that the Department of Defense has made tremendous progress in the use of recycled products. In order to ensure continued progress in this area, the Department should implement the Environmental Protection Agency's procurement guidelines for re-refined lubricating oil and retread tires, finalize revisions to the specifications for such procurement items, and use appropriate specifications for tire retreading. The Department should procure these items in accordance with the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6962), to ensure consistency with the provisions of Executive Order 12873, dated October 20, 1993, as it relates to the procurement of retread tires and re-refined lubricating oil. The Department's efforts in this area, however, should not be inconsistent with military readiness needs and requirements.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

The Congress, exercising its military manpower oversight responsibilities, authorizes the end strengths of the active and reserve forces annually. This year, in addition to the Subcommittee on Personnel hearings to examine the force structure plans of the Department of Defense and the military services, the committee held a series of hearings to receive testimony from the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Service Chiefs in which OPTEMPO, PERSTEMPO, recruiting, retention, and quality of life were discussed in detail. Based on those hearings, the administration's budget request, and other information, the committee recommended end strength ceilings for the active and reserve forces, including active component support for the reserves. Additionally, the committee recommended repeal of the end strength floors in order to permit the secretaries and chiefs of the military services to implement the reductions in force structure recommended by the Quadrennial Defense Review.

SUBTITLE A—ACTIVE FORCES

Sec. 401. End strengths for active forces.

The committee recommends a provision that would authorize active duty end strengths for fiscal year 1999 as shown below:

	Fiscal year		
	1998 authorization	1999 request	1999 recommendation
Army: Total	495,000	480,000	480,000
Navy: Total	390,802	372,696	372,696
Marine Corps: Total	174,000	172,200	172,200
Air Force: Total	371,577	370,882	370,882

Sec. 402. Limited exclusions of joint duty officers from limitations on number of general and flag officers.

The committee recommends a provision that would increase the number of general and flag officer positions exempt from counting against the authorized limit from six to seven. The recommended increase would permit the Director, J–8 to serve as a lieutenant general or a vice admiral in the case of the Navy.

The recommended provision would extend until October 1, 2002 the temporary authority to exclude up to 12 joint duty officers from the limitation on authorized general and flag officer strength.

Sec. 403. Limitation on daily average of personnel on active duty in grades E–8 and E–9.

The committee recommends a provision that would change the method for computing the time limitation on active duty enlisted

personnel serving in the grades of E–8 and E–9 to a fiscal year vice a calendar year. The recommended provision would also correct a technical error in the existing statute.

Sec. 404. Repeal of permanent end strength requirement for support of two major regional contingencies.

The committee recommends a provision that would repeal section 691 of title 10, United States Code, which established end strength floors for the military services.

SUBTITLE B—RESERVE FORCES

Sec. 411. End strengths for Selected Reserve.

The committee recommends a provision that would authorize Selected Reserve end strengths for fiscal year 1999 as shown below:

	Fiscal year		
	1998 authorization	1999 request	1999 recommendation
The Army National Guard of the United States	361,516	357,000	357,000
The Army Reserve	208,000	208,000	208,000
The Naval Reserve	94,294	90,843	90,843
The Marine Corps Reserve	42,000	40,018	40,018
The Air National Guard of the United States	108,002	106,991	106,991
The Air Force Reserve	73,447	72,242	72,242
The Coast Guard Reserve	8,000	8,000	8,000

Sec. 412. End strengths for Reserves on active duty in support of the reserves.

The committee recommends a provision that would authorize full-time support end strengths for fiscal year 1999 as shown below:

	Fiscal year		
	1998 authorization	1999 request	1999 recommendation
The Army National Guard of the United States	22,310	21,763	21,763
The Army Reserve	11,500	11,804	11,804
The Naval Reserve	16,136	15,590	15,590
The Marine Corps Reserve	2,559	2,362	2,362
The Air National Guard of the United States	10,671	10,930	10,930
The Air Force Reserve	867	991	991

Sec. 413. End strengths for military technicians (dual status).

The committee recommends a provision that would authorize military technician end strengths for fiscal year 1999, as shown below:

	Fiscal year		
	1998 authorization	1999 request	1999 recommendation
The Army National Guard of the United States	23,125	22,179	22,179
The Army Reserve	5,503	5,205	5,205
The Air National Guard of the United States	22,853	22,408	22,408
The Air Force Reserve	9,802	9,761	9,761

Sec. 414. Exclusion of additional reserve component general and flag officers from limitation on number of general and flag officers who may serve on active duty.

The committee recommends a provision that would permit not more than three percent of the reserve component general and flag officers to be ordered to active duty for more than 179 days and exclude these officers from the limitation on the number of general and flag officers on active duty. For several years, the committee has been reducing impediments that may preclude more effective use of the reserve components. The Commanders-in-Chief and the Director of the Joint Staff have identified areas in which the expertise and skills of reserve component general or flag officers would contribute to specific programs or initiatives. Under current law, a reserve component general or flag officer ordered to active duty for more than 179 days will count against the limit on active duty general and flag officers. The recommended provision would permit up to three percent of the number of reserve component general and flag officers to serve on active duty for a period longer than 179 days without offsetting an active duty general or flag officer authorization. The committee expects the Chairman of the Joint Chiefs of Staff and the service chiefs to use this authority to permit reserve component generals in joint duty positions where their expertise and experience will benefit the Nation and provide the reservists valuable experience in the joint arena.

Sec. 415. Increase in numbers of members in certain grades authorized to be on active duty in support of the reserves.

The committee recommends a provision that would increase the number of officers and senior enlisted personnel on active duty in the reserve components of the Army and the Air Force in support of the reserves. The recommended provision would increase the authorized number of Army reserve component colonels from 412 to 438 and enlisted members in the grade of E9 from 603 to 623. The recommended provision would increase the authorized number of Air Force reserve component majors from 643 to 791; lieutenant colonels from 672 to 713; colonels from 274 to 297; enlisted members in the grade of E8 from 890 to 997; and enlisted members in the grade of E9 from 366 to 395.

The committee recommends these increases, in part, to permit the Air Force Reserve and the Air National Guard to supplement undergraduate pilot training. As one part of the efforts to address increased aviator attrition, the committee supports the Air Force plan to increase throughput in pilot training.

Sec. 416. Consolidation of strength authorizations for active status Naval Reserve flag officers of the Navy Medical Department staff corps.

The committee recommends a provision that would consolidate flag officer authorizations for the Navy Reserve Medical Department Staff Corps, identify the components of the medical Department Staff Corps, and allocate one rear admiral (lower half) authorization to each component of the Medical Department Staff Corps.

SUBTITLE C—AUTHORIZATION OF APPROPRIATIONS

Sec. 421. Authorization of appropriations for military personnel.

The committee recommends a provision that would authorize $74,434.0 million to be appropriated to the Department of Defense for military personnel.

OTHER ITEMS OF INTEREST

Army National Guard schools and special training

The committee recommends an increase of $37.0 million in the amount authorized to be appropriated for National Guard Personnel, Army. The budget request included $37.0 million for the Reserve Mobilization Income Insurance Fund. The Congress included funding for the Reserve Mobilization Insurance Fund in the supplemental appropriation bill. Since the Army National Guard schools and special training account was underfunded in the budget request, the committee recommends transferring the $37.0 million requested for the Reserve Mobilization Income Insurance program in the operation and maintenance appropriation to the military personnel appropriation.

TITLE V—MILITARY PERSONNEL POLICY

The committee addressed a number of military personnel policy issues as a result of information received during hearings conducted by the full committee and the Subcommittee on Personnel. The committee recommended a number of military personnel policy changes that would improve management of reserve component personnel. In light of the continued drawdown, the committee recommended extension of the personnel management authorities to facilitate the drawdown and transition of military personnel out of the services. The committee also recommended a provision that would extend the date by which the Commission on Military Training and Gender-Related Issues must complete its work.

SUBTITLE A—OFFICER PERSONNEL POLICY

Sec. 501. Streamlined selective retention process for regular officers.

The committee recommends a provision that would eliminate the requirement to convene boards of review for officers who have been recommended for administrative separation by a board of inquiry. The committee believes that it is redundant to convene a second board to review the recommendation of a board of inquiry before the secretary of the military department considers a recommendation to administratively separate a regular officer. The recommended provision saves money and reduces the time required to process such recommendations.

Sec. 502. Permanent applicability of limitations on years of active naval service of Navy limited duty officers in grades of commander and captain.

The committee recommends a provision that would make permanent the temporary mandatory retirement points for Navy Limited Duty Officers. The recommended change would not affect Marine Corps Limited Duty Officers of the same grades.

Sec. 503. Involuntary separation pay denied for officer discharged for failure of selection for promotion requested by the officer.

The committee recommends a provision that would modify the conditions under which separation pay is paid. Under the recommended provision, officers who submit a request to a promotion board not to be selected for promotion and are subsequently not selected for promotion would not be eligible for separation pay if the reason for their separation is failure to be promoted to the next higher grade. The recommended provision would require the report of a selection board that received communications from an officer who requested not to be selected to include that officer's name. The committee expects the secretaries of the military departments to promulgate regulations to record the names of officers who request not to be selected and to ensure compliance with this provision.

Sec. 504. Term of office of the Chief of the Air Force Nurse Corps.

The committee recommends a provision that would extend the term of office for the chief of the Air Force Nurse Corps from three years to four years.

SUBTITLE B—RESERVE COMPONENT MATTERS

Sec. 511. Service required for retirement of National Guard officer in higher grade.

The committee recommends a provision that would extend the period for which a National Guard officer could receive credit towards the time-in-grade required for retirement. Currently, the time-in-grade computation for National Guard officers may not begin until the officer has received official federal recognition. The recommended provision would authorize the secretary concerned to compute the time-in-grade for retirement purposes from the date the nomination is confirmed by the Senate.

Sec. 512. Reduced time-in-grade requirement for reserve general and flag officers involuntarily transferred from active status.

The committee recommends a provision that would authorize service secretaries to retire a reserve component general or flag officer who is involuntarily transferred from active reserve status at the grade held on active reserve status. Since the number of reserve component general and flag officers is controlled in statute, it is not always possible for a reserve general or flag officer to be selected, nominated, and confirmed for promotion and still serve sufficient time to meet the minimum time-in-grade requirements to

retire in grade. The recommended provision would permit service secretaries to retire selected officers in grade rather than retaining them on active status solely to meet a time-in-grade requirement.

Sec. 513. Eligibility of Army and Air Force Reserve brigadier generals to be considered for promotion while on inactive status list.

The committee recommends a provision that would authorize the Secretary of the Army or the Secretary of the Air Force to waive the eligibility requirements to permit a reserve component brigadier general of the Army or Air Force who is on the reserve inactive status list to be considered for promotion to major general. To be eligible for the waiver, the reserve brigadier general must have served at least one year on the reserve active status list or active duty list immediately preceding transfer to the inactive status list, and the transfer to the inactive status list occurred within the twelve-month period preceding the date the promotion board convenes.

Sec. 514. Composition of selective early retirement boards for rear admirals of the Naval Reserve and major generals of the Marine Corps Reserve.

The committee recommends a provision that would change the minimum grade requirement for officers participating as members of a board convened to consider rear admirals in the Naval Reserve or major generals in the Marine Corps Reserve for early retirement. Currently, the statute requires members of the board to be one grade higher than the officers being considered for early retirement. Since the Naval Reserve and the Marine Corps Reserve do not have officers in grades above rear admiral or major general, this requirement caused an undue burden. The recommended provision would require any active duty officer participating in a selective early retirement board considering Naval Reserve rear admirals or Marine Corps Reserve major generals be one grade higher than the officers being considered and that at least one member of the board be a reserve officer in the same grade as the officers being considered.

Sec. 515. Use of Reserves for emergencies involving weapons of mass destruction.

The committee recommends a provision that would authorize the President to call-up reserve forces in response to domestic emergencies involving a use, or threatened use, of a weapon of mass destruction. In addition, the recommended provision would permit reserve full time support personnel to perform duties in support of emergency preparedness programs to prepare for or to respond to an emergency involving the use of a weapon of mass destruction.

The committee notes the efforts underway within the Department of Defense to develop the means to respond to acts of terrorism involving weapons of mass destruction. In this regard, the committee directs the Secretary of Defense to ensure the assessment of needs and capabilities includes an analysis of the capabilities that exist within the Commissioned Officer Corps of the U.S. Public Health Service, who, as members of the uniformed services, might

be easily integrated into Department of Defense plans to respond to emergencies involving weapons of mass destruction.

SUBTITLE C—OTHER MATTERS

Sec. 521. Annual manpower requirements report.

The committee recommends a provision that would change the date the Secretary of Defense must submit the annual manpower requirements report from February 15 of each year to a date not later than 45 days after the President submits the budget to the Congress.

Sec. 522. Four-year extension of certain force reduction transition period management and benefits authorities.

The committee recommends a provision that would extend until September 30, 2003 the force reduction transition period management and benefits authorities established during the drawdown of the military services. The committee recognizes that the successful drawdown of military personnel could not have been accomplished without using incentives and transition benefits to encourage voluntary separations in lieu of involuntary actions. As a result of the Quadrennial Defense Review, active and reserve forces are continuing to reduce strength levels. The committee expects the military services to continue to use the incentive and benefit programs to achieve the reductions mandated by the Quadrennial Defense Review.

Sec. 523. Continuation of eligibility for voluntary separation incentive after involuntary loss of membership in Ready or Standby Reserve.

The committee recommends a provision that would permit members who separated under the Voluntary Separation Incentive (VSI) program and lose their membership in a reserve component as a result of certain conditions to continue to receive the benefit payments. In the VSI program, recipients must serve in a reserve component to remain eligible for the benefit payments. The recommended provision would permit those VSI participants who were separated from a reserve component due to age, years of service, failure to select for promotion, or medical disqualification to continue to receive VSI benefit payments.

Sec. 524. Repeal of limitations on authority to set rates and waive requirement for reimbursement of expenses incurred for instruction at service academies of persons from foreign countries.

The committee recommends a provision that would repeal the limitations on the military departments to waive the requirement for reimbursement of expenses for foreign students at the service academies.

Sec. 525. Repeal of restriction on civilian employment of enlisted members.

The committee recommends a provision that would repeal section 974 of title 10, United States Code. Section 974 restricts enlisted

personnel from engaging in a civilian pursuit or business if the pursuit or business interferes with the employment of local civilians in their art, trade, or profession. The restrictions were enacted in 1968 to limit military musicians from competing with local musicians. Civilian employment of military musicians is prohibited by sections 3634, 6223 and 8634 of title 10, United States Code. The military services have regulations governing civilian employment of military personnel that are sufficient to control off-duty employment.

Sec. 526. Extension of reporting dates for Commission on Military Training and Gender-Related Issues.

The committee recommends a provision that would extend the dates on which the reports are required of the Commission on Military Training and Gender-Related Issues. The recommended provision extends the date for the interim report from April 15, 1998 to October 15, 1998 and the date for the final report from September 16, 1998 to March 15, 1999.

Sec. 527. Moratorium on changes of gender-related policies and practices pending completion of the work of the Commission on Military Training and Gender-Related Issues.

The committee recommends a provision that would prohibit the Secretary of Defense from implementing any policy changes with regard to separation or integration of members of the armed forces on the basis of gender, which are within the responsibility of the Commission on Military Training and Gender-Related Issues, until the commission has completed its work and issued its report. The final report is due on March 15, 1999.

The committee believes that the Commission on Military Training and Gender-Related Issues is an important body and should be permitted to complete the assigned work without prejudicial legislation. The statute that created the commission requires it to review the policies and practices of the military services with regard to gender-integration of initial entry training and personal relationships between members of the armed forces, and to review the recommendations of the panels the Secretary of Defense appointed to review gender-integrated training, fraternization, and adultery. The committee does not intend that the recommended provision be perceived as a judgement on the merit of the findings and recommendations of the Kassebaum-Baker panel. Additionally, the committee does not intend to limit the flexibility of the Secretary of Defense or the secretaries of the military departments to make policy changes in areas other than those that the commission is required to review.

Sec. 528. Transitional compensation for abused dependent children not residing with the spouse or former spouse of a member convicted of dependent abuse.

The committee recommends a provision that would authorize transitional compensation to eligible dependent children who do not reside with a spouse or former spouse who is also eligible for transitional compensation payments. The recommended provision

would ensure that dependent children who are victims of abuse are not denied this compensation because of family circumstances that may cause the dependent children not to reside with the spouse or former spouse. The recommended provision is in no way intended to create an economic incentive for children to live away for the spouse or former spouse but rather to ensure that, in cases where it is inappropriate or impossible for an abused dependent to reside with the spouse or former spouse, they are not denied the benefits of transitional compensation.

Sec. 529. Pilot program for treating GED recipients as high school graduates for determinations of eligibility for enlisting in the Armed Forces.

The committee recommends a provision that would establish a five-year pilot program to permit participants in a National Guard Youth Challenge Program who receive a general education development (GED) certificate to enlist in the Armed Forces as if they had received a high school diploma. The recommended provision would limit the pilot program to not more than 5,000 persons per year (1,250 per service). The recommended provision would require the Secretary of Defense to conduct a comprehensive evaluation of the performance of the participants in the pilot program and report the results to the Congress not later than February 1, 2004.

The committee has supported the National Guard Youth Challenge Program since its inception. The committee notes that the military services do not accept GED recipients with the same priority as high school graduates. The committee expects each service to participate in the pilot program by actively recruiting, training, and employing National Guard Youth Challenge Program GED recipients.

Sec. 530. Waiver of time limitations for award of Distinguished Flying Cross in certain cases.

The committee recommends a provision that would waive the statutory time limitations for the award of military decorations to provide for the Distinguished Flying Cross to certain individuals who have been recommended by the service secretaries for these awards.

OTHER ITEMS OF INTEREST

Personal finance training

The statement of managers accompanying the conference report on H.R. 1119 (H. Rept. 105–340) includes an Item of Special Interest urging the secretaries of the military departments to review the adequacy of personal finance training programs. The committee continues to believe that providing personal finance training, including checkbook management, credit card management, and debt management, is important. With the availability of new Individual Retirement Account options, the committee believes that the personal finance training and command information programs should make military personnel aware of the advantages of the "Roth IRA". The "Roth IRA" may offer significant advantages to military personnel since that IRA option is more favorable to those in lower

tax brackets and can be used for a variety of purposes. In fact, for many service members the "Roth IRA" may be more beneficial than a 401(k) plan.

Operation Walking Shield Program

Operation Walking Shield is a cooperative program through which reserve components of the armed forces train and enhance individual and unit readiness while providing humanitarian services to Native American communities. Initially focused on transporting surplus federal property, including medical equipment and housing units, to Native American communities in need, this program has evolved into a multi-faceted program that provides beneficial training opportunities to our Nation's reserve forces while proving to be of immense value to our Native Americans. Military pilots and crews gain valuable logistics support training while multi-service medical teams and civil engineer and construction crews have been able to participate in real-life practical training in communities that are truly in need. The committee encourages the Secretary of Defense to continue to support this worthwhile program with funds available for reserve component individual readiness training.

Processing of reports of promotion boards

The committee remains concerned about the length of time some services require to process the report of a promotion board. The committee believes that the report of a promotion board can be processed, in accordance with service and Department of Defense regulations and directives, within 90 days following the recess of the board. The committee directs the secretaries of the military departments to advise the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives when processing of a report of a promotion board from the date the board report is signed by the board members until the report of the selection board is approved by the President or by the official to whom that authority has been delegated exceeds 100 days. This report shall include an explanation for the delay, an assessment of when the board report will be approved, and an accounting for the processing time in each office through which the board report has passed to that point. A follow-up report, including the same information, shall be provided every 30 days after the 100th day.

Recruiting effectiveness and efficiency

The committee continues to be concerned about the ability of the military services to recruit quality personnel in the numbers needed to sustain personnel readiness.

Effective recruiting is the "life blood" of the military. With declining propensities among American youth to join the military, the task of recruiting becomes even more difficult. At the same time, the committee is aware of a high rate of recruiter dissatisfaction, as indicated in a recent recruiter survey conducted by the Department of Defense. The committee believes that a great deal of this dissatisfaction is a result of the involuntary assignment of individuals to recruiting duty.

The committee believes it is appropriate for the military services to consider more effective and efficient ways to recruit. In this regard, the committee believes there is merit in exploring the potential for outsourcing military recruiting to entities whose business it is to recruit, and whose recruiters are volunteers.

Consequently, the committee urges the Secretary of Defense, in coordination with the military services, to conduct a test to determine the feasibility of outsourcing military recruiting. The test would be designed by the Secretary of Defense to involve representative recruiting areas and be large enough to ensure an unbiased test. The objective of the test would be to determine the comparative effectiveness and cost of the outsourcing alternative against current recruiting method. The test would be conducted for a period of two years. The results would be reported to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives no later than 180 days after the completion of the test.

Management of reserves on active duty in support of the reserve components

The committee is concerned about the evolution of the programs in which reservists serve on active duty in support of the reserve components, referred to in this report as full-time support (FTS) personnel. The committee recognizes and supports the good work and the tremendous contributions to reserve unit readiness provided by FTS personnel. Without these dedicated professionals, the reserve components would not be capable of serving side-by-side with the active forces and effectively accomplishing the same missions as the active forces.

However, over time, both active and reserve component commanders have assigned FTS personnel to duties and positions which are not in direct support of organizing, administering, recruiting, instructing, or training the reserve components. The Department of Defense has implemented several policies that have institutionalized FTS personnel into the everyday functions of the active forces, Headquarter elements, and the Office of the Secretary of Defense. Further, Department of Defense policy has directed each military service to administer their respective FTS personnel to ensure that they are provided career opportunities, progression, retention, professional military education, and professional development, consistent with strength limitations and policies that may lead to a military retirement.

In the committee's view, these policies represent subtle, yet significant, changes in the assignment, utilization, and management of FTS personnel that were not intended when the statutory authorities for such programs were enacted. FTS personnel were intended to be involved directly in improving the readiness of the reserve components by organizing, administering, recruiting, instructing, or training the reserve components. The intent was that reservists would be ordered to an active duty status, serve in a capacity that would improve unit readiness and capability, and return to reserve status upon completion of a specified tour or period of time. Through the years, serving on active duty in support of the reserve components has become a career field in which people are

carefully managed through positions to ensure they are promoted, schooled, and remain in an active duty status until they retire with retirement benefits very similar to the active component personnel. Commanders and chiefs of staff have created positions for FTS personnel to augment or substitute for active component personnel. Many FTS personnel are actually performing tasks that require extremely liberal interpretation of the legal definition pertaining to the use of reservists serving on active duty in support of the reserve components. The committee has observed that the services have implemented policies and created opportunities that give FTS personnel considerable advantage over the active duty personnel in the attendance of senior level schools. Positions have been created for FTS personnel in major commands, service level staffs, and departmental secretariats.

The committee believes that FTS personnel should be concentrated in reserve component units commanded by officers in the grade of O6 or lower. Additionally, the committee believes that it is necessary to review the existing policies that direct that certain FTS personnel are provided career opportunities, progression, retention, professional military education, and professional development consistent with strength limitations and policies that may lead to a military retirement.

Therefore, the committee directs the Secretary of Defense, in conjunction with the military services and the reserve components, to conduct a comprehensive review of the statutes, policies, directives, and practices pertaining to FTS personnel and to submit the results of the study to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives not later than March 15, 1999. In addition to the report, the Secretary shall submit any suggested legislative changes determined to be necessary to re-engineer programs related to the management of reservists serving on active duty in support of the reserve components.

Personnel and finance support of the reserve components

The committee is aware that there are separate, distinct personnel and finance systems for the reserve components. The committee is concerned that there do not appear to be efforts to standardize the reserve component personnel and finance systems with those used to manage the active forces. Separate, and many times incompatible, personnel and finance systems prohibit consolidation of active and reserve component records management, and require potentially unnecessary overhead and infrastructure. Therefore, the committee directs the Secretary of Defense, in conjunction with the military services and the reserve components, to conduct a comprehensive study of the personnel management and finance systems supporting the reserve components to determine the advisability and feasibility of standardizing the systems used by the reserve components with those used to manage and support the active forces. The committee directs the Secretary of Defense to report the results of this study, including any recommendations as to how to standardize and re- engineer reserve component personnel and finance systems, to the Committee on Armed Services of the

Senate and the National Security Committee of the House of Representatives not later than March 31, 1999.

Investigations of military deaths

The committee has been interested in improving the procedures and practices used by the criminal investigation agencies of the military departments when investigating the deaths of service members. In September 1996, on behalf of the committee, the Personnel Subcommittee held a hearing that examined the procedures and practices used by the criminal investigation agencies of the military departments during their investigations of military deaths that may have resulted from self-inflicted causes. Following the hearing, the subcommittee chairman sent letters to the service secretaries identifying the shortcomings and lessons learned during the hearing and requesting a report on each department's implementation of the recommended improvements. The subcommittee chairman has continued to meet with families of military personnel, whose death may have resulted from self- inflicted causes, to review the status of implementation of the suggested improvements. Additionally, the subcommittee chairman has written to the local law enforcement official in each case in which the family of a service member, whose death may have resulted from self-inflicted causes, requested review of their case. In each case, the subcommittee chairman has followed up to ensure that the local sheriff or chief of police reviewed the original investigation and provided an assessment of the facts of the case.

As a result of these activities, the committee believes the military departments and the criminal investigative services have improved the procedures and practices used to investigate military deaths and those governing support to the families. Still, there is work that should be done. The committee remains concerned about the use of psychological autopsies. The military departments must ensure that those who conduct a psychological autopsy are qualified to conduct such activities. The committee believes that the next of kin of the deceased should be permitted to review the report. The committee recommends that the secretaries of the military departments review the qualifications of the military criminal investigators to ensure that those assigned to these critical positions are sufficiently trained and have the maturity to conduct a detailed, fact-based investigation.

The committee directs the Secretary of Defense to review the policies, regulations, directives, and practices used by the military departments to describe the cause of death on the military equivalent of the death certificate. In cases in which the cause of death cannot be absolutely determined, the cause of death may be more appropriately listed as undetermined. Recently, the committee was surprised and disappointed that a military department determined the cause of death of a pilot to be suicide solely because they could not find another cause. Suicide, like homicide, should be determined as a result of evidence, not conjecture or as a matter of default when other causes cannot be determined.

The committee acknowledges the professional work of the Department of Defense Inspector General in conducting reviews of cases requested by families of military deaths that may have re-

sulted from self-inflicted causes. While many families remain skeptical of the fidelity and professionalism of the reviews, as well as the original investigation, the Inspector General has recommended important changes to policies and investigative procedures to the military departments. The committee continues to urge the secretaries of the military departments to implement the recommendations of the Department of Defense Inspector General.

Management of officers assigned to interagency and international billets

The committee notes that the report of the Quadrennial Defense Review and the report of the National Defense Panel stress the importance of extending the concept of jointness beyond the Department of Defense to other parts of the national security establishment and to our friends and allies abroad. The report of the National Defense Panel suggests creating an interagency cadre of professionals, similar in spirit to the joint experience envisioned by the Goldwater- Nichols Defense Reorganization Act, with staff in key positions within the national security structures. While the committee is not recommending extending joint duty credit for assignments to interagency and international billets, there may be a need to identify, train, and manage officers with experience in interagency and international assignments. The committee directs the Secretary of Defense to conduct a study of the advisability and feasibility of establishing a cadre of officers whose assignments and schooling would be managed so as to ensure a viable career track in which these officers would serve in interagency and international assignments. The committee directs the Secretary of Defense to report on the results of the study to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives not later than March 31, 1999.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

The committee addressed a number of pay, allowances, and other compensation issues. One of the committee's priorities this year was to continue to improve the quality of life for military personnel, their families, and retired service members and their families. The committee recommended a number of provisions that would significantly improve the quality of life and living conditions, and provide equitable compensation for military personnel to protect against inflation. The committee recommended an increase in basic military pay of 3.1 percent and an increase in the pay of service academy cadets and midshipmen. In general, the committee's recommendations reflect a commitment to enhancing quality of life and a concern for the welfare of military personnel and their families.

SUBTITLE A—PAY AND ALLOWANCES

Sec. 601. Increase in basic pay for fiscal year 1999.

The committee recommends a provision that would waive section 1009 of title 37, United States Code, and increase the rates of basic pay for members of the uniformed services by 3.1 percent. This increase would be effective January 1, 1999.

Sec. 602. Rate of pay for cadets and midshipmen at the service academies.

The committee recommends a provision that would increase the rate of pay for cadets and midshipmen at the service academies from $558.04 per month to $600.00 per month effective January 1, 1999.

Sec. 603. Payments for movements of household goods arranged by members.

The committee recommends a provision that would authorize the Departments of Defense, Health, and Transportation to provide members of the uniformed services with a reimbursement or monetary allowance in advance for the cost of transportation related to that member's baggage and household goods. The monetary allowance may be paid only if it results in an overall cost savings to the Government.

Sec. 604. Leave without pay for suspended academy cadets and midshipmen.

The committee recommends a provision that would authorize the superintendents of the military academies and the Coast Guard Academy to order a cadet or midshipman on involuntary leave without pay if the cadet or midshipman is pending separation from

the academy for misconduct, conduct deficiency, or honor violation while the separation is pending final approval. The recommended provision would permit a cadet or midshipman to be ordered on leave without pay as a disciplinary measure or if the cadet or midshipman is at home waiting to repeat a semester or academic year.

SUBTITLE B—BONUSES AND SPECIAL INCENTIVE PAYS

Sec. 611. Three-month extension of certain bonuses and special pay authorities for reserve forces.

The committee recommends a provision that would extend the authority to pay the special pay for critically short wartime health specialists in the Selected Reserve, the Selected Reserve reenlistment bonuses, the Selected Reserve enlistment bonuses, the special pay for enlisted members assigned to certain high priority units in the Selected Reserve, the Selected Reserve affiliation bonus, the Ready Reserve enlistment and reenlistment bonus, the repayment of loans for certain health professionals who serve in the Selected Reserve, and the prior service enlistment bonus until December 31, 1999.

Sec. 612. Three-month extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.

The committee recommends a provision that would extend the authority to pay certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists until December 31, 1999.

Sec. 613. Three-month extension of authorities relating to payment of other bonuses and special pays.

The committee recommends a provision that would extend the authority to pay the aviation officer retention bonus, the reenlistment bonus for active members, the enlistment bonuses for critical skills, the special pay for nuclear qualified officers who extend the period of active service, the nuclear career accession bonus, and the nuclear career annual incentive bonus until December 31, 1999.

Sec. 614. Eligibility of Reserves for selective reenlistment bonus when reenlisting or extending to perform active guard and reserve duty.

The committee recommends a provision that would authorize the secretary concerned to offer a reenlistment bonus to reserve component members who are on extended active duty in support of the reserves. The recommended provision would require these reserve component members on active duty in support of the reserves to meet the same criteria as regular component enlisted personnel to be eligible for a reenlistment bonus.

Sec. 615. Repeal of ten-percent limitation on payments of selective reenlistment bonuses in excess of $20,000.

The committee recommends a provision that would repeal the restriction limiting the number of selective reenlistment bonuses which exceed $20,000 paid during any fiscal year. Without the ten-

percent limit, the services may target existing bonus authorities at skills and in amounts dictated by their manning needs.

Sec. 616. Increase of maximum amount authorized for army enlistment bonus.

The committee recommends a provision that would increase the maximum amount authorized to be offered to a qualifying high school graduate who enlists in the Army for at least three years in designated skills from $4,000 to $6,000. The committee believes the recommended increase will permit the Army to target those military specialities where critical shortages exist.

Sec. 617. Education loan repayment program for health professions officers serving in Selected Reserve.

The committee recommends a provision that would modify the current education loan repayment program for health professions officers recruited to serve in the Selected Reserves by permitting the services to offer the program to a health professions student and would increase the loan repayment limit from $3,000 per year and a total of $20,000 to $20,000 per year and a total of $50,000.

Sec. 618. Increase in amount of basic educational assistance under all-volunteer force program for personnel with critically short skills or specialties.

The committee recommends a provision that would increase the amount authorized to be offered as part of the services' college fund programs. The recommended provision would permit the services to offer college fund programs not to exceed $50,000, an increase of $10,000.

Sec. 619. Relationship of entitlements to enlistment bonuses and benefits under the All-Volunteer Force Educational Assistance Program.

The committee recommends a provision that would authorize the services to offer both an enlistment bonus and a college fund program to prospective recruits in selected critically short specialities. Currently, recruits may be offered either the college fund or an enlistment bonus. As some critically short specialities are not being filled, the services requested authority to offer a combination of an enlistment bonus and a college fund program to attract qualified volunteers. The committee expects the services to be extremely selective when deciding which specialities would be open to this combination of enlistment incentives.

SUBTITLE C—TRAVEL AND TRANSPORTATION ALLOWANCES

Sec. 621. Travel and transportation for rest and recuperation in connection with contingency operations and other duty.

The committee recommends a provision that would authorize the secretary concerned to pay for commercial transportation, not to exceed the cost of government provided transportation, for leave travel of members assigned to overseas locations in contingency oper-

ations or at overseas locations where unusual conditions exist. Members could receive one round-trip during any period of service of at least six months, but less than 24 months.

Sec. 622. Payment for temporary storage of baggage of dependent student not taken on annual trip to overseas duty station of sponsor.

The committee recommends a provision that would authorize storage of a dependent student's unaccompanied baggage in lieu of shipping the baggage to the overseas duty station of the sponsor. When a student attending school in the United States returns to spend the summer with their family in an overseas location, they must ship their goods to the overseas location. The recommended provision would permit the baggage to be stored locally, which is less expensive than a round-trip overseas shipment.

Sec. 623. Commercial travel of Reserves at federal supply schedule rates for attendance at inactive duty training assemblies.

The committee recommends a provision that would authorize reservists traveling to and from their reserve unit drill site via commercial conveyance to purchase tickets at the official government rate. The committee notes that many reservists travel long distances to train with their reserve units. Travel to and from the reserve unit home station is the responsibility of the individual reservist. The recommended provision would enable these reservists to purchase commercial tickets at the government rate rather than full fare.

SUBTITLE D—RETIRED PAY, SURVIVOR BENEFITS, AND RELATED MATTERS

Sec. 631. Paid-up coverage under Survivor Benefit Plan.

The committee recommends a provision that would terminate Survivor Benefit Plan payments following 30 years of payments and attaining the age of 70. The committee believes that, once a retiree has paid Survivor Benefit Plan premiums for a minimum of thirty years and has reached 70 years of age, he or she has met the actuarial obligation to support any benefit which may accrue to his or her beneficiary. The recommended provision returns the Survivor Benefit Plan subsidy to an appropriate level without detracting from current efforts to balance the federal budget by fiscal year 2002.

Sec. 632. Court-required Survivor Benefit Plan coverage effectuated through elections and deemed elections.

The committee recommends a provision that would make spousal coverage under the Survivor Benefit Plan (SBP), directed as a result of court order or spousal agreement, consistent with an election deemed to have been made by the retired service member and the coverage effective on the first day of the first month after the date of the court order or spousal agreement. Under current law, the retired service member may wait up to one year to request SBP coverage directed as the result of a court order or spousal agree-

ment, thus avoiding contributing for one year. The recommended provision would make the effective date of the coverage the next month after the spousal agreement or court order.

Sec. 633. Recovery, care, and disposition of remains of medically retired member who dies during hospitalization that begins while on active duty.

The committee recommends a provision that would provide for the recovery, care, and disposition of remains of members who die in a hospital after having been medically retired from active duty by reason of an injury, illness, or disease incurred while on active duty. When a service member is severely injured or is near death as a result of an illness or disease, the services medically retire the individual in order to provide the surviving family members the maximum benefits. The recommended provision would permit the services to recover, prepare, and transport the remains of the deceased service member as if the member had died on active duty.

SUBTITLE E—OTHER MATTERS

Sec. 641. Definition of possessions of the United States for pay and allowances purposes.

The committee recommends a provision that would remove the Canal Zone from the list of possessions in title 37, United States Code, for purposes of statutes related to military pay and allowances.

Sec. 642. Federal employees' compensation coverage for students participating in certain officer candidate programs.

The committee recommends a provision that would provide medical coverage to college students participating in a Senior Reserve Officers' Training program or the Marine Corps Platoon Leaders Course who are injured or become ill while attending training on orders. Medical coverage would be provided for injury or illness even if incurred during non-duty hours, provided the injury or illness is determined to be in the line of duty, as prescribed by service regulations.

Sec. 643. Authority to provide financial assistance for education of certain defense dependents overseas.

The committee recommends a provision that would authorize the Secretary of Defense to provide financial assistance to sponsors of dependents in overseas areas in which the Department of Defense does not operate schools. Currently, when Department of Defense personnel are assigned to duties in overseas areas in which the Department of Defense does not operate a school, the Department of Defense has contracted with a local school that meets standards similar to those of the Department of Defense schools. The recommended provision would permit the Secretary of Defense to pay the sponsor an allowance equal to the amount that would have been expended through the contract. The sponsor would then be able to send their dependents to the school of their choice.

OTHER ITEMS OF INTEREST

Accrual funding of military retirement

The committee notes that a recent Rand study suggests that the military retirement accounts be funded based on weighted retirement propensity estimates in lieu of the current flat accural rate. In addition, the Rand report suggests that the Secretary of Defense and the Secretary of the Treasury establish procedures under which the Department of Defense shares in any windfalls resulting from actuarial gains in the military retirement fund potentially be used to reduce outlays from the Department of Defense. The committee has received testimony from a number of Department of Defense witnesses, including the Secretary of Defense and the Chairman of the Joint Chiefs of Staff, citing the importance of military retirement to recruiting and retention. As the Department reviews proposals to reshape military retirement or the possibility of creating a plan similar to a 401(k) for military personnel, consideration should be given to the suggestions in the Rand study. If it is determined that the suggestions in the Rand study have merit and could be implemented, the resultant savings may be sufficient to off-set the costs of a re-engineered military retirement benefit or establishment of a plan similar to a 401(k).

Computation of retired pay for certain service members

The committee is concerned about arguments presented in a recent general court-martial with regard to the computation of retired pay for former Chairmen and Vice Chairmen of the Joint Chiefs of Staff, former chiefs of a service, and former senior enlisted advisors of a service. The committee holds that the intent of the Congress when enacting section 1406(i) of title 10, United States Code, was to protect the retired pay of former Chairmen and Vice Chairmen of the Joint Chiefs of Staff, former service chiefs, and former senior enlisted advisors of a service if they served honorably in another position on active duty subsequent to their service in the designated position. The Congress did not intend for this provision to be used to compute the retired pay of an individual serving in one of the designated positions who was subsequently reduced in grade by sentence of a court-martial or non-judicial punishment, or who was determined by the service secretary not to have served satisfactorily in a given grade. The committee does not find the several sections of title 10, United States Code, pertaining to computation of retired pay to be ambiguous nor in conflict. The committee finds that the intent of Congress when enacting section 1406(i) was to protect the retired pay of those senior enlisted personnel and officers who performed good and faithful service in an honorable manner after having served in one of the designated positions.

TITLE VII—HEALTH CARE

The committee addressed a number of health care issues. One of the committee's priorities this year was to continue to improve the quality of life for military personnel, their families, and retired service members and their families. The committee views health care as an important aspect of quality of life. The committee held a hearing related to military medical readiness and health care delivery to beneficiaries of the Military Health Care System. The committee recommended a series of three demonstration projects to assess the most cost-effective method to provide health care to Medicare-eligible beneficiaries of the Military Health Care System. The committee remains committed to full implementation of TRICARE, and in general, the committee's recommendations reflect a commitment to enhancing quality of life and concern for the welfare of military personnel and their families.

Sec. 701. Dependents' dental program.

The committee recommends a provision that would establish an index under which the individual's monthly premium for the dependent dental plan could increase. Currently, the member's premium is fixed at $20.00 per month. As inflation increases the cost of the total premium, the government portion of the total premium would increase. The recommended provision limits the percent by which the member's premium may increase not to exceed the percentage of the annual pay raise.

Sec. 702. Extension of authority for use of personal services contracts for provision of health care at military entrance processing stations and elsewhere outside medical treatment facilities.

The committee recommends a provision that would extend the coverage of contract physicians by the same malpractice litigation rules as other Department of Defense health care providers. In addition, the recommended provision would extend the authority of the Secretary of Defense to provide reasonable attorney's fees in any litigation in which government attorneys do not provide representation. The current authorities expire on November 18, 1998, one year from date of enactment of the National Defense Authorization Act for Fiscal Year 1998. The recommended provision would extend the expiration date to June 30, 1999.

The committee notes that section 736 of the National Defense Authorization Act for Fiscal Year 1998 requires the Secretary of Defense to submit a report on the feasible alternative means for performing the medical screening examinations that are routinely performed at Military Entrance Processing Stations, not later than March 31, 1998. The Secretary has not submitted the required report. The committee recommends a short-term extension of the au-

thorities to permit the Secretary of Defense to complete the required report and submit it to the Congress for review.

Sec. 703. TRICARE Prime automatic enrollments and retiree payment options.

The committee recommends a provision that would authorize the Secretary of Defense to automatically enroll dependents of service members in the grade of E–4 and below in TRICARE Prime and would permit automatic re-enrollment for the dependents of any service member who is enrolled in TRICARE Prime. The provision would also permit retired service members to have any fees associated with enrollment in TRICARE to be paid through an allotment from their retired pay or via electronic funds transfer from a financial institution. The committee believes these three initiatives will streamline and simplify enrollment in TRICARE Prime and will reduce costs to the Department of Defense.

Sec. 704. Limited continued CHAMPUS coverage for persons unaware of a loss of CHAMPUS coverage resulting from eligibility for medicare.

The committee recommends a provision that would give the Secretary of Defense the authority to waive the requirement to purchase Medicare Part B coverage for those beneficiaries who were unaware of the loss of CHAMPUS eligibility. This authority would exist for the period October 1, 1998 through July 1, 1999.

Sec. 705. Enhanced Department of Defense organ and tissue donor program.

The committee recommends a provision that would require the Secretary of Defense, the secretaries of the military departments, and the Surgeons General to take a number of steps intended to enhance the Department's ability to support organ and tissue donor elections made by service members.

Organ and tissue transplantation is one of the most remarkable medical success stories in the history of medicine. The committee commends the significant efforts the Department of Defense has made in increasing the awareness of the importance of organ and tissue donations among members of the armed forces. The inclusion of organ and tissue donor elections in the Defense Enrollment Eligibility Reporting System (DEERS) central database via the Real-time Automated Personnel Identification System (RAPIDS) represents a major step in ensuring that organ and tissue donor elections are a matter of record and are accessible in a timely manner.

The committee believes that the Department can and should ensure that training, medical logistical support, and developing technology for personal data systems incorporate consideration of organ and tissue donation programs and actions.

Sec. 706. Joint Department of Defense and Department of Veterans Affairs reviews relating to interdepartmental cooperation in the delivery of medical care.

The committee recommends a provision that would require the Secretary of Defense and the Secretary of Veterans Affairs to conduct a joint survey of their respective beneficiary populations to

identify, by category of individual, the expectations of, requirements for, and behavior patterns regarding medical care among those beneficiary categories. This collaborative effort would be developed jointly but be administered by an independent entity. Additionally, this provision would require the Secretaries of Defense and Veterans Affairs to review all applicable statutes, regulations, policies and beneficiary attitudes which may preclude or limit cooperative health care programs, including the sharing of facilities and other resources, between the Department of Defense and the Department of Veterans Affairs (VA).

The Military Health System (MHS), the health care system of the Department of Defense (DOD), and the Veterans Health Administration of the Department of Veterans Affairs are well established institutions that collectively manage over 1500 hospitals, clinics, and health care facilities world-wide to provide services to over 11 million beneficiaries. Overseeing these systems requires a well-planned and executed effort.

During the Cold War, the MHS was designed to support full-scale, extremely violent war with the Soviet Union and its allies in Europe. The collapse of the Soviet Union and the end of the Warsaw Pact led to major reassessment of the U.S. defense policy. The overall size of the active duty force has been reduced by one-third since the mid-1980s. In the last decade, the number of military medical personnel has declined by 15 percent and the number of military hospitals has been reduced by one-third. Nationwide changes in the practice of medicine have also affected the MHS. The National Defense Authorization Act for Fiscal Year 1994 directed DOD to prescribe and implement a nationwide managed health care benefit program modeled on health maintenance organization plans and, in 1995, beneficiaries began enrolling in TRICARE.

Veterans Affairs is also a system in transition. In the past two years, the VA has replaced its structure of four regions, 33 networks, and hundreds of clinics with a new system geared to decentralizing authority into 22 Veterans Integrated Service Networks. The purpose of the reorganization was to improve the access, quality and efficiency of care provided to the nation's veterans. The hallmark of the network structure is a decentralization of control over functions previously held in Washington.

The Veterans Administration and Department of Defense Health Resources Sharing and Emergency Operations Act (Public Law 97–174) was enacted in 1982 to promote cost-effective use of federal health care resources by minimizing duplication and under use of health care resources while benefitting both VA and DOD beneficiaries. VA and DOD pursue programs of cooperation ranging from shared services to joint venture operations of medical facilities. In 1984, there was a combined total of 102 VA and DOD facilities with sharing agreements. By 1997, that number had grown to 420. In five years, between fiscal year 1992 and fiscal year 1997, shared services increased from slightly over 3,000 to more than 6,000 services, ranging from major medical and surgical services, laundry, blood, and laboratory services to unusual speciality care services.

As an initiative of the DOD/VA Executive Council, there is an ongoing Joint Partnering Study regarding the cost and feasibility of integrating all or part of the DOD and VA medical treatment provided. This study will provide an assessment of whether improved geographical access to facilities would result in an expanded number of facilities available to beneficiaries and the impact on utilization rates at facilities and related costs or savings that may result from economies of scale.

There are numerous ongoing efforts by the DOD/VA Executive Council to increase the accessibility to patient information through the use of computerized information. The Computerized Patient Record is a collaborative effort by DOD and VA that would provide immediate access to patient records at treatment centers/facilities. Joint Separation Physicals and Pharmacy Program Management are other areas in which much work has been done to increase cooperative efforts that add value to the benefits provided. The committee believes there is room for continued enhancement of cooperative efforts between DOD and VA. However, there is also a need to review statutory requirements, regulations, and local policies that may preclude increased cooperation and/or integration of resources.

The committee views the recommended provision as an indication of the committee's commitment to the health of the entire military family: veteran, active duty, reserve, retiree, and dependent. This provision is also an important step in furthering the idea of DOD/VA cooperative efforts.

Sec. 707. Demonstration projects to provide health care to certain medicare-eligible beneficiaries of the military health care system.

The committee recommends a provision that would authorize the Secretary of Defense to conduct three health care demonstration projects in order to assess the feasibility and advisability of providing health care to certain Medicare- eligible beneficiaries of the Military Health Care System. The demonstrations would begin not later than January 1, 2000 and end not later than December 31, 2003.

The recommended provision would authorize one demonstration project in which Medicare-eligible beneficiaries of the Military Health Care System would participate in the Federal Employees Health Benefits Program with the Department of Defense paying the usual employer portion of the premiums. A second demonstration project would create a TRICARE Senior Supplement program in which Medicare-eligible beneficiaries of the Military Health Care System could enroll. The TRICARE Senior Supplement would require a modest premium and would be similar in function to a commercial Medicare supplement insurance policy. The third demonstration would extend the TRICARE mail order pharmacy benefit to Medicare-eligible beneficiaries of the Military Health Care System.

The Secretary of Defense would be required to identify six demonstration sites outside the catchment area of a military treatment facility, two for each demonstration. Sites where the Medicare subvention demonstration is being conducted may not be selected for

these three demonstrations. All participants must be Medicare eligible and participate in Medicare Part B.

The recommended provision would require the Secretary of Defense to provide for an evaluation of the demonstration projects by an agency independent of the Department of Defense. The final report of the independent evaluation would be submitted to the Congress not later than December 31, 2003. Following completion of the independent evaluation, the Comptroller General shall review the evaluation and report the results of this review to the Congress not later than February 15, 2004.

The committee recognizes the need to address the commitment to provide health care to Medicare-eligible beneficiaries of the Military Health Care System. While addressing this need, the committee recognizes that fiscal resources are finite and that costs of any such health care program must be controlled. The committee believes that these three demonstration programs, in conjunction with the ongoing Medicare subvention demonstration program, can provide a valuable information on cost, ability to satisfy the health care requirements of Medicare-eligible beneficiaries of the Military Health Care System, the impact, if any, on military medical readiness, and permit the Congress and the Secretary of Defense to collectively develop a model to provide adequate health care services to Medicare-eligible beneficiaries of the Military Health Care System.

OTHER ITEMS OF INTEREST

Auto-destruct syringes

The committee notes that several manufacturers are producing auto-destruct syringes, that is, single-use syringes which by design will not function a second time. The per-unit price of these syringes is not measurably higher than that of disposable syringes that may be used more than once. When including the potential costs of treating diseases caused by multiple use of syringes, an auto-destruct disposable syringe may be significantly cheaper. While the greatest potential for savings from using a single-use, auto-destruct syringe may be in organizations serving underdeveloped areas of the world, the committee urges the Secretary of Defense to investigate the capabilities and costs of auto-destruct syringes as a medical force protection initiative. The highest potential value for auto-destruct syringes may be in the medical equipment provided to special operations forces and field medical kits. Medical personnel accompanying special operations forces and field combat units may use a syringe and discard it at the scene of the emergency. If the syringe can be used again, it may be recovered by a service member or a local national and become a source for disease transmission. In addition, when U.S. forces are deployed on humanitarian relief or rescue missions, auto-destruct syringes may provide additional protection since used auto-destruct syringes cannot be pilfered and re-used.

Health care fraud

The committee is concerned that health care fraud burdens the Department of Defense (DOD) with significant financial loss, and

may threaten the quality of health care delivered. The annual loss to DOD through its health benefits programs is estimated to be $600.0 million to $1.2 billion. DOD health care fraud detection and investigation activities have not gained the national attention and additional resources from which Medicare and Medicaid anti-fraud activities have benefited.

The committee directs the Controller General of the United States to study and provide a report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives on the extent of health care fraud within the military health care system and the status of health care anti-fraud initiatives within DOD. The required report should include recommendations for initiatives and incentives that could enhance continued anti-fraud efforts within DOD.

Hepatitis C testing

The committee understands that the incidence of service-connected hepatitis C infection may be increasing. The committee directs the Secretary of Defense to study the extent of service-connected hepatitis C infection, to include the advisability and feasibility of including an antibody or antigen test sufficient to detect hepatitis C virus during separation and retirement physicals. Such tests could increase the cost of separation and retirement physicals. However, early detection of hepatitis C may reduce costs to the Department of Defense and the Department of Veterans Affairs by reducing the rate of serious liver disease. Additionally, an individual identified as infected with hepatitis C would understand that he or she should not donate blood, thus assisting in maintaining a safe blood supply. The committee directs the Secretary of Defense to report the results of the study to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives not later than March 31, 1999.

The Psychopharmacology Demonstration Project

The Psychopharmacology Demonstration Project (PDP) was funded by Congress in 1991 to train military psychologists in the prescription of psychotropic medications, pursuant to section 8097 of the Department of Defense Appropriations Act for Fiscal Year 1992. The committee understands that ten military psychologists successfully completed this training prior to termination of the program. The committee directs the Comptroller General to conduct a study to determine the extent to which these health providers have been integrated into the Military Health System, to include the quality of care provided to military personnel and their beneficiaries, contributions of these providers to cost effectiveness, and their impact on medical readiness.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

The committee recommends several provisions to improve the acquisition process in the Department of Defense. These provisions represent the strong interest of the committee in continuing acquisition management reform while ensuring the preservation of essential safeguards in the acquisition process.

Sec. 801. Para-aramid fibers and yarns.

The committee recommends a provision that would authorize the Secretary of Defense to procure articles containing para-aramid fibers and yarns manufactured in a foreign country that is a party to defense memorandum of understanding, if such country allows U.S. manufacturers of that product to compete for sales to that foreign country. The committee intends this legislation to restore the ability of a foreign manufacturer to be a qualified Department of Defense (DOD) supplier of para-aramid fibers and yarns, a basic component of certain military equipment, such as combat helmets, body armor, and aircrew survival equipment. This authority will improve warfighting capability by ensuring competition on price and delivery and DOD access to technological innovation applicable to these products.

Sec. 802. Procurement of travel services for official and unofficial travel under one contract.

The committee recommends a provision that would allow the procurement of travel services under one contract for both official and unofficial travel. By procuring all travel services under a single process, the Department of Defense will be able to garner savings and gain efficiencies. The provision would also clarify the ability of the Department of Defense to deposit fees generated by unofficial travel sales into nonappropriated fund accounts. The Secretary of Defense is expected to implement sufficient regulations to ensure the proper accounting between appropriated and nonappropriated funds.

Sec. 803. Limitation on use of price preference upon attainment of contract goal for small and disadvantaged businesses.

Section 2323 of title 10, United States Code, requires that the Secretary of Defense attempt to obligate five percent of the total amount of funding for research and development, procurement, operations and maintenance, and military construction for contracts and subcontracts with small and disadvantaged businesses, historically Black colleges and universities, and minority institutions. Through its aggressive efforts the Department of Defense (DOD) has exceeded this goal for each year since fiscal year 1992. Figures

for fiscal year 1997 indicate that the combined percentages for prime and subcontract awards were over nine percent of total prime and subcontract expenditures for the Department.

One of the tools available to the DOD within this program is the authority to pay up to 10 percent above fair market cost per contract for contractors or subcontractors who meet the preference criteria. DOD expenditures for the cost of preference payments average approximately $7.5 million per year. The committee believes that such an expenditure in fiscal year 1999 would be unnecessary since the Department appears to be awarding contracts for values far in excess of the statutory objective. Therefore, the committee again recommends a provision that would condition the use of section 2323 price preference criteria on the failure of DOD to achieve the goal in the prior fiscal year.

Sec. 804. Distribution of assistance under the Procurement Technical Assistance Cooperative Agreement Program.

The committee recommends a technical amendment to sections 2413 and 2415 of title 10, United States Code, to recognize the change in the Department of Defense contract administration structure.

Sec. 805. Defense Commercial Pricing Management Improvement Act.

On March 18, 1998, the Subcommittee on Acquisition and Technology conducted a hearing to review the status of acquisition reform efforts in the Department of Defense. The subcommittee received testimony from the Inspector General (IG), the General Accounting Office, the Under Secretary of Defense for Acquisition and Technology, and representatives from the military departments and the Defense Logistics Agency. Some of the issues reviewed at the hearing were related to the problems in commercial spare parts procurement presented in two IG reports and in the preliminary results of recent work by the General Accounting Office (GAO).

The IG presented a number of examples in which the Defense Logistics Agency paid increases over previous prices on commercial parts, by as much as 1,430 to 13,163 percent. The price increases appear to have reflected no additional value to the government. The higher prices represented undiscounted or marginally discounted catalog prices for items that the Department of Defense had earlier purchased using cost-based pricing or through the use of competitive procedures. The IG audits indicated that the contractors involved did not violate any laws or regulations, but that: "DOD procurement approaches were poorly conceived, badly coordinated and did not result in the government getting good value for the prices paid for both commercial and non-commercial items." The IG also asserted that the Defense Logistics Agency recognized the importance of the audit findings and moved quickly to take corrective action.

The Department of Defense has officially characterized the cases uncovered in the IG audits as "rare and isolated" and not reflective of the broader results of recent acquisition reform. The committee agrees that acquisition reform efforts by Congress and the Department of Defense have resulted in savings of hundreds of millions

of dollars and, just as importantly, have provided DOD with more rapid access to leading edge commercial technology. Although testimony by the GAO indicates that of the non-competitive spare parts purchases that involve commercial pricing problems is relatively small ($2.7 billion of a total of over $100 billion of DOD contracting dollars in fiscal year 1997), the instances of pricing abuses raised in the two IG audits are widespread enough to raise concerns.

There are several root causes of the current pricing difficulties. The acquisition workforce has been reduced by over 40 percent since the early 1990's. In the process of the downsizing, the personnel in many buying activities have experienced consolidation and physical relocation. At the same time, acquisition personnel are being required to transition from using cost-based, rigid procurement procedures to a more flexible commercial pricing environment where a variety of methods must be used to determine price reasonableness without recourse to certified cost or pricing data.

The committee does not believe that recent revelations concerning spare parts prices justify a retreat from the acquisition reform principles established in the Federal Acquisition Streamlining Act of 1994 and the Federal Acquisition Reform Act of 1996. Attempts to amend these laws as a means of eliminating any potential abuses could prevent the government from having access to increasingly important commercial technologies and from benefiting from commercial technology development cycles.

The committee is persuaded that the Department of Defense has sufficient regulatory and administrative authority to allow defense acquisition personnel to respond effectively to the new commercial procurement environment. The committee believes, however, that the evidence suggests that the Department of Defense should address commercial pricing procedures in a systematic manner and not in an isolated fashion. Accordingly, the committee recommends a provision, the Defense Commercial Pricing Management Improvement Act, that would require the Secretary of Defense to take administrative and regulatory actions to address a number of commercial pricing issues.

The provision would require the secretary to promulgate regulations to provide guidelines that would ensure price reasonableness in sole-source commercial item purchases. The secretary would also be required to clarify issues, such as the use of uncertified cost and pricing data and information on prices previously paid for similar items. The committee recognizes that there is a broad range of methods and sources for determining price reasonableness, only some of which may be appropriate to a given item. The committee is concerned that current regulations and guidance do not provide adequate direction for the government buyer.

The provision would also require the secretary to establish procedures to ensure that, to the maximum extent practicable, sole-source spare parts purchases are negotiated through corporate contracts by single contracting officers or item managers to ensure that the government receives maximum leverage for the size of its purchases and to ensure that catalog discount issues and price reasonableness determinations are not treated in an isolated or piecemeal fashion. Finally, the provision would require the Secretary of Defense to establish a system for tracking price trends in spare

parts in order to isolate categories of items that require further management attention. The provision would provide the Secretary of Defense with the discretion to set up such a system in a manner that would ensure minimal burden on the acquisition system and proper management.

The committee is aware that the IG intends to issue another audit report related to these issues, and the committee has asked the GAO to expand its work to review commercial practices with respect to pricing. The committee views the results of the recent audits as serious and intends to continue intensive oversight in this area.

Sec. 806. Department of Defense purchases through other agencies.

The committee recommends a provision that would require the Secretary of Defense to revise regulations issued pursuant to Section 844 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) to cover all purchases of goods and services by the Department of Defense under so-called "multiple award task order and delivery order contracts" entered into or administered by any other agency. Congress authorized multiple award task order and delivery order contracts in the Federal Acquisition Streamlining Act to address the lack of competition in traditional, single-award task order and delivery order contracts. However, the General Accounting Office (GAO) testified before the Acquisition and Technology Subcommittee that some officials may be using multiple award task order and delivery order contracts to avoid competition.

The committee is concerned by the preliminary findings of GAO's review. According to GAO:

> One agency issued a high proportion—64 percent—of orders on a sole-source basis. This multiple award contract has a potential value of over a billion dollars. In another multiple award contract having the potential to exceed several billion dollars, agency announcements of planned orders identify "recommended" firms specifically invited to submit proposals. This practice has resulted in just one proposal being received on most orders.

GAO also reported that at least one agency has charged that there appear to be discriminatory fees for orders placed by outside agencies, including the Department of Defense. The committee directs the Department of Defense Inspector General to determine whether discriminatory fees were charged as indicated by the Comptroller General, and if so, whether any refund may be due the Department.

The committee expects that the regulations required by the recommended provision would help avoid misuse by permitting Department of Defense officials to place orders under multiple award task order and delivery order contracts with other agencies only when there is a legitimate reason to do so. That approach would be consistent with regulations already in place to address interagency purchases under the Economy Act.

A number of industry representatives have also expressed concerns about the implementation of multiple award task order and delivery order contracts. The committee intends to review carefully the issues involved with the use of this authority over the next year.

Sec. 807. Supervision of Defense Acquisition University structure by Under Secretary of Defense for Acquisition and Technology.

The committee is aware of recent efforts within the Department of Defense to reorganize the management of higher education within the Department under a chancellor for education and professional development, with a goal of full accreditation for all such higher education programs by January 1, 2000. The committee supports this management initiative as it relates to the defense acquisition workforce, but believes that the Under Secretary of Defense for Acquisition and Technology should retain certain policy responsibilities for the defense acquisition university component of the Department of Defense higher education system. The committee, therefore, recommends a provision that would specify that the responsibility for the establishment of policy and requirements for educational programs of the defense acquisition university be vested in the Under Secretary of Defense for Acquisition and Technology.

Sec. 808. Repeal of requirement for Director of Acquisition Education, Training, and Career Development to be within the Office of the Under Secretary of Defense for Acquisition and Technology.

The committee recognizes the recent Department of Defense efforts to restructure the management of higher education programs for the defense acquisition workforce. The committee recommends a provision that would remove the requirement that the director of acquisition education, training, and career development be appointed within the office of the Under Secretary of Defense for Acquisition and Technology.

Sec. 809. Eligibility of involuntarily downgraded employee for membership in an acquisition corps.

The organizations that manage and administer the acquisition of goods and services for the Department of Defense and the armed services are undergoing significant restructuring in an attempt to streamline the acquisition process. As a result of base closure actions or reductions in force, individuals in the defense acquisition workforce have been downgraded. In recognition of these circumstances, the committee recommends a provision that would preserve membership in the defense acquisition corps for an employee who previously served within grade GS–13 or above and was downgraded to grade GS–12 or below through a reduction in force action, a base closure, or similar reason other than for cause. The committee directs the Secretary of Defense to report to the congressional defense committees, no later than March 1, 2000, on the number of employees within each grade below GS–13 by grade for

whom this authority was used to preserve membership in the defense acquisition corps.

Sec. 810. Pilot programs for testing program manager performance of product support oversight responsibilities for life cycle of acquisition programs.

In the report submitted in response to section 912 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85), the Secretary of Defense indicated his intention to require the secretaries of the military departments to designate at least 10 programs with significant associated large operations and support costs. The program managers of these programs would be required to ensure that the product support functions are properly carried out over the entire program life cycle.

The committee believes that this is an important initiative which will begin to address a long-standing management problem. According to the report provided to the committee by the Secretary:

> In today's environment, most Program Executive Officers (PEOs) and Program Managers (PMs) have direct responsibility and control of funding for development and fielding weapon systems and equipment. Once the system or equipment is fielded, the PM retains overall responsibility for the system or equipment, but loses control of significant portions of the funding required for support. This practice results in much higher life-cycle costs than should be the case, because the PEO and PM have no incentive to take action, during development or modification of the systems, to design into equipment features that will improve the reliability and maintainability of the fielded system, and it divides responsibility for system support among many agencies.

The committee agrees with this assessment and recommends a provision that would require the Secretary of Defense to designate 10 programs for which the program manager will be made responsible for the life cycle cost issues through the life of the program. The Secretary would be required to report, no later than February 1, 1999, to the congressional defense committees on the 10 programs and to include any policy, regulatory, organizational, or legislative changes that would be required to fully implement this new approach to life cycle cost management.

Sec. 811. Scope of protection of certain information from disclosure.

The committee recommends a provision that would amend section 2371 of title 10, United States Code, to clarify that certain information submitted by outside parties in cooperative agreements for basic, applied, and advanced research are protected from disclosure under section 552 of title 5, United States Code.

OTHER ITEMS OF INTEREST

Defense capability preservation agreement

The committee is aware that the Army has received a proposal for the establishment of a defense capability agreement for the operations at an ammunition plant similar to that authorized for the shipbuilding industry in section 808 of the National Defense Authorization Act for Fiscal Year 1996, as amended. This proposal has been offered as a means to encourage commercial use of the facility through the use of dual overhead rates. The committee directs the Secretary of the Army to review this proposal carefully and to provide a report to the congressional defense committees, no later than October 31, 1998, on the feasibility and desirability of entering into such an agreement. If it is determined that the agreement is desirable, the Secretary should recommend legislation to authorize the Army to enter into such an agreement.

Item-by-item waivers to domestic preference requirements

Section 811 of the National Defense Authorization Act for Fiscal Year 1998 authorized the Secretary of Defense to waive the so-called domestic preference requirements in Section 2534 of Title 10 on an item-by-item, country-by-country basis.

The committee supports the waiver of these domestic preference requirements in appropriate circumstances and urges the Department to make full use of the new authority. Domestic preference restrictions impair competition for Department of Defense contracts and may result in higher prices to the taxpayer. In some cases, these preferences may also impede our ability to compete for contracts in other countries.

The appropriate implementation of Section 811 waivers should enable the Department of Defense to procure the best defense equipment for the men and women in uniform at the best price for the taxpayer and enhance our warfighting ability. It should also help improve our relations with longstanding trade partners, helping U.S. businesses in the long-term.

The committee is concerned by the apparent failure of the Department of Defense to implement this provision in an effective manner. It is the committee's understanding that, to date, no waivers have been issued pursuant to Section 811. Moreover, the initial implementing regulations issued by the Department of Defense appear to narrow the applicability of the waivers to subcontracts.

It was the committee's intent that waivers extend to all subcontracts and options entered into after the effective date of a waiver, regardless when the prime contract may have been entered. The committee urges the Department to implement this provision in the manner in which it was intended.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Reduction in number of Assistant Secretary of Defense positions.

The committee recommends a provision that would codify the reductions in the number of assistant secretaries of defense announced by the Secretary of Defense as part of the Defense Reform Initiative. Specifically, the recommended provision would reduce the number of assistant secretaries of defense from 10 to nine.

Sec. 902. Renaming of position of Assistant Secretary of Defense for Command, Control, Communications, and Intelligence.

The committee recommends a provision that would amend section 138(b)(3) of title 10, United States Code, to change the name of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD-C3I).

The Secretary of Defense has recently announced a number of significant organizational changes to the Office of the Secretary of Defense pursuant to the Defense Reform Initiative. Among these changes is a significant modification of the office of the ASD-C3I. As a result, the current title no longer describes the full range of responsibilities of this office, nor adequately identifies its functional priorities. The committee endorses the new title—"Assistant Secretary of Defense for Space and Information Superiority".

The committee had been concerned that the term "space" would not appear in the revised title of the ASD-C3I. As the "single focal point for space" in the Department of Defense, this would have been a serious omission that would have sent a negative and misleading message. The committee notes that, although there are significant areas of overlap between "information superiority" and "space", the two areas also have many unique aspects that deserve significant focused attention. Therefore, the committee strongly endorses the Secretary's decision to include the term "space" in the revised title of this important position.

The committee notes that the Assistant Secretary for Space and Information Superiority will be responsible for some of the most critical issues facing the Department of Defense, including space policy, information assurance, information operations, intelligence policy, command, control, communications, surveillance, reconnaissance, the "year 2000" problem, and electromagnetic spectrum issues. The committee believes that one of the most significant challenges facing the Assistant Secretary will be the integration and mutual leveraging of the various elements that he will supervise. The committee looks forward to maintaining a close and constructive relationship with the Assistant Secretary of Defense for Space and Information Superiority.

Sec. 903. Authority to expand the National Defense University.

The committee recommends a provision that would permit the Secretary of Defense to designate, as he considers appropriate, educational institutions of the Department of Defense as institutions of the National Defense University.

Sec. 904. Reduction in Department of Defense headquarters staff.

The committee recommends a provision that would codify the reductions in the Department of Defense headquarters staff announced by the Secretary of Defense as part of the Defense Reform Initiative. Specifically, the recommended provision would require the Office of the Secretary of Defense to reduce by 33 percent, defense agencies to reduce by 21 percent, Department of Defense field activities to reduce by 36 percent, the Joint Staff to reduce by 29 percent, the headquarters of the combatant commands and associated activities to reduce by seven percent, and other headquarters elements, including the headquarters of the military departments and their major commands and associated activities to reduce by 29 percent. The recommended provision would require the Secretary of Defense to submit, not later than March 1, 1999, a plan to implement the directed personnel reductions.

Sec. 905. Permanent requirement for quadrennial defense review.

The committee recommends a provision that make permanent the requirement contained in the National Defense Authorization Act for Fiscal Year 1997, for the Secretary of Defense to conduct a Quadrennial Defense Review (QDR) at the beginning of each new administration with a view toward determining and expressing the defense strategy of the United States and establishing a revised defense plan for the ensuing 10 and 20 years.

The provision would also require the Secretary of Defense of the preceding administration to appoint a National Defense Panel (NDP) that would conduct a comprehensive assessment of the defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies, with a view toward recommending a defense strategy and a revised defense plan for the ensuing 10 and 20 years. The panel would submit a report to the Secretary of Defense, the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives, that would outline the results of its assessment approximately one month prior to the inauguration of the new administration. This would allow the new administration to consider the recommendations of the NDP prior to the QDR.

Sec. 906. Management reform for research, development, test, and evaluation.

The committee recommends a provision that would require the Secretary of Defense to submit to the congressional defense committees a comprehensive cross-service analysis of the Department of Defense laboratories and test and evaluation centers and an ac-

tion plan for restructuring and revitalization of these laboratories and centers. This action plan should be designed to reduce duplication through consolidation of areas and functions into lead or Executive services, and should reengineer management processes of the laboratories and test and evaluation centers in order to increase operational efficiency.

The provision recommended by the committee would require the Department to address a number of related issues. These include: (1) expanded use of the federated lab concept that allows for partnership arrangements with leading edge laboratories in industry, academia, and other Federal agencies; (2) the benefits of bringing test ranges and test facilities together under a single management structure; (3) the feasibility of an investment strategy that focuses modernization and productivity resources in a rational manner to reduce redundancy and duplication; (4) steps that can be taken, through personnel demonstrations and pilot projects or otherwise, to enhance the Department's ability to compete with the private sector for talented younger scientists and engineers for junior (GS–12 and below) positions in the laboratories and centers; and (5) the creation of an appropriate vehicle for the dissemination of information about successful management initiatives among the laboratories and centers. The action plan should include a specific schedule for implementing proposed reforms and an estimate of the cost savings that are likely to result.

The committee is also concerned that the differing accounting processes of the three military services make it difficult to provide an across-the-board comparison of the laboratories and centers, and reach cost-effective solutions to cross-agency problems. To address this problem, the provision would require the Secretary to provide the congressional defense committees a plan and schedule for establishing a cost-based management information system to allow the accurate comparison of costs of operating defense laboratories and test and evaluation centers across the services. The secretary's report should specifically address the feasibility of establishing a revolving fund for the laboratories and centers.

Sec. 907. Restructuring of administration of Fisher Houses.

The committee recommends a provision that would repeal section 2221 of title 10, United States Code, and direct the secretaries of the military departments to establish a nonappropriated fund as the single source of funding to operate, maintain, and improve the Fisher Houses and Fisher Suites, and to close each Fisher House Trust Fund and transfer the amounts in the Treasury fund to the nonappropriated fund. All future fees, monetary donations, proceeds from the sale of property, gifts and grants would be deposited in the newly established nonappropriated fund. The recommended provision would require the secretaries of the military departments to submit an annual report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives not later than January 15th of each year. The required report would include the amount in the fund as of October 1 of the previous year, all deposits and disbursements from the fund during the previous fiscal year and a budget for the operation of the Fisher Houses and Fisher Suites for the current fiscal year.

The Secretary of the Navy and the Secretary of the Air Force have not complied with the law requiring them to establish a corpus in a Fisher House Trust Fund in the United States Treasury. The recommended provision would require the Secretary of the Navy and the Secretary of the Air Force to establish a corpus sufficient for operating Fisher Houses and Fisher Suites within these departments and transfer the corpus into the newly established nonappropriated fund.

TITLE X—GENERAL PROVISIONS

SUBTITLE A—FINANCIAL MATTERS

Sec. 1002. Authorization of emergency appropriations for fiscal year 1999.

The committee recommended a provision that would provide emergency authorization of $1.9 billion for operations in Bosnia for fiscal year 1999.

Sec. 1003. Authorization of prior emergency supplemental appropriations for fiscal year 1998.

The committee recommends a provision that would authorize the emergency supplemental appropriations enacted in the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174). The supplemental provided funding for fiscal year 1998 expenses related to military operations in Southwest Asia, Bosnia, and natural disasters.

Sec. 1004. Partnership for Peace information system management.

The committee recommends a provision that would make available $5.0 million from funds authorized in section 301 and section 201 of this Act for the Partnership for Peace Information Management System.

SUBTITLE B—NAVAL VESSELS

Sec. 1011. Iowa class battleship returned to Naval Vessel Register.

The committee recommends a provision that directs the Navy to replace the U.S.S. *New Jersey* on the Naval Vessel Register with the U.S.S. *Iowa*. Such placement would be consistent with section 1011 of the National Defense Authorization Act for Fiscal Year 1996, which stated that the committee believed retention of two battleships in the fleet's strategic reserve to be a prudent measure since the Department of the Navy's Future Years Defense Program would not provide a replacement fire-support capability comparable to the battleships until well into the next century.

On February 12, 1998, the Navy placed the U.S.S. *New Jersey* on the Naval Vessel Register. However, the committee has recently learned that the U.S.S. *Iowa* is in better overall material condition than the U.S.S. *New Jersey*. For this reason, the provision would direct the Navy to replace the U.S.S. *New Jersey* with the U.S.S. *Iowa*.

Because the Navy lacks adequate naval surface fire-support for forces operating ashore, the committee continues to believe it is prudent to maintain two battleships on the Naval Vessel Register.

The Navy's post-Cold War emphasis on littoral operations, including support for amphibious operations and land forces operating close to shore, has increased the need for surface combatants capable of providing shore fire-support. The Navy has developed both a short-term and a long-term plan to provide the shore fire-support required by the Marines. The near-term plan includes development of the Extended Range Guided Munition (ERGM) for the DDG–51 5-inch guns and rapid development of a land attack missile.

Long-term Navy plans to fill the gap in naval surface fire-support centers on development of a 155mm gun and deployment of a land attack missile.

Neither the long-term nor the short-term solutions to meeting the shore fire-support requirements anticipate being able to project the weight of the 16-inch projectile fired from a battleship's main battery. Instead, the Navy is developing accurate long range fire-support weapons capable of responding rapidly to a call for fire-support with precision weapons that have the ability to carry a variety of submunitions to meet battlefield requirements.

While the committee believes the Navy's approach is sound, it realizes that battleships' ability to provide large caliber massed fire-support ashore is a unique capability. Therefore, the Navy is directed to maintain a contingency plan for reactivating the battleships remaining on the Naval Vessel Register. The plan shall include a reactivation time line and a defined engineering work package.

Sec. 1012. Long-term charter of three vessels in support of submarine rescue, escort, and towing.

The Department of the Navy currently leases three vessels and uses them primarily to support submarine rescue, escort and towing efforts. All three vessels were built or converted to meet the requirements of the Navy's Deep Submergence Systems program. The leases for these vessels will soon expire and the Department is seeking statutory authority to exceed lease terms as defined by section 2401 of title 10, United States Code.

The committee recommends a provision that would authorize waiver of statutory requirements with respect to the duration of the lease in the case of the *Kellie Chouest, Dolores Chouest,* and the *Carolyn Chouest.* The *Kellie Chouest* and *Dolores Chouest* could be leased until the end of fiscal year 2005, and the *Carolyn Chouest* could be leased until the end of fiscal year 2012, subject to earlier termination for the convenience of the government under certain conditions. The committee would require the lease agreement for the *Carolyn Chouest* be written to include a provision that the lease may be terminated at the convenience of the government, with no penalty to the government, should the Navy decide to decommission the submarine research vessel NR–1.

The committee is concerned that the Navy is contracting for secondary services in these leases that can be more efficiently executed by resources owned and operated by the Department, such as the R/V *Gosport.* Secondary services include, but are not limited to: torpedo retrieval, sonar calibration, and submarine sea trial escort.

As such, the committee directs the Department to utilize fully the R/V *Gosport* and other assets owned and operated by the Navy for these secondary services prior to outsourcing for these services. As a result, substantial savings should be realized in upcoming negotiations for continuing support from the *Kellie Chouest, Dolores Chouest,* and the *Carolyn Chouest.*

Sec. 1013. Transfers of naval vessels to foreign countries.

The committee recommends a provision that would transfer, on a grant basis, one *Newport* class tank landing ship, one *Stalwart* class oceanographic survey ship, and four *Knox* class frigates; on a sale basis, three *Oliver Hazard Perry* class guided missile frigates, one *Anchorage* class landing ship dock, one medium floating drydock, one *Newport* class tank landing ship, one *Stalwart* class oceanographic survey ship, two auxiliary repair docks, one medium auxiliary repair drydock, and one medium floating drydock; and on a lease/sale basis, four *Kidd* class guided missile destroyers and one *Cimarron* class oiler to various countries. The Chief of Naval Operations has certified pursuant to statutory requirement that such naval vessels are not essential to the defense of the United States. Any expense incurred by the United States in connection with these transfers would be charged to the recipient. The provision would also:

(1) direct that, to the maximum extent possible, the Secretary of the Navy shall require, as a condition of transfer, that repair and refurbishment associated with the transfer be accomplished in a shipyard located in the United States; and

(2) stipulate that the authority to transfer these vessels will expire at the end of a two-year period that begins on the date of enactment of the National Defense Authorization Act for Fiscal Year 1999.

SUBTITLE C—MISCELLANEOUS REPORT REQUIREMENTS AND REPEALS

Sec. 1021. Repeal of reporting requirements.

The committee recommends a provision that would repeal certain obsolete or superseded reporting requirements presently imposed by statute upon the Department of Defense.

Sec. 1022. Report on Department of Defense financial management improvement plan.

The committee recommends a provision that would require the Comptroller General to report to the congressional defense committees on the Department of Defense financial management improvement plan required by section 2222 of title 10, United States Code.

Sec. 1023. Feasibility study of performance of Department of Defense finance and accounting functions by private sector sources or other Federal Government sources.

The committee recommends a provision that would require the Department of Defense to study the finance and accounting function within the Department to determine the possible streamlining, consolidation, reengineering, and possible competition of this func-

tion. The study requires the Department to determine certain core functions, establish an outsourcing policy, and develop criteria for the possible privatization of finance and accounting functions within the Department.

Sec. 1024. Reorganization and consolidation of operating locations of the Defense Finance and Accounting Service.

The committee recommends a provision that would require the Department of Defense to study and define future workload requirements for each of the finance and accounting operating locations (OPLOCs), and define whether excess capacity exists. Current downsizing plans for the OPLOCs are not consistent with stated requirements in the fiscal year 1999 defense budget request or initiatives announced in the Defense Reform package. The committee is concerned that the civilian workforce has been reduced to meet full time equivalent (FTEs) ceilings without consideration of required workloads and the Department's ability to accomplish essential finance and accounting services. The recommended provision would require that the study be submitted to the congressional defense committees by December 15, 1998, and that no OPLOC be closed until six months after the submission of this study.

Sec. 1025. Report on inventory and control of military equipment.

The committee is concerned with recent reports that the Department of Defense is unable to account for billions of dollars in assets such as aircraft engines and one launcher for an AVENGER weapon system. While the committee understands that this could simply be the result of poor record keeping on the part of the military services, the committee is concerned that it demonstrates a lack of oversight and control on the part of the senior leadership. Such oversight and control is essential to ensuring that the resources of the Department are efficiently and effectively managed and that these systems are not inappropriately disposed of through sale or transfer.

Therefore, the committee recommends a provision that would require each of the military services to perform a systematic inventory of their major-end-items. A report on the results of each of these inventories shall be provided to Congress no later than March 31, 1999. Each report should include the status and location of each item for which they can account, the number and types of items for which they cannot account, and the steps being taken to locate these items and improve their oversight in the future.

Sec. 1026. Report on continuity of essential operations at risk of failure because of computer systems that are not year 2000 compliant.

The committee is concerned with the progress of the Department of Defense (DOD) and the intelligence community in their efforts to ensure that all of their computer and other information and support systems will be immune to the problems associated with the approach of the year 2000 (Y2K). While the debate continues regarding those steps which are necessary to prepare the national security community for the threats of the 21st Century, insufficient

attention has been given to preparing the information and other support systems of this community for the mere transition from 1999 to 2000.

Although the problems associated with the conversion to the new millennium have been known for years and the Department of Defense has taken steps to make its systems compliant, the Department has been unable to meet its projected time line to ensure all necessary systems will be renovated. Since almost half of its 1,891 Mission Critical Systems are still in the renovation phase, it is unlikely that the Department will be able to complete its testing and integration efforts in time to avoid the fallout.

While there has been a great deal of concern raised over the recent reports of hackers attacking the Department's computer system, and the threat posed by the possible insertion of a virus into this system by such individuals, few people are aware of the extent to which the Y2K problem poses a far more serious danger to our national security than any of the viruses that have been identified to date. At midnight on December 31, 1999, every system that is not Y2K compliant, and every system that is connected to another that is not compliant, will be at risk of failure. Furthermore, some problems may occur three months earlier with the beginning of fiscal year 2000.

It is impossible to determine the specific impact that non-compliance for even a small portion of the mission critical systems might have on military and intelligence operations given the extent of the interconnection among these systems with each other and non-mission critical systems. Further complicating this determination is the extent to which the national security community relies upon private sector information and support networks that may not be Y2K compliant. Without the ability to identify, isolate, and correct the problems with all systems that this community relies upon before they occur, it is important to ensure that we have developed effective contingency plans to overcome the impacts of the problem after they materialize.

Furthermore, as disconcerting as the problems that will occur as a result of our own systems being non-compliant may be, we must also understand the problems that are posed to our national security as a result of the non-compliance on the part of the systems of other nations. Although the leaders of these nations are aware of the problems, it is difficult to predict how they and their subordinates will react if their own information and support systems are crippled by Y2K deficiencies. In an age where weapons of mass destruction with global reach are controlled through elaborate information networks, the threat posed to the viability of those networks is of critical importance and steps must be taken to ensure that any confusion or misunderstandings are resolved before they develop into crisis situations. The committee commends the U.S. Strategic Command for its efforts to develop lines of communication with other nations in order to ensure the responsible management of any problems that may arise.

As stated previously, steps have been taken to prepare for the Y2K problem in the United States and the committee commends the Commandant of the Marine Corps and the Chief of Naval Operations for their efforts to resolving this critical issue and its identi-

fication as one of their highest priorities for any additional funding. The committee recommends an increase of $20.0 million in the Marine Corps procurement account, and $12.0 million in the Navy Operations and Maintenance (O&M) account, for the replacement and renovation of computers and shipboard systems to ensure that they are Y2K compliant.

Therefore, the committee recommends a provision that would require the Secretary of Defense and the Director of the Central Intelligence Agency to provide a joint report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives, outlining their planned course of action to ensure a continuity of essential operations. This report would include the prioritization of mission critical systems to ensure that the greatest efforts are made to guarantee that the most important systems are Y2K compliant. The report should also contain a discussion of the private and other public information and support systems that the national security community relies upon, and the efforts underway to ensure their compliance. Furthermore, the report should outline the efforts underway to repair the underlying operating systems and infrastructure, such as the telecommunications and utility systems that service DOD and the intelligence community, and the community's plan for a comprehensive test of DOD systems to include simulated operational tests in mission areas. Finally, the report should outline a comprehensive contingency plan for the entire national security community, as well as individual contingency plans for the separate elements of the community, including the creation of crisis action teams to respond to emergencies arising from the Y2K problem. The committee recommends an increase of $60.0 million to Defense-wide O&M, for the development of these contingency plans. The report should be submitted no later than March 31, 1999, in both classified and unclassified forms, as necessary.

Sec. 1027. Reports on naval surface fire-support capabilities.

The committee recommends a provision that would direct the Secretary of the Navy to report by March 31, 1999 to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives on battleship readiness for meeting naval surface fire-support requirements. The report is directed to contain the following:

(1) Reasons for the Secretary's failure to comply with the requirements of section 1011 of the National Defense Authorization Act for Fiscal Year 1996 until February 1998;

(2) the requirement for Air-Naval Gunfire Liaison Companies;

(3) the plans for retaining and maintaining 16-inch gun ammunition;

(4) the Navy plans for retaining the hammerhead crane essential for lifting battleship turrets; and

(5) an estimate of the cost of restoring the battleships remaining on the Naval Vessel Register for seaworthiness and with the operational capabilities necessary to meet requirements for naval surface fire-support and the annual cost for maintaining the battleships in such condition while they are

listed on the Naval Vessel Register. In addition, an estimate of cost to reactivate the battleships once the restoration to a seaworthy condition and the addition of naval surface fire-support capabilities are complete.

The Secretary of the Navy is directed to work through the Director of Expeditionary Warfare Division (N85) of the Office of the Chief of Naval Operations in preparing the report.

The Comptroller General is directed to provide a report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives on the naval surface fire-support capabilities of the Navy that contains the following:

(1) an assessment of the extent of compliance by the Secretary of the Navy with the requirements of section 1011 of the National Defense Authorization Act for Fiscal Year 1996 until February 1998;

(2) plans for executing the naval surface fire-support mission;

(3) an assessment of the short-term and long-term costs associated with the plans; and

(4) an assessment of the short-term and long-term costs associated with alternative methods for executing the naval surface fire-support mission of the Navy, including the alternative of reactivating two battleships.

Sec. 1028. Report on roles in Department of Defense aviation accident investigations.

The committee recommends a provision that would require the Secretary of Defense to provide an assessment of the role of the Office of the Secretary of Defense and the Joint Staff in the investigation of military aircraft accidents. Additionally, the provision would require the Secretary of Defense to report on the advisability of requiring an independent entity of the Department of Defense to supervise military aircraft accident investigations.

Sec. 1029. Strategic plan for expanding distance learning initiatives.

The committee recommends a provision that would require the Secretary of Defense to develop and provide to Congress a 5-year plan for guiding and expanding distance learning initiatives in the Department of Defense.

Sec. 1030. Report on involvement of Armed Forces in contingency and ongoing operations.

The committee is concerned about the reports of declining retention rates, decreased availability of military support equipment and combat service support personnel, and shortfalls in training funds. In many cases, these problems have been attributed to the extensive deployment of U.S. military personnel and equipment to contingency and ongoing operations. The committee notes that the Presidential Decision Directive-25 outlines certain factors that are to be considered before deploying U.S. military forces to U.N. peacekeeping operations. The Directive identifies the following factors: the availability of personnel, funds, and other resources; and

the identification of clear objectives and an endpoint for U.S. participation.

The committee is concerned about the reports that peacekeeping and other contingency operations may be contributing to the readiness problems of the military services. Therefore, the committee recommends a provision that would require the Secretary of Defense to submit a report to the congressional defense committees that would outline the following:

(1) the effects of U.S. involvement in contingency operations on the retention and reenlistment of personnel in the Armed Forces;

(2) the extent to which involvement in these operations has resulted in shortfalls in personnel and equipment;

(3) the cost of these operations and the accounts from which the funds to pay those costs were drawn;

(4) the objectives of the operation, and the set of conditions that defines the end of each operation.

(5) an identification of the U.S. vital interests involved in each operation and, if none, an identification and characterization of the level of U.S. national interests involved.

The report should be submitted no later than January 31, 1999.

SUBTITLE D—OTHER MATTERS

Sec. 1041. Cooperative counterproliferation program.

The committee recommends a provision that would provide the Secretary of Defense authority to provide assistance to a foreign country, or instrumentality of a foreign country, for cooperative counterproliferation activities, to include destroying, removing or obtaining from such country, weapons of mass destruction and related material that could present a significant threat to U.S. national security interests.

The Department of Defense is required to certify to the congressional defense committees prior to conducting any activity under this authority, that the material in question is at risk of transfer to a restricted foreign country, that such transfer would threaten U.S. national security interests if completed, and that there are no other options to prevent the transfer. The provision would also allow the Secretary to waive the certification requirement if making such certification would be contrary to national security interests. The committee believes this provision should be used only as a last resort when all other options, including assistance by the Department of State and the Department of Energy, are not feasible. Additionally, the provision would require an annual report of DOD cooperative counterproliferation activities.

Sec. 1042. Extension of counterproliferation authorities for support of United Nations Special Commission on Iraq.

The committee recommends a provision that would amend section 1505 of the National Defense Authorization Act for Fiscal Year 1992 to extend the authority for the Department of Defense to continue to provide support to the United Nations Special Commission on Iraq (UNSCOM) through fiscal year 1999.

Sec. 1043. One-year extension of limitation on retirement or dismantlement of strategic nuclear delivery systems.

The committee continues to support the administration's policy of remaining at Strategic Arms Reduction Treaty (START I) levels of strategic forces until START II enters into force. Therefore, the committee recommends a provision that would extend by one year section 1302(e) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85). The committee, however, is willing to consider alternative START I force postures that may be more affordable than the current force configuration.

Sec. 1044. Direct-line communication between United States and Russian commanders of strategic forces.

The committee recommends a provision that would express the sense of the Congress that the commanders of the U.S. Strategic and Space Commands and the Russian commander of the Strategic Rocket Forces should have a communication link to make immediate contact for any matter of an urgent nature.

The committee believes that a direct communications link would help to improve mutual confidence in the respective early warning and strategic systems and prevent or reduce the opportunity for misunderstandings or miscalculations that could have disastrous effects on the United States and Russia.

The provision would also direct the Secretary of Defense to study the feasibility of initiating discussions with the Russian Minister of Defense to establish a direct communications link among the commanders of the U.S. Strategic and Space Commands and the Russian Strategic Rocket Forces, and report back to the congressional defense committees the results of his findings.

Sec. 1045. Chemical warfare defense.

The committee recommends a provision that would direct the Secretary of Defense to review, and modify as appropriate, Department of Defense chemical warfare defense policy and doctrine relative to the protection of U.S. forces against exposure to low levels of chemical warfare agents, and to report to the congressional defense committees by May 1, 1999 on any modification of chemical warfare policy and doctrine as a result of that review.

The committee believes that DOD and military services chemical warfare defense policies and doctrine should provide for adequate protection of personnel from any low-level exposure to a chemical warfare agent that would endanger the health of exposed personnel, whether by single exposures, exposure to a chemical warfare agent concurrent with other dangerous exposures, or by repeated exposures to such hazards over time. Specific concerns and mission requirements of the various services should be addressed. Finally, DOD and service policy and doctrine should provide for the recording, reporting, coordinating, and retaining of information on possible exposures, including the monitoring of the health effects of exposures on humans and animals by location.

To guide the Secretary of Defense in the evolution of policy and doctrine on low-level exposures to chemical warfare agents, the committee directs the Secretary of Defense to plan a research pro-

gram, including a five year budget plan, on the effects of chronic and low-level exposure to chemical warfare agents.

Sec. 1046. Accounting treatment of advance payment of personnel.

The committee recommends a provision that would clarify the authority of the Department of Defense to disburse advance payments to service members, in a permanent change of station status, in amounts that may exceed what is available in the military personnel appropriations. Authority already exists for the military departments to pay up to three months basic pay to members in a permanent change of station status. However, when the payment period crosses fiscal years, section 1006 of title 37, United States Code, is silent on whether the military departments have the authority to make these advanced payments in excess of amounts available in the military personnel appropriations. The recommended provision would exclude obligations and expenditures for payments of advanced military pay, from any determination of amounts available, except in the fiscal year in which such amounts are ultimately earned.

Sec. 1047. Reinstatement of definition of financial institution in authorities for reimbursing defense personnel for Government errors in direct deposits of pay.

The committee recommends a provision that would reinstate the definition of "financial institutions" that previously existed and was deleted as a result of the 1994 redrafting of section 3332 of title 31, United States Code. The provision restores the definition of a financial institution, as follows: any bank, savings and loan association or similar institution, or a credit union chartered by the U.S. Government or a state.

Sec. 1048. Pilot program on alternative notice of receipt of legal process for garnishment of federal pay for child support and alimony.

The committee recommends a provision that would authorize the Department of Defense to conduct a pilot program that would allow the Department to refrain from providing actual court documents to the military member, concerning child support and alimony payments, prior to proceeding with a court ordered garnishment. The Defense Finance and Accounting Service would continue to include pertinent information with the notification to the service member involved. Actual copies of the court documents would be available upon request.

Sec. 1049. Costs payable to the Department of Defense and other federal agencies for services provided to the Defense Commissary Agency.

The committee recommends a provision that would prohibit the Defense Commissary Agency from paying any costs for services provided by a Department of Defense or other federal agency that exceeds the price at which the service could be procured in full and open competition. The committee is concerned that the Defense Commissary Agency is paying overseas transportation charges that

may include the overhead and infrastructure costs of the Transportation Command, which would inappropriately inflate the second destination transportation cost to the commissary agency and mask the core costs of defense agencies. The recommended provision would apply to all services billed to the Defense Commissary Agency within the revolving fund accounts of the Department of Defense or other federal agencies.

Sec. 1050. Collection of dishonored checks presented at commissary stores.

The committee recommends a provision that would permit the Secretary of Defense to impose a charge for the collection of dishonored checks presented at a commissary store. The recommended provision would require that the imposition and amounts of the charges be consistent with the practices of commercial grocery stores. Revenues generated by the dishonored check charges would be deposited to the commissary revolving trust fund.

Sec. 1051. Defense commissary agency telecommunications.

The committee recommends a provision that would require the Secretary of Defense to provide the Defense Commissary Agency authority to obtain telecommunications and related services under the Federal Telecommunications System (FTS) 2000/2001 contract and to report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives when Defense Commissary Agency telecommunications have been initiated under the FTS 2000/2001 contract. Authority to use advanced telecommunications services will permit the Defense Commissary Agency to use credit card and check approval procedures similar to those used in commercial grocery stores.

Sec. 1052. Research grants competitively awarded to service academies.

The committee recommends a provision that would permit the service academies to compete for and receive research grants that are awarded competitively. The recommended provision would authorize appropriated funds to be used to pay expenses involved in preparing proposals to obtain research grants offered by a corporation, fund, foundation, educational institution, or other similar entity that is organized and operated primarily for scientific, literary, or educational purposes. Any grants awarded to the academies would be deposited in a special account established for administering the proceeds of such grants.

Sec. 1053. Clarification and simplification of responsibilities of inspectors general regarding whistleblower protections.

The committee recommends a series of amendments to section 1034 of title 10, United States Code, the Military Whistleblower Protection Act, that would improve the administration of this statute without diluting the protection it affords to service members who make allegations of violations of law, mismanagement, waste, abuse, danger to public health or safety, or reprisal for protected communications. These amendments should reduce the administra-

tive burden on the Inspector General of the Department of Defense (DOD IG) and Inspectors General within the services, thereby allowing them to concentrate their resources on investigations and reduce the delays which have marked, in particular, the reprisal investigation process.

Subsection (a) would authorize Inspectors General at all levels of the armed forces to accept reprisal complaints under the statute. The determination of whether the complaint falls within the statute would rest with the DOD IG or the Inspector General of the military department concerned. The DOD IG would continue to exercise its oversight role in reprisal investigations. This subsection would further authorize investigations to be closed if an initial analysis of the complaint determined that a full investigation was not warranted, thus conserving scarce investigative resources.

Subsection (b) would clarify that the mismanagement which is the subject of a complaint must be "gross mismanagement." This change would make the definition in the Military Whistleblower Protection Act consistent with that in the civilian Whistleblower Protection Act (5 U.S.C. 2302(b)(8)).

Subsection (c)(1) would delete the requirement to provide a copy of the full report of investigation to the Secretary of Defense, who would simply be notified of the result. The member making the allegation would continue to receive a copy of the full report.

Subsection (c)(2) would modify the present requirement that the member making the allegation be automatically provided with copies of all supporting documents, in addition to the report of investigation itself. The amendment would require that these documents be provided only if the member requested them.

Subsection (c)(3) would lengthen the present statutory period during which a reprisal investigation must be completed (or a report explaining the delay produced) from 90 to 120 days.

Subsection (d) would repeal the present requirement that a post-investigation interview be conducted with the member making the allegation.

Subsection (e) would amplify the definition of "Inspector General" presently in the statute.

Sec. 1054. Amounts recovered from claims against third parties for loss or damage to personal property shipped or stored at Government expense.

The committee recommends a provision that would allow funds recovered from third parties in relation to household good claims be deposited into the current appropriations for payment of such claims. Specifically, the proposal clarifies a process used by the military services for the last 30 years.

Sec. 1055. Eligibility for attendance at Department of Defense domestic dependent elementary and secondary schools.

The committee recommends a provision that would authorize the Secretary of Defense to extend the enrollment of dependents of civilian employees of the federal government for more than five consecutive years if the Secretary determines that the student is eligible to attend the Department of Defense Domestic Dependent Ele-

mentary and Secondary School, there is space available, and adequate arrangements are made to pay the tuition costs for the educational services provided. The committee notes that in some areas in which the Department of Defense operates a domestic school system, employees of other federal agencies remain on station for more than five years. The recommended provision would permit these students to remain in the Department of Defense domestic school system as long as space is available and arrangements are made to reimburse the Department of Defense for tuition costs.

Sec. 1056. Fees for providing historical information to the public.

The committee recommends a provision that would allow the historical institutes of the military services to provide historical information to members of the public for a fee that is equivalent to the cost of researching and transmitting the information. The revenues from these fees would be credited to the appropriations accounts that incurred the costs of providing such information. These organizations would not be able to charge such a fee for any information that is considered public information pursuant to section 552 of title 5, United States Code, or that is provided to a member of the armed forces or employee of the United States acting in their official capacity.

Sec. 1057. Periodic inspection of the Armed Forces Retirement Home.

The committee recommends a provision that would eliminate the requirement for the Department of Defense Inspector General to conduct inspections of the Armed Forces Retirement Homes, as well as review the inspections conducted by the Inspectors General of the military departments. The recommended provision would require inspections of the homes every three years. Responsibility to conduct inspections would rotate among the three services on a schedule determined by the Secretary of Defense.

Sec. 1058. Transfer of F–4 phantom II aircraft to foundation.

The committee recommends a provision that would authorize the Secretary of the Air Force to transfer an F–4 aircraft to the Collings Foundation. The provision would further require that before the aircraft can be transferred, the Air Force must ensure that it is properly demilitarized, the foundation agrees that it will not transfer the aircraft to a third party without the approval of the Air Force, and the foundation would fully indemnify the United States from any liabilities connected with the conveyance of the aircraft.

Sec. 1059. Act constituting presidential approval of vessel war risk insurance requested by the Secretary of Defense.

The committee recommends a provision that would amend section 1205(b) of the Merchant Marine Act of 1936 (46 U.S.C. Appendix 1285(b)) to ensure that vessel war risk insurance is available on a timely basis in the event that commercial shippers providing

sealift for the Department of Defense are unable to obtain commercial insurance on reasonable terms.

The current statute requires consultation with the President by the Secretary of Transportation prior to each issuance of vessel war risk insurance. This amendment would authorize the pre-approval of vessel war risk insurance, so that it can be immediately available in a national emergency or contingency. A similar provision authorizing the pre-approval of aviation insurance (49 U.S.C. 44305(b)) was enacted in the Aviation Insurance Reauthorization Act of 1997 (Public Law 105–137).

Sec. 1060. Commendation and memorialization of the United States Navy Asiatic Fleet.

The Asiatic Fleet of the U.S. Navy was established in 1910 to protect American nationals, policies and possessions in the Far East. The sailors and marines of the Asiatic Fleet ensured the safety of U.S. citizens and foreign nationals, and provided humanitarian assistance in the Far East during the Chinese civil war, the Yangtze Flood of 1931, and the outbreak of Sino-Japanese hostilities in the 1930s.

The committee recommends a provision which would express the sense of the Congress regarding the U.S. Navy Asiatic Fleet. This provision would commend the personnel who served in the Asiatic Fleet and honor those who gave their lives in the line of duty while serving in the Asiatic Fleet.

This provision also authorizes and requests the President of the United States to proclaim March 1, 1999 as United States Navy Asiatic Fleet Memorial Day and encourages observance of the day throughout the United States.

Sec. 1061. Program to commemorate 50th anniversary of the Korean War.

The committee recommends a provision that would increase the amount authorized to be expended for the Korean War commemorative program from $1.0 million to $10.0 million.

Sec. 1062. Relocation of frequency spectrum.

The committee is concerned with the proposed sale of those portions of the frequency spectrum that are currently utilized by the Department of Defense (DOD) and intelligence community. The trend toward a more information based military requires that the Department of Defense have adequate access to those portions of the frequency spectrum (primarily below 3.1 Ghz) used by the Department's communications equipment. However, over the past five years, the Department has either relinquished or agreed to share over 500 MHZ of spectrum. This reallocation has already limited the capability of some military systems such as the Navy's Cooperative Engagement Capability (CEC).

Last year, the committee directed the Secretary of Defense to perform a systematic, detailed review of U.S. national security requirements, and the impacts of further reallocation of those portions of the spectrum currently used or dedicated to the Department of Defense and the intelligence community. This review was also supposed to include the costs to the Department associated

with past and potential future reallocations of frequency spectrum. Upon completion, the results of the review were to be provided to the Congress.

The report which was submitted by the Department highlighted the historical importance of military access to the frequency spectrum, as well as the value of retaining that access in order to conduct the operations of today, and counter the threats of the 21st Century. According to the report, "Gulf War operations used nearly every major military [Radio Frequency] RF system in the U.S. arsenal." Perhaps the best example of the importance of communications systems utilizing the radio frequency spectrum is provided by the circumstances of the Iraqi military during the Gulf War, which had little ability to use such systems and were therefore at a disadvantage. Furthermore, although the scale of a military operation may change, spectrum requirements essentially remain the same. Although our current force deployed to Bosnia is on a far smaller scale than that deployed during the Gulf War, it makes use of almost all of the same spectrum resources.

The importance of ready access to the spectrum was also demonstrated in the rescue operation for Captain Scott O'Grady, an Air Force pilot who was shot down in 1995 by a Bosnian-Serb surface-to-air missile.

> The search and subsequent rescue of Air Force Captain Scott O'Grady had its own unique set of frequency requirements. The success of his rescue mission might very well have been compromised without ready access to the spectrum required for operating the communications, radar, navigation, and electronic combat equipment on the rescue ship and aircraft. Future rescue missions will require similar resources.

The military services operate thousands of systems in that part of the frequency that has been suggested for possible sale. The Army in particular operates thousands of tactical air-ground-air, air-to-air, land mobile, and trunking radios in the lower portion of the spectrum. The loss of these frequencies will have a substantial impact upon Army operations and training. Moreover, the Army will be required to restructure, reaccommodate, and replace current assets with new equipment operating in other frequency bands, if possible.

According to the DOD report, "[i]f we are to maintain the high quality of our forces, we must continue to train as we will fight—and that requires access to the same spectrum in the US that we will use overseas." Furthermore, "many of our advances in technologies such as anti-stealth and portable mine detection radars, and secure, high capacity communications will demand greater spectrum access rather than less."

However, some of the negative impacts on military systems and operations can be reduced by redesigning these systems so that they do not require access to those portions of the spectrum that are being sold. Such redesigns are difficult and costly.

The report failed to provide the required information regarding the cost to the Department of Defense associated with the redesign of systems as a result of past or potential future reallocations of

the frequency spectrum. Some estimate that this will cost billions of dollars.

Therefore, the committee recommends a provision that would require any entity that purchases portions of the spectrum that have been used by the DOD or other federal agency, and that the DOD or other agency relinquished in order to make that portion of the spectrum available for sale or lease, reimburse the DOD or other agency for the total cost incurred by the government in order to make that portion of the spectrum available.

Sec. 1063. Technical and clerical amendments.

The committee recommends a provision that would make various technical and clerical amendments to existing law.

OTHER ITEMS OF INTEREST

Arms control and other national priorities

The budget request did not include funding for integration and launch costs, as well as procurement costs, for two satellite based sensors that are needed to monitor the Comprehensive Test Ban Treaty, as well as other nuclear testing treaties in force. The committee understands that they were deemed by the Air Force to be a low priority relative to warfighting requirements.

The committee is concerned that devolvement of programs from the Office of the Secretary of Defense to the military services may in some instances cause the services to have to choose between supporting warfighting priorities or broad national security goals in allocating resources.

The committee believes that programs that are primarily justified in terms of their support to arms control or verification be funded out of accounts designated for such activities.

The committee directs the Secretary of Defense to submit a report to the congressional defense committees by June 1, 1998 on how funding for these sensors to meet the broad national security goals of detecting nuclear testing treaties will be provided. In addition, the report should address the mechanism by which the Department will ensure that broad national security funding priorities are addressed and appropriate funding provided.

Assured strategic command and control

Nuclear deterrence continues to be a cornerstone of our national security. Key to the credibility of that deterrent is assured nuclear command and control. Since the end of the Cold War, however, the U.S. nuclear strategic command and control (C2) system, particularly the survivable elements, has been downsized considerably. In 1994, the Department of Defense undertook a review of nuclear command, control, communications and intelligence. Its final report, approved in August 1997, established a "thin-line" nuclear C2 architecture to provide minimum survivable strategic command and control of U.S. nuclear forces by the President.

While the committee recognizes that the end of the Cold War afforded the opportunity to streamline nuclear force structure, it nevertheless views the imperative for a robust strategic C2 infrastructure to control the remaining forces as being stronger than ever

when viewed in the context of the current and emerging national security environment.

The committee also views assured strategic command and control as a critical prerequisite for further nuclear arms reductions. Fewer weapons require more efficient and effective command and control assurance in order to maintain a credible nuclear deterrent. Arms control reductions absent assured strategic command and control reduce the capability, and therefore, credibility, of our nuclear deterrent and, as a result, jeopardize U.S. national security. Therefore, the committee directs the Secretary of Defense to provide adequate support for the operations, manning, training, equipping, maintenance, and infrastructure necessary to ensure the survivability, flexibility and endurance of strategic C2 systems. The committee directs the Secretary of Defense to submit a report to the congressional defense committees not later than February 15, 1999 which addresses the following matters:

(1) The policy guidance underlying strategic C2 as it relates to nuclear weapons policy and as it supports the national military strategy;

(2) Readiness requirements and associated resources needed for survivable strategic C2 systems;

(3) Vulnerabilities or deficiencies in current survivable strategic C2 systems and platforms;

(4) E–4B mission requirements and concepts of operation, including modernization programs and opportunities for more effective and efficient employment of this platform;

(5) Mission requirements and concepts of operation for the U.S. Strategic Command and U.S. Space Command command centers, including plans for modernization and opportunities for more effective and efficient employment of platforms; and

(6) E–6B mission requirements and concepts of operation, including modernization programs and opportunities for more effective and efficient employment of this platform.

Reporting miscellaneous expenses in object classes 25 series (Contractual Services)

The committee is concerned about the fact that the Department of Defense reports more than fifty percent of the expenses in object class 25 (Contractual Services) as miscellaneous expenses. Reporting expenses in this manner is of limited value and undermines the financial reporting process. Therefore, the committee believes the Department of Defense should take immediate steps to limit reporting expenses as miscellaneous to no more than fifteen percent of the total expenses reported in object classes 25 series.

Reprogramming procedures for the National Reconnaissance Office

The committee is very concerned about the fact that the National Reconnaissance Office (NRO) executed a reprogramming request without the committee's approval. Prior to this incident, the committee informed the NRO that its congressional notification procedure for reprogramming requests was inadequate and needed to be improved. It is difficult for the committee to have confidence in the NRO in light of such an egregious oversight.

To avoid future difficulties, the committee directs the NRO to review its reprogramming procedures and to develop a more effective system. The committee will not act on any further reprogrammings until the NRO has assured the committee that the new procedure will prevent future congressional notification problems. The committee expects that future actions will involve proper congressional notification with sufficient time for full review.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Sec. 1101. Repeal of employment preference not needed for recruitment and retention of qualified child care providers.

The committee recommends a provision that would repeal an employment preference for military spouses who applied for child care positions. Originally, this additional preference was extended to military spouses to attract applicants for child care positions. Over time, military spouses have used this preference to obtain civil service status and then move on to other civil service positions creating personnel turbulence in the child care centers. Increased compensation for child care providers have resolved the initial recruitment and retention problems. Existing civil service military spouse preference is sufficient to ensure military spouses receive appropriate consideration for child care and other civil service positions.

Sec. 1102. Maximum pay rate comparability for faculty members of the United States Air Force Institute of Technology.

The committee recommends a provision that would permit civilian faculty at the United States Air Force Institute of Technology to be paid at the same level as civilian faculty at other senior military schools and the service academies.

Sec. 1103. Four-year extension of voluntary separation incentive pay authority.

The committee recommends a provision that would extend until September 30, 2003 the civilian voluntary separation incentive pay authority established during the civilian drawdown within the Department of Defense. The committee recognizes that the successful drawdown of civilian personnel could not have been accomplished without using incentives and transition benefits to encourage voluntary separations in lieu of involuntary actions. As a result of the Quadrennial Defense Review, the Department of Defense is continuing to reduce the civilian workforce. The committee expects the military services to continue to use the incentive and benefit programs to achieve the reductions mandated by the Quadrennial Defense Review.

Sec. 1104. Department of Defense employee voluntary early retirement authority.

The committee recommends a provision that would modify the conditions under which voluntary early retirement would be authorized for civilian employees of the Department of Defense.

Sec. 1105. Defense Advanced Research Projects Agency experimental personnel management program for technical personnel.

The committee recommends a provision that would provide the Secretary of Defense special personnel management authorities to carry out a five-year experimental program in which eminent experts in science and engineering fields for research and development projects administered by the Defense Advanced Research Projects Agency. The recommended provision would permit scientists and engineers from outside federal civil service to be hired and paid without regard to existing civil service laws. Appointments under the recommended legislation would be limited to a maximum of four years. The recommended provision would require the Secretary of Defense to submit an annual report to the Congress beginning in 1999.

OTHER ITEMS OF INTEREST

Temporary assignments of personnel between Federal Government, and state or local governments, institutions of higher education, Indian tribal governments and other eligible organizations

Temporary assignments of personnel between Federal Government, and state or local governments, institutions of higher education, Indian tribal governments and other eligible organizations, including federally funded research and development centers, are authorized by the Intergovernmental Personnel Act (IPA) of 1970 (5 U.S.C. 1304, 3371–3376) and are referred to as "IPAs."

These assignments are intended to facilitate federal-state-local cooperation through the temporary assignment of skilled personnel. These assignments can be used for a variety of purposes, including: to strengthen the management capabilities of eligible organizations; to assist in the transfer and use of new technologies; and to provide program and developmental experiences that could enhance individual job performance. Assignments arranged to meet the personal interests of employees, to circumvent compensation limits or personnel ceilings, or to avoid unfavorable personnel decisions are contrary to the spirit and intent of this program.

The Secretary of Defense is directed to review the use of IPA and to ensure that these assignments are being used in a manner consistent with the intent of the authorizing statute. The Secretary shall report the results of that review to the congressional defense committees not later than March 1, 1999.

Enhanced training for Department of Defense civilian employees regarding A–76

The committee is aware that some DOD civilian employees receive training with regard to A–76 competitions. The committee applauds the Department of Defense for these training efforts and encourages the Department to expand training opportunities to ensure that, to the maximum extent possible, all employees who would be involved in A–76–type actions receive the appropriate training.

Management by Full Time Equivalents

Section 1101 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) required the service secretaries and Department of Defense (DOD) agency directors to certify to the Congress that Full Time Equivalent (FTE) ceilings were not used in the management of civilian personnel. There is, however, still evidence that FTE-ceilings are being used. The committee, therefore, urges that the service secretaries and DOD agency directors include in the required certification consideration of the possible use of prohibited manpower management constraints as a factor when making decisions to outsource activities traditionally performed by government employees.

High-grade restrictions

The committee is concerned about the effects of on-going high-grade restrictions on the Federal Scientists and Technologists (S&Ts). Although the committee understands the rationale for controlling high-grade growth, especially in a time of downsizing, the committee notes that the uniform application of high-grade restrictions across agencies and laboratories, without regard for the unique attributes of the S&T community may result in an unintended "brain drain" from which it may take years to recover.

Hiring freezes, reductions-in-force, and early separation programs intended to facilitate the downsizing of the Department of Defense, when coupled with high-grade restrictions can result in a stagnant work force of middle-graded S&Ts. These highly-educated and trained individuals at or below GS–13 will leave government service because there are no opportunities for advancement. The end result could be a smaller yet significantly less capable organization.

The committee directs the Secretary of Defense to review the application of high-grade controls, as applied to the S&T community as a whole and in individual laboratories, to determine if such controls are in the best long-term interests of the Department of Defense. Additionally, the committee encourages the Secretary of Defense to provide to those agencies and laboratories that employ S&T personnel, the maximum flexibility possible in the management of S&T personnel, consistent with the uniqueness of this community and the long-term needs of the Department. The Secretary shall report to the Congressional defense committees on the results of that review not later than March 1, 1999.

TITLE XII—JOINT WARFIGHTING EXPERIMENTATION

The committee believes the Department of Defense should move quickly toward a process of joint experimentation as recommended by the National Defense Panel. The committee acknowledges the progress the Department has made by developing a charter assigning the responsibility and authority for that process to the Commander-in-Chief, U.S. Atlantic Command. The committee directs the CINC, USACOM, or other combatant commander subsequently responsible for joint experimentation, to report to the congressional defense committees annually on joint experimentation conducted in the previous year. The Secretary of Defense and the Chairman of

the Joint Chiefs of Staff are also directed to comment on each report prior to the submission to the Congress. The committee will carefully review the initial and subsequent annual reports on joint warfighting experimentation to assess the adequacy of the scope and pace of transformation activity. Should that scope and pace be deemed inadequate, the committee will consider legislation to establish a unified combatant commander with the mission, forces, budget, responsibilities and authority to conduct joint experimentation.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

The purpose of Division B is to provide military construction authorization and related authority to support the military departments and defense agencies during fiscal year 1999. The administration's budget request is reflected in S. 1813, the Military Construction Authorization Act for Fiscal Year 1999, as introduced by request. The military construction division of this bill, as recommended by the committee, totals $8.3 billion in authorization for appropriations for fiscal year 1999.

This authorization provides funding for construction and military family housing operations for the military services, the Reserve components, the defense agencies, and the North Atlantic Treaty Organization Security Investment Program. It also provides authorization for the Defense Base Closure and Realignment account that funds activities associated with the 1993 and 1995 base closure recommendations.

Committee Action

The committee recommends an overall authorization for the Department of Defense military construction program that is above the administration's request for fiscal year 1999. For fiscal year 1999, the Department of Defense requested authorization of appropriations of $4.3 billion for military construction and $3.5 billion for family housing construction and support. These funding levels represent a reduction of approximately $600.0 million from the fiscal year 1998 request. The committee recommends $4.7 billion for military construction and $3.6 billion for family housing construction and support for fiscal year 1999. In reviewing the services' military construction programs, the committee found that since 1995, funding for military construction and family housing has declined by 19 percent. During the same period, the overall defense budget has declined by only eight percent. At these funding levels, the committee questions the services' ability to mitigate the serious deficiencies in the quality of our defense infrastructure, barracks and family housing.

Despite the ominous funding declines, there are rays of promise for improved Quality of Life in the fiscal year 1999 military construction request. For example, there is again a sizeable request for barracks construction, both in CONUS and overseas. In addition, the Army and the Navy provided additional funding to enhance both National Guard and Reserve facilities.

The committee reaffirms its support to modernize, renovate, and improve aging defense facilities and focuses its funding priorities on improving quality of life and readiness-related projects for the active and Reserve components. Of the $500.0 million added to the construction program, more than $164.0 million will fund unaccom-

panied personnel quarters, child development centers, dining facilities, education centers, and military family housing. The funding increase also provides approximately $100.0 million for high priority projects submitted by the military services that could not be funded in the Department's budget request.

The committee denied the Department's shift of the Chemical Demilitarization Program funds from the Office of the Secretary Defense to the Army Military Construction Program. The committee believes that due to the national implications of this program, oversight is more appropriately placed in the Office of the Secretary of Defense. The committee recommended a reduction of $50.0 million, to the Department's request for the Chemical Demilitarization Program. The program has experienced delays in obtaining the required construction and environmental permits and is carrying over $60.0 million in unobligated funds.

The committee notes that the Department is again relying on prior year savings to fund military construction projects rather than including the full funding in the budget request. Over the past three fiscal years the Military Departments were directed to use in excess of $84.0 million from prior year savings to fund their military and family housing construction program. The use of prior year savings denies the services the flexibility to fund necessary cost variations and complete projects that have justifiable cost increases. The committee denied the use of prior year funds and expects the Department to fully fund the military construction requests in future budget requests.

The following table identifies the committee's recommendations for fiscal year 1999 military construction and family housing construction projects.

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended
MILITARY CONSTRUCTION			
Military Construction, Army	790,876	(26,398)	764,478
Military Construction, Navy	468,150	70,565	538,715
Military Construction, Air Force	454,810	137,520	592,330
Military Construction, Defense-wide	491,675	80,300	571,975
Military Construction, Army National Guard	47,675	47,720	95,395
Military Construction, Air National Guard	34,761	127,171	161,932
Military Construction, Army Reserve	71,287	36,091	107,378
Military Construction, Naval Reserve	15,271		15,271
Military Construction, Air Force Reserve	10,535	9,690	20,225
Base Realignment and Closure II, III, IV	1,730,704		1,730,704
NATO Infrastructure	185,000	(26,000)	159,000
General Reductions		(12,714)	(12,714)
Total Military Construction	4,300,744	443,945	4,744,689
FAMILY HOUSING			
Family Housing Construction, Army	103,440	18,540	121,980
Family Housing Support, Army	1,104,733		1,104,733
Family Housing Construction, Navy and Marine Corps	280,790		280,790

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended
Family Housing Support, Navy and Marine Corps	915,293		915,293
Family Housing Construction, Air Force	226,035	36,790	262,825
Family Housing Support, Air Force	789,995		789,995
Family Housing Construction, Defense-wide	345		345
Family Housing Support, Defense-wide	36,899		36,899
Family Housing Construction, Navy and Marine Corps		(6,000)	(6,000)
Homeowners Assistance Fund	12,800		12,800
DoD Family Housing Improvement Fund	7,000		7,000
Total Family Housing	3,477,330	49,330	3,526,660

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Alabama	Army	Anniston Army Depot	Ammunition Containerization Complex	3,550		3,550
Alabama	Army	Redstone Arsenal	Missile Software Engineering Annex Ph II	13,600		13,600
Alabama	Army	Ft Rucker	Aviation Warfighting Simulation Center		10,000	10,000
Alabama	Air Force	Maxwell AFB	Fire Training Facility	1,837		1,837
Alabama	Air Force	Maxwell AFB	OTS Dining Facility	4,796		4,796
Alabama	Air Force	Maxwell AFB	OTS Student Dormitories	12,765		12,765
Alabama	Air National Guard	Dannelly Field	Replace Medical Training and Dining Facility		6,000	6,000
Alabama	Air Force Reserve	Maxwell AFB	Consolidated Aircraft Maintenance Fac	5,200		5,200
Alaska	Army	Ft Wainwright	Whole Barracks Renewal		19,500	19,500
Alaska	Army	Ft Wainwright	Central Vehicle Wash Facility		3,100	3,100
Alaska	Air Force	Eielson AFB	Consolidated Munitions Facility	4,352		4,352
Alaska	Air Force	Eielson AFB	Weapons and Release System Shop		6,200	6,200
Alaska	DFSC	DFSC Elmendorf AFB	Replace Hydrant Fuel System	19,500		19,500
Alaska	Air National Guard	Kulis ANG Base	Vehicle Maintenance and Fire Station Cmpx		10,400	10,400
Arizona	Navy	Flagstaff AZ Naval Observatory	Optic Interferometer Facility	990		990
Arizona	Navy	Yuma MCAS	Bachelor Enlisted Quarters	11,010		11,010
Arizona	Army National Guard	Phoenix	CSMS	10,640		10,640
Arkansas	Army	Pine Bluff Arsenal	Ammunition Demilitarization Fac Ph III	16,500	-16,500	0
Arkansas	Air Force	Little Rock AFB	Upgrade Sewage Treatment Plant		1,500	1,500
Arkansas	Chem Demilitirization	Pine Bluff Arsenal	Ammunition Demilitarization Fac Ph III		10,000	10,000
California	Army	Ft Irwin	Heliport Ph III	7,000		7,000
California	Navy	Camp Pendleton MCB	Bachelor Enlisted Quarters	12,400		12,400
California	Navy	Camp Pendleton MCB	Bachelor Enlisted Quarters	15,840		15,840
California	Navy	China Lake Naval Air Warfare Ctr	Missile Magazines	3,240		3,240
California	Navy	Lemoore NAS	Airframe Facility Modifications	1,510		1,510
California	Navy	Lemoore NAS	Hanger Renovations	5,430		5,430
California	Navy	Lemoore NAS	Training Facility Additions	4,270		4,270
California	Navy	Lemoore NAS	Weapons Assembly Facility Imp.	9,430		9,430
California	Navy	Miramar CA MCAS	Bachelor Enlisted Quarters	29,570		29,570
California	Navy	Naval Facility San Clemente	Bachelor Enlisted Quarters	8,350		8,350
California	Navy	San Diego NSB	Submarine Support Facility	11,400		11,400
California	Air Force	Edwards AFB	Renovate Aircraft Maintenance Facility	10,361		10,361

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State Name	Service	Installation Name	Project Name	Request	Change	Recommended
California	Air Force	Vandenberg AFB	Add/Alter Missile Maint Fac	9,500		9,500
California	Air Force	Vandenberg AFB	Space Initial Qual Tng Academic Fac	9,209		9,209
California	Air Force	Travis AFB	Control Tower		4,250	4,250
California	SOCOM	Naval Amphibious Base, Coronado	SOF Amphibious Operations Fac	3,600		3,600
California	DMSA	Beale AFB	Physiological Support Fac Add/Alt	3,500		3,500
California	DMSA	Camp Pendleton MCB	Medical/Dental Cl Repl (Margarita)	3,100		3,100
California	DMSA	Camp Pendleton MCB	Medical/Dental Cl Repl (San Mateo)	3,200		3,200
California	DMSA	Edwards AFB	Aerospace Medical Clinic Add/Alt	6,000		6,000
California	DMSA	San Diego Naval Hospital	Water Storage Tank	1,350		1,350
California	DMSA	Travis AFB	Patient Movement Items Ops & Dist Ctr	1,700		1,700
Colorado	Air Force	Falcon AFS	Operational Support Facility	9,601		9,601
Colorado	Air Force	US Air Force Academy	Add To And Alter Prep School Bldg	4,413		4,413
Colorado	Army Reserve	Fort Carson	Add/Alt USAR Ctr/Org Mnt Shop/Eqmt Con	1,101		1,101
Connecticut	Navy	NSB New London	Waterfront Improvements		12,510	12,510
Connecticut	Army Reserve	West Hartford	Land Acquisition	1,491		1,491
Connecticut	Air National Guard	Orange ANG Station	Air Control Squadron Complex		11,000	11,000
Delaware	Air Force	Dover AFB	Airman Leadership School		1,600	1,600
Delaware	Army National Guard	Dagsboro	Readiness Center		3,609	3,609
District of Columbia	Navy	Commandant Naval District Washington	Fitness Center	790		790
District of Columbia	Air Force	Bolling AFB	Honor Guard Technical School	2,948		2,948
Florida	Army	Miami	Southcom Headquarters & Land Acq	26,700	-26,700	0
Florida	Navy	Key West NAS	Child Development Center	3,730		3,730
Florida	Navy	NAS Whiting Field	Eight Lighted Helicopter Pads		1,400	1,400
Florida	Air Force	Eglin AFB	Dormitory	7,866		7,866
Florida	Air Force	Eglin AFB	Santa Rosa Island Test Sites	12,571		12,571
Florida	Air Force	Eglin AFB Auxiliary Field 9	Control Tower	2,014		2,014
Florida	Air Force	Eglin AFB Auxiliary Field 9	Fire Training Facility	1,823		1,823
Florida	Air Force	Macdill AFB	Fire Training Facility	2,494		2,494
Florida	Air Force	Macdill AFB	KC-135 Simulator Facility	2,514		2,514
Florida	SOCOM	Eglin Aux Field 9	Clear Water Aircraft Rinse	2,400		2,400
Florida	SOCOM	Eglin Aux Field 3	SOF General Purpose Aircraft Maint	2,210		2,210
Florida	SOCOM	MacDill AFB	Renovate Command & Control Facility	8,400		8,400

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State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Florida	DLA	Def Fuel Support Point Jax - Anx	Replace Fuel Tanks Mayport	11,020		11,020
Florida	DLA	Def Fuel Support Point Jacksonville	Replace Fuel Tanks	11,000		11,000
Florida	DMSA	Eglin AFB	Central Energy Plant	9,200		9,200
Florida	DMSA	Pensacola NAS	Hospital Addition/Alteration/LSU	25,400		25,400
Florida	Army National Guard	Pensacola	Readiness Center		3,975	3,975
Georgia	Army	Ft Benning	Whole Barracks Complex Renewal	28,600		28,600
Georgia	Army	Ft Stewart	General Purpose Warehouse		17,000	17,000
Georgia	Navy	NAS Atlanta	Hangar Addition		4,100	4,100
Georgia	Navy	Submarine Base Kings Bay	MSF Sedimentation Control System		2,550	2,550
Georgia	Air Force	Robins AFB	Depot Plant Services Facility	11,894		11,894
Georgia	DMSA	Moody AFB	CMF Alteration/Dental Cl Add	11,000		11,000
Georgia	DMSA	Fort Stewart	Medical/Dental Clinic Replacement	10,400		10,400
Georgia	Air National Guard	Robins AFB	Weapons Release Systems Shop	3,250		3,250
Hawaii	Army	Schofield Barracks	Whole Barracks Complex Renewal	47,500		47,500
Hawaii	Army	Schofield Barracks	Land Purchases and Condemnation		20,000	20,000
Hawaii	Navy	Kaneohe Bay MCAS	Bachelor Enlisted Quarters	27,410		27,410
Hawaii	Navy	NSB Pearl Harbor	BEQ Modernization	8,060		8,060
Hawaii	Navy	Pearl Harbor Naval Shipyard	Central Receiving Facility	9,730		9,730
Hawaii	Navy	Pearl Harbor Naval Shipyard	Elec Dist Sys Upgrade	18,180		18,180
Hawaii	Navy	Pearl Harbor Naval Shipyard	Engineering Management Building	11,400		11,400
Hawaii	Navy	MCB Hawaii	Bachelor Enlisted Quarters		19,000	19,000
Hawaii	Navy	MCB Hawaii	Hazardous Material/Waste Consolid. Fac.		4,570	4,570
Hawaii	Navy	Pearl Harbor Navy Public Works Ctr	Sewer Outfall Extension	22,877		22,877
Hawaii	Navy	Pearl Harbor Navy Public Works Ctr	Steam Condensate Return System	6,090		6,090
Hawaii	Navy	Wahiawa NAV Comms Area Master Sta	Fire Station	1,970		1,970
Hawaii	Air Force	Hickam AFB	Repair Airfield Pavement	5,890		5,890
Hawaii	Air National Guard	Hickam AFB	Replace Base Civil Engineer Maint. Facility		5,100	5,100
Idaho	Air Force	Mountain Home AFB	Dormitory	8,897		8,897
Idaho	Air Force	Mountain Home AFB	Land Acquisition	1,000		1,000
Idaho	Air Force	Mountain Home AFB	Range Improvements	2,400		2,400
Idaho	Air Force	Mountain Home AFB	B1-B Conventional Munitions Shop		4,100	4,100
Idaho	Air Force	Mountain Home AFB	B1-B Munitions Storage Igloos		1,500	1,500

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State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Idaho	Army National Guard	Gowen Field	Readiness Center Add/Alt	4,224		4,224
Idaho	Air National Guard	Boise Air Terminal	Add/Alt Base Supply Complex		3,000	3,000
Illinois	Army	Rock Island Arsenal	Electrical Distribution System	5,300		5,300
Illinois	Navy	Great Lakes Naval Training Center	Applied Instruction Building Modification	5,750		5,750
Illinois	Navy	Great Lakes Naval Training Center	Gas Turbine Training Facility	7,410		7,410
Illinois	DMSA	Great Lakes Naval Station	Hospitalman "A" School Addition	7,100		7,100
Indiana	Army	Crane	Ammunition Containerization Complex Ph II	7,100		7,100
Indiana	Army	Newport AAP	Ammunition Demilitarization Fac Ph I	27,500	-27,500	0
Indiana	Army	Newport AAP	Ammunition Demilitarization Support	2,000	-2,000	0
Indiana	Chem Demilitirization	Newport AAP	Ammunition Demilitarization Fac Ph I		15,000	15,000
Indiana	Chem Demilitirization	Newport AAP	Ammunition Demilitarization Support		2,000	2,000
Indiana	Air National Guard	Hulman Regional Airport	Fuel Cell/Corrosion Control & Fire Station		6,000	6,000
Indiana	Air National Guard	Ft Wayne International Airport	Replace Dining Hall & Medical Trng Facility		6,000	6,000
Iowa	Army National Guard	Camp Dodge	Fuel Dispensing Facility	737		737
Iowa	Air National Guard	Des Moines	Replace Security Police Operations Facility		4,000	4,000
Kansas	Army	Fort Leavenworth	US Disciplinary Barracks Ph II	29,000		29,000
Kansas	Air Force	McConnell AFB	Add to Central Development Center		2,900	2,900
Kansas	Air National Guard	Forbes Field	KC-135 Maintenanve Hangar Upgrade		9,800	9,800
Kentucky	Army	Bluegrass Army Depot	Ammunition Containerization Complex	5,300		5,300
Kentucky	Army	Fort Campbell	Whole Barracks Complex Renewal	41,000		41,000
Kentucky	SOCOM	Fort Campbell	Aircraft Maintenance Hangar	15,000		15,000
Kentucky	Army National Guard	West KY Region Training Center	W.KY Trg Site Ph III/IV	5,435		5,435
Kentucky	Air National Guard	Standiford Field, Louisville	Rep Composite Aerial Port/ALCE Trg Fac		4,100	4,100
Louisana	Army	Ft Polk	Consolidated Rail Loading Facility		8,300	8,300
Louisana	DMSA	Barksdale AFB	Clinic Addition/Alteration	3,450		3,450
Louisana	Navy Reserve	NAS New Orleans	Engine Test Cell	2,200		2,200
Maryland	Army	Aberdeen Proving Ground	Ammunition Demilitarization Fac Ph I	26,500	-26,500	0
Maryland	Army	Aberdeen Proving Ground	Ammunition Demilitarization Support	1,850	-1,850	0
Maryland	Army	Fort Detrick	Physical Fitness Training Center	3,550		3,550
Maryland	Army	Fort Meade	Emergency Services Center		5,300	5,300
Maryland	Navy	Indian Head Naval Surface Warfare Ctr	Annealing Oven Facility	6,680		6,680
Maryland	Navy	U.S. Naval Academy	Demolish NTRF Towers		4,300	4,300

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State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Maryland	Air Force	Andrews AFB	Child Development Center	4,448		4,448
Maryland	Chem Demilitirization	Aberdeen Proving Ground	Ammunition Demilitarization Fac Ph I		15,000	15,000
Maryland	Chem Demilitirization	Aberdeen Proving Ground	Ammunition Demilitarization Support		1,850	1,850
Maryland	NSA	Fort Meade	Perimeter Fence (West)	668		668
Massachusetts	Air Force	Hanscom AFB	Renovate Acquisition Management Facility		10,000	10,000
Massachusetts	Army Reserve	Devens	Reserve Support Command Hqs	3,335		3,335
Massachusetts	Navy Reserve	NMCRC Lawrence	Reserve Center Improvement	840		840
Massachusetts	Air Force Reserve	Westover AFRB	Control Tower		5,000	5,000
Michigan	Army Reserve	Walker	USAR Ctr/Mat Shop	9,439		9,439
Michigan	Air National Guard	Alpena County Regional Airport	Sanitary Sewer Lines	3,900		3,900
Michigan	Air National Guard	Alpena County Regional Airport	Fire Station		5,100	5,100
Michigan	Air National Guard	Selfridge ANGB	Replace Control Tower & Rapcon Center	5,200		5,200
Michigan	Air National Guard	Selfridge ANGB	Infrastructure Upgrade		9,800	9,800
Minnesota	Army National Guard	Camp Ripley	M-P Mach Gun/Snpr (Rets)	1,023		1,023
Minnesota	Navy Reserve	Naval Air Reserve Center Twin Cities	Headquarters Building	3,630		3,630
Mississippi	Navy	Gulfport Naval Construction Bn Ctr	BEQ Modernization	10,670		10,670
Mississippi	Air Force	Columbus AFB	Bachelor Officers Quarters		5,700	5,700
Mississippi	Air Force	Columbus AFB	Corrosion Control Facility		2,500	2,500
Mississippi	Air Force	Keesler AFB	Student Dormitories	29,770		29,770
Mississippi	Air Force	Keesler AFB	Training Support Facility	5,756		5,756
Mississippi	SOCOM	Stennis Space Center	SOF Operations Support Facility		5,500	5,500
Mississippi	DLA	DFSC Camp Shelby	Replace Bulk Fuel Fac	5,300		5,300
Mississippi	DMSA	Keesler AFB	Bioenvironmental Eng Fac Repl	700		700
Mississippi	Army National Guard	Brookhaven	Regional Training Center/OMS		5,247	5,247
Missouri	Army	Fort Leonard Wood	Engineer Qualification Range	5,200		5,200
Missouri	Air National Guard	Rosecrans Memorial Airport	Upgrade Aircraft Parking Apron, Ph1		9,600	9,600
Montana	Air Force	Malmstrom AFB	Missile Operations Shop		5,300	5,300
Montana	Air Force	Malmstrom AFB	Replace Dormitory		7,900	7,900
Montana	Army National Guard	Helena	Reserve Center		21,690	21,690
Nebraska	Air National Guard	Lincoln Municipal Airport	Joint Medical Training Facility		3,350	3,350
Nevada	Air Force	Indian Springs	UAV Logistics And Training Facility	3,965		3,965
Nevada	Air Force	Indian Springs	UAV Sq Ops/Aircraft Maintenance Unit	7,059		7,059

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State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Nevada	Air Force	Indian Springs	UAV-Comm Maint Facility/Infra/Utilities	3,989		3,989
Nevada	Air Force	Nellis AFB	Dormitory	6,378		6,378
Nevada	Army National Guard	Carson City	Readiness Center		5,860	5,860
New Jersey	Army	Fort Dix	Ammunition Supply Point		8,731	8,731
New Jersey	Air Force	McGuire AFB	Dining Facility	6,044		6,044
New Mexico	Air Force	Kirtland AFB	Fire Training Facility	1,774		1,774
New Mexico	Air Force	Kirtland AFB	Repair Nuclear Weapon Integration Building		6,800	6,800
New Mexico	Air Force	Cannon AFB	Repair Runway Keel Section 2		6,500	6,500
New Mexico	DMSA	Holloman AFB	War Readiness Material Warehouse	1,300		1,300
New Mexico	Army National Guard	Taos	Readiness Center		3,300	3,300
New York	Army	Fort Drum	Inclement Weather Weapons Training		4,650	4,650
New York	Army	U.S. Military Academy	Cadet Physical Development Center	12,000		12,000
New York	DODDS	U.S. Military Academy	School Addition	2,840		2,840
New York	Army Reserve	Fort Wadsworth	Add/Alt USAR Ctr	6,424		6,424
New York	Air Force Reserve	Niagra Falls	Composite Maintenance Facility		3,900	3,900
North Carolina	Army	Fort Bragg	Deployment Staging Complex	30,000		30,000
North Carolina	Army	Fort Bragg	Whole Barracks Complex Renewal	47,000		47,000
North Carolina	Army	Fort Bragg	Force Protection Fences		8,300	8,300
North Carolina	Navy	Camp Lejeune MCB	Fire Station	1,830		1,830
North Carolina	Navy	Camp Lejeune MCB	Infrastructure Phy Security	12,770		12,770
North Carolina	Navy	Camp Lejeune MCB	Bachelor Enlisted Quarter		15,700	15,700
North Carolina	Navy	Cherry Point MCAS	Aircraft Fire And Rescue Station Addition	1,620		1,620
North Carolina	Navy	Cherry Point MCAS	Child Development Center	4,420		4,420
North Carolina	Air Force	Seymour Johnson AFB	Education Center/Library		6,100	6,100
North Carolina	DMSA	Fort Bragg	44th Medical Brigade WRM Warehouse	6,500		6,500
North Carolina	DODDS	Camp Lejeune NC	Brewster Middle School	16,900		16,900
North Carolina	DLA	DFSC Pope AFB	Hydrant Fuel Sys	4,100		4,100
North Dakota	Air Force	Grand Forks AFB	Fire Training Facility	2,686		2,686
North Dakota	Air Force	Minot AFB	Taxiway Repair		8,500	8,500
North Dakota	DMSA	Grand Forks AFB	Medical/Dental Clinic Add/Alt	5,600		5,600
North Dakota	Army National Guard	Bismarck	AASF/Read Ctr Cmplx Expan	6,240		6,240
North Dakota	Air National Guard	Hector Field	Add/Alt Base Supply Complex		3,650	3,650

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State Name	Service	Installation Name	Project Name	Request	Change	Recommended
North Dakota	Air National Guard	Hector Field	Regional Fireman Training Facility	800		800
Ohio	Air Force	Wright-Patterson AFB	Acquisition Mgmt Complex	22,000		22,000
Ohio	Army Reserve	Gahanna	USAR Ctr Purchase	3,115		3,115
Ohio	Air National Guard	Springfield-Beckly Municipal Airport	Base Civil Engineering/Security Forces Cmpx		5,000	5,000
Oklahoma	Army	McAlester	Ammunition Containerization Complex	10,800		10,800
Oklahoma	Army	Fort Sill	Tactical Equipment Shop Ph I	13,806		13,800
Oklahoma	Army	Fort Sill	Whole Barracks Complex Renewal	20,500		20,500
Oklahoma	Air Force	Tinker AFB	Combat Communications Sq Ops Facility	5,085		5,085
Oklahoma	Air Force	Tinker AFB	Dormitory	9,100		9,100
Oklahoma	Air Force	Tinker AFB	Squadron Operations & Mobility Center		10,800	10,800
Oklahoma	Air Force	Vance AFB	Fire Training Facility	1,823		1,823
Oklahoma	Air Force	Vance AFB	Add/Alt Physical Fitness Training Center		4,400	4,400
Oklahoma	Air Force	Altus AFB	Control Tower		4,000	4,000
Oklahoma	DLA	Defense Fuel Support Point - Ft Sill	Replace Fuel Storage Facility	3,500		3,500
Oklahoma	Army National Guard	Lexington	AASF Expansion	7,382		7,382
Oregon	Army	Umatilla Army Depot	Ammunition Demilitarization Fac Ph IV	50,950	-50,950	0
Oregon	Chem Demilitirization	Umatilla Army Depot	Ammunition Demilitarization Fac Ph IV		30,950	30,950
Pennsylvania	DMSA	Carlisle Barracks	Health Clinic Addition	4,678		4,678
Pennsylvania	Army Reserve	U.S. Army Reserve Center	99th Regional Support Command Ph III		19,512	19,512
Rhode Island	Navy	Newport Naval Ed & Trng Ctr	Boiler Plant Modifications	5,630		5,630
Rhode Island	Navy	Newport Naval Undersea Warfare Ctr	Undersea Warfare Facility	9,140		9,140
South Carolina	Navy	Beaufort Marine Corps Air Station	Missile Magazines	1,770		1,770
South Carolina	Navy	Charleston Naval Weapons Station	Ordnance Railroad Realignment	9,737		9,737
South Carolina	Navy	Parris Island Marine Corps Recruit Dpt	Weapons Battallion Mess Hall	7,960		7,960
South Carolina	Air Force	Charleston AFB	C-17 Life Support Facility	4,701		4,701
South Carolina	Air Force	Charleston AFB	C-17 Sq Ops/Aircraft Maintenance Unit	7,639		7,639
South Carolina	Air Force	Charleston AFB	C-17 Sq Ops/Aircraft Maintenance Unit	6,769		6,769
South Carolina	Air Force	Charleston AFB	Dining Facility	5,221		5,221
South Carolina	Air Force	Shaw AFB	Education Center and Library		8,500	8,500
South Carolina	Army National Guard	Spartanburg	Readiness Center		5,260	5,260
South Dakota	Air Force	Ellsworth AFB	Add/Alt Squadron Operations Facility		6,500	6,500
South Dakota	Air National Guard	Joe Foss Field	Vehicle Maintenance and ASE Facility		5,200	5,200

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State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Texas	Army	Fort Hood	Railhead Facility	17,500		17,500
Texas	Army	Fort Sam Houston	Whole Barracks Complex Renewal	21,800		21,800
Texas	Army	Fort Bliss	Tactical Vehicle Overpass		4,100	4,100
Texas	Air Force	Lackland AFB	Dormitory	6,800		6,800
Texas	Air Force	Lackland Training Annex	Operations Facility	8,130		8,130
Texas	Air Force	Randolph AFB	Base Operations Facility	3,166		3,166
Texas	Air Force	Dyess AFB	B-1 Support Equipment Shop		1,400	1,400
Texas	DMSA	Fort Hood	Blood Donor Center	3,100		3,100
Texas	DMSA	Fort Hood	Primary Care Clinic	11,000		11,000
Texas	Navy Reserve	Reserve Center Galveston	Marcorrescen Galvestontx	4,090		4,090
Utah	Army	Tooele Army Depot	Ammunition Containerization Complex	3,900		3,900
Utah	Air Force	Hill AFB	Add to Child Development Center		1,500	1,500
Utah	Air Force	Hill AFB	War Readiness Asset Warehouse		2,600	2,600
Utah	Army Reserve	Salt Lake City	USAR Center	13,200	4,106	17,306
Vermont	Air National Guard	Burlington International Airport	Base Supply Complex		5,500	5,500
Virginia	Army	Charlottesville	National Ground Intelligence Center Fac	46,200		46,200
Virginia	Army	Fort Eustis	Whole Barracks Complex Renewal	36,531		36,531
Virginia	Navy	Dahlgren Naval Surface Warfare Ctr	Weapons Sys Dev Lab Addn	5,130		5,130
Virginia	Navy	Dam Neck Tactical Train Grp Atlantic	Training Bldg Addition	2,430		2,430
Virginia	Navy	Norfolk Fleet & Industrial Supply Ctr	Fire Station	1,770		1,770
Virginia	Navy	Norfolk Fleet Training Center	Engineering Training Facility addition	5,700		5,700
Virginia	Navy	Norfolk Naval Station	Berthing Pier	32,030		32,030
Virginia	Navy	Portsmouth Norfolk Naval Shipyard	Channel Dredging	6,180		6,180
Virginia	DMSA	Cheatham Annex	Fleet Hosp Spt Ops Operational Warehouse	9,400		9,400
Virginia	DMSA	Cheatham Annex	Fleet Hosp Support Operation Admin Office	1,900		1,900
Virginia	DLA	Defense General Supply Center	Convert Whse To Admin Space	10,500		10,500
Virginia	DMSA	Portsmouth Naval Hospital	Hospital Replacement Phase X	17,954		17,954
Virginia	Army National Guard	Powhatan	Readiness Center	2,435		2,435
Virginia	Army Reserve	Fort Belvoir	Usar Ctr/Org Mnt Shop/Area Mnt Spt Act	10,314		10,314
Virginia	Army Reserve	Fort Eustis	Aviation Spt Facility	11,618		11,618
Virginia	Navy Reserve	NARC Norfolk	Hangar Renovation	1,660		1,660
Washington	Army	Fort Lewis	Central Vehicle Wash Facility	4,650		4,650

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State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Washington	Army	Fort Lewis	Close Combat Tactical Trainer Building	7,600		7,600
Washington	Army	Fort Lewis	Consolidated Fuel Facility	3,950		3,950
Washington	Army	Fort Lewis	Tank Trail Erosion Mitigation-Yakima	2,000		2,000
Washington	Navy	Bremerton Strategic Wpns Fac Pac	Security Facility Upgrade	2,750		2,750
Washington	Navy	Bremerton Puget Sound NSY	Community Support Facility		4,300	4,300
Washington	Air Force	Fairchild AFB	KC-135 Sq Ops/Aircraft Maintenance Unit	7,620		7,620
Washington	Air Force	Fairchild AFB	Survival Academic Training Support Center		3,900	3,900
Washington	Air Force	McChord AFB	C-17 Add To And Alt Aircraft Maint Shop	2,321		2,321
Washington	Air Force	McChord AFB	C-17 Add To And Alter Simulator Facility	1,823		1,823
Washington	Air Force	McChord AFB	C-17 Add/Alter Age Maintenance Facility	2,110		2,110
Washington	Air Force	McChord AFB	C-17 Alter Composite Shop	1,630		1,630
Washington	Air Force	McChord AFB	C-17 Alter Maintenance Hangars	6,427		6,427
Washington	Air Force	McChord AFB	C-17 Flightline Support Facility	4,029		4,029
Washington	Air Force	McChord AFB	C-17 Life Support Equipment Facility	4,413		4,413
Washington	Air Force	McChord AFB	C-17 Ramp/Hydrant Fuel System	18,025		18,025
Washington	Air Force	McChord AFB	C-17 Repair Base Roads	2,224		2,224
Washington	Air Force	McChord AFB	C-17 Shortfield Assault Strip	2,321		2,321
Washington	Air Force	McChord AFB	C-17 Sq Ops/Aircraft Maintenance Unit	6,524		6,524
Washington	Air Force	McChord AFB	Consolidated Medical Training Facility		3,400	3,400
Washington	DMSA	Bangor NSB	Disease Vector Ecology & Control Center	5,700		5,700
Washington	DMSA	Bremerton Naval Hospital	Hospital Addition/Alteration	28,000		28,000
Washington	DMSA	McChord AFB	Clinic/Wrm Warehouse Replacement	20,000		20,000
Washington	Army Reserve	Fort Lawton	USAR/OMS/MEP, Ph II		10,713	10,713
Washington	Air National Guard	Fairchild AFB	Composite Support Complex		9,800	9,800
West Virginia	Army	Camp Dawson	Regional Training Institute		13,595	13,595
West Virginia	Army National Guard	CP Dawson (Kingwood)	Readiness Center	4,465	-4,465	0
Wisconsin	Army Reserve	Fort Mccoy	Crash Rescue Station	1,850		1,850
Wisconsin	Army Reserve	Fort Mccoy	Machine Gun Range	2,032		2,032
Wisconsin	Air National Guard	Volk Field	Upgrade Runway And Taxiway	9,600		9,600
Conus Classified	Army	Classified Locations	Classified Project	4,600		4,600
Belgium	Army	Belgium	Child Development Center	6,300		6,300
Germany	Army	Schweinfurt	Whole Barracks Complex Renewal	18,000		18,000

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State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Germany	Army	Wuerzberg	Child Development Center	4,250		4,250
Germany	Air Force	Spangdahlem AB	Consolidated Air Control Sq Ops Fac	4,466		4,466
Germany	Air Force	Spangdahlem AB	Dormitory	9,501		9,501
Greece	Navy	Souda Bay Crete Naval Spt Activity	Bachelor Enlisted Quarters	5,260		5,260
Guam	Navy	Naval Activities	Special Warfare Unit Facility	5,500		5,500
Guam	Navy	Naval Activities	Waterfront Consolidation Activities	4,810		4,810
Guam	DODDS	Guam Schools	Guam Elementary School	8,600		8,600
Guam	DODDS	Guam Schools	Guam High School	4,500		4,500
Italy	Navy	Naples Naval Support Activity	NH Public Works Facility	18,270		18,270
Italy	DMSA	Sigonella NAS	Flight Line Dispensary	5,300		5,300
Korea	Army	Camp Casey	Whole Barracks Complex Renewal	13,400		13,400
Korea	Army	Camp Castle	Whole Barracks Complex Renewal	18,226		18,226
Korea	Army	Camp Humphreys	Whole Barracks Complex Renewal	8,500		8,500
Korea	Army	Camp Stanley	Whole Barracks Complex Renewal	5,800		5,800
Korea	Air Force	Kunsan AB	Dormitory	5,958		5,958
Korea	Air Force	Osan AB	Dormitory	7,496		7,496
Kwajalein	Army	Kwajalein Atoll	Power Plant - Roi Namur Island	12,600		12,600
Kwajalein	BMDO	Missile Range	Multi Purpose Missile Test Facilities	4,600		4,600
Portugal	DLA	Def Fuel Sup Point Lajes Fld Azores	Fuel Pumphouse & Tanks	7,700		7,700
Puerto Rico	SOCOM	NS Puerto Rico	SOF Operations Fac	9,600		9,600
Puerto Rico	DODDS	Fort Buchanan	Elementary School	8,805		8,805
Turkey	Air Force	Incirlik AB	Central Security Control Facility	2,949		2,949
United Kingdom	Navy	St Mawgan Joint Maritime Comm Ctr	Education Center	2,010		2,010
United Kingdom	Air Force	RAF Lakenheath	Dormitories	15,838		15,838
United Kingdom	Air Force	RAF Mildenhall	Dormitories	10,926		10,926
United Kingdom	Air Force	RAF Mildenhall	KC-135 Sq Ops/Aircraft Maintenance Unit	14,034		14,034
United Kingdom	DMSA	RAF Lakenheath	Hospital Annex Replacement	10,800		10,800
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Host Nation Support	20,450		20,450
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Planning And Design	41,819	3,026	44,845
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Unspecified Minor Construction	10,000		10,000
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Planning And Design	58,346	2,135	60,481
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Unspecified Minor Construction	8,900		8,900

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Unspecified Minor Construction	7,135		7,135
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Various-Planning And Design	35,592	9,170	44,762
Worldwide Unspecified	SOCOM	Unspecified Worldwide Locations	Planning And Design	1,450	2,700	4,150
Worldwide Unspecified	SOCOM	Unspecified Worldwide Locations	Unspecified Minor Construction	4,200	-2,700	1,500
Worldwide Unspecified	Defense	Energy Cons Improvement Pgm	Energy Conservation Improvement Program	46,950		46,950
Worldwide Unspecified	DFAS	Unspecified Minor Construction	Minor Construction	1,500		1,500
Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Contingency Construction	9,390		9,390
Worldwide Unspecified	DTRTC	Unspecified Worldwide Locations	Minor Construction	900		900
Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Minor Construction	3,000		3,000
Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Planning And Design	15,000		15,000
Worldwide Unspecified	DMSA	Unspecified Worldwide Locations	Planning And Design	8,555		8,555
Worldwide Unspecified	DM & P Center	Unspecified Worldwide Locations	Planning And Design	2,200		2,200
Worldwide Unspecified	DTRTC	Unspecified Worldwide Locations	Planning And Design	100		100
Worldwide Unspecified	BMDO	Unspecified Worldwide Locations	Planning And Design	12,561		12,561
Worldwide Unspecified	BMDO	Unspecified Worldwide Locations	Unspecified Minor Construction	999		999
Worldwide Unspecified	DMSA	Unspecified Worldwide Locations	Unspecified Minor Construction	1,900		1,900
Worldwide Unspecified	JCS	Unspecified Worldwide Locations	Unspecified Minor Construction	3,595		3,595
Worldwide Unspecified	Defense	BRAC Part II	Base Realignment & Closure Acct Part III	433,464		433,464
Worldwide Unspecified	Defense	BRAC Part II	Base Realignment & Closure Acct Part IV	1,297,240		1,297,240
Worldwide Unspecified	Defense	NATO Security Investment Prgm	NATO Security Investment Program	185,000	-26,000	159,000
Worldwide Unspecified	Army National Guard	Unspecified Worldwide Locations	Planning And Design	4,548	3,244	7,792
Worldwide Unspecified	Army National Guard	Unspecified Worldwide Locations	Unspecified Minor Construction	546		546
Worldwide Unspecified	Army Reserve	Unspecified Worldwide Locations	Planning And Design	7,368	1,760	9,128
Worldwide Unspecified	Navy Reserve	Unspecified Worldwide Locations	Planning And Design	1,974		1,974
Worldwide Unspecified	Navy Reserve	Unspecified Worldwide Locations	Unspecified Minor Construction	877		877
Worldwide Unspecified	Air National Guard	Unspecified Worldwide Locations	Planning And Design	8,549	4,771	13,320
Worldwide Unspecified	Air National Guard	Unspecified Worldwide Locations	Unspecified Minor Construction	3,462		3,462
Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide Locations	Planning And Design	2,432	790	3,222
Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide Locations	Unspecified Minor Construction	2,903		2,903
Worldwide Various	DLA	Various Locations	Conforming Storage Facities	1,300		1,300
			Prior Year Deauthorization		-12,714	-12,714
			Totals	4,300,744	443,945	4,744,689

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Alabama	Army	Redstone Arsenal	Family Housing Replacement Const (118)	14,000		14,000
Alabama	Air Force	Maxwell AFB	Replace MFH Ph 1 (143 Units)	16,300		16,300
Alaska	Air Force	Eielson AFB	Replace MFH Ph 3 (46 Units)	12,932		12,932
California	Navy	Lemoore NAS	Replacement Homes (162 Units)	30,379		30,379
California	Air Force	Edwards AFB	Replace MFH Ph 4 (48 Units)	12,580		12,580
California	Air Force	Vandenberg AFB	Replace MFH Ph 6 (95 Units)	18,499		18,499
Delaware	Air Force	Dover AFB	Replace MFH (55 Units)	8,998		8,998
Florida	Air Force	MacDill AFB	Replace MFH Ph3 (48 Units)	7,609		7,609
Florida	Air Force	Patrick AFB	Replace MFH Ph 1 (46 Units)	9,692		9,692
Florida	Air Force	Tyndall AFB	Replace MFH Ph 5 (122 Units)	14,500		14,500
Hawaii	Army	Schofield Barracks	Family Housing Replacement Const (64)	14,700		14,700
Hawaii	Navy	Naval Complex, Oahu	Replacement Homes (150 Units)	29,125		29,125
Mississippi	Air Force	Keesler AFB	Replace Family Housing (52 Units)		6,800	6,800
Mississippi	Air Force	Columbus AFB	Replace Family Housing (52 Units)		6,800	6,800
Nebraska	Air Force	Offutt AFB	Replace Housing Maint Fac	900		900
Nebraska	Air Force	Offutt AFB	Replace Housing Office	870		870
Nebraska	Air Force	Offutt AFB	Replace MFH Ph 4 (90 Units)	12,212		12,212
New Mexico	Air Force	Kirtland AFB	Replace MFH Ph 5 (37 Un)	6,400		6,400
North Carolina	Army	Fort Bragg	Family Housing Replacement Const (170)	19,800		19,800
Ohio	Air Force	Wright Patterson AFB	Replace MFH (40 Units)	5,600		5,600
Texas	Army	Fort Hood	Family Housing Replacement Const (154)	21,600		21,600
Texas	Air Force	Dyess AFB	Construct MFH Ph 2 (64 Un)	9,415		9,415
Texas	Air Force	Sheppard AFB	Replace Family Housing, Ph 1 (115 Units)		12,800	12,800
Washington	Air Force	Fairchild AFB	Replace Hsg Off & Maint Fac	1,692		1,692
Washington	Air Force	Fairchild AFB	Replace MFH (14 Units)	2,300		2,300
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Payment To Homeowners	18,041		18,041
Worldwide Various	Army	Unspecified Worldwide Locations	General Reduction	-1,639		-1,639
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Acquisition Of Real Property	63,660		63,660
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Other Operating Costs	28,034		28,034
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Construction Improvements	28,629	17,400	46,029
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Planning	6,350	1,140	7,490
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Interest Payments	3		3

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Leasing	202,155		202,155
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Miscellaneous Account	415		415
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Maintenance Of Real Property	467,914		467,914
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Utilities Account	250,407		250,407
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Services Account	52,222		52,222
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Management Account	87,125		87,125
Worldwide Unspecified	Army	Unspecified Worldwide Locations	Furnishings Account	44,492		44,492
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Construction Improvements	211,991		211,991
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Planning	15,618		15,618
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Maintenance Of Real Property	414,967		414,967
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Leasing	135,079		135,079
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Miscellaneous Account	293		293
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Management Account	82,331		82,331
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Furnishings Account	33,199		33,199
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Utilities Account	184,519		184,519
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Services Account	64,829		64,829
Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Mortgage Insurance Premiums	76		76
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	General Reduction	-7,584		-7,584
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Planning	11,342	1,280	12,622
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Construction Improvements	81,778	9,110	90,888
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Mortgage Insurance Premiums	32		32
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Maintenance Of Real Property	388,659		388,659
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Miscellaneous Account	5,240		5,240
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Leasing	118,071		118,071
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Furnishings Account	37,218		37,218
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Utilities Account	152,214		152,214
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Services Account	36,066		36,066
Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Management Account	52,495		52,495
Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Family Housing Improvement Fund	7,000		7,000
Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Construction Improvements	50		50
Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Construction Improvements	295		295
Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Management Account	244		244

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

State Name	Service	Installation Name	Project Name	Request	Change	Recommended
Worldwide Unspecified	DIA	Unspecified Worldwide Locations	Leasing	18,847		18,847
Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Furnishings Account	125		125
Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Services Account	51		51
Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Utilities Account	424		424
Worldwide Unspecified	DIA	Unspecified Worldwide Locations	Furnishings Account	2,153		2,153
Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Services Account	355		355
Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Maintenance Of Real Property	496		496
Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Leasing	12,292		12,292
Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Miscellaneous Account	735		735
Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Furnishings Account	126		126
Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Utilities Account	450		450
Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Management Account	70		70
Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Maintenance Of Real Property	531		531
Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Homeowners Assist Prg Property Sales	-96,935		-96,935
Worldwide Various	Navy	Congressional Reductions	General Reduction	-6,323		-6,323
			Totals	3,477,330	55,330	3,532,660

Base closure and realignment accounts

The committee recommends authorization of $1.7 billion in fiscal year 1999 for the Defense Base Closure and Realignment Account, 1990, that supports the recommendations of the 1993, and 1995 Defense Base Closure and Realignment Commissions.

The committee will continue to carefully monitor the justification for the construction projects funded within these accounts and the other cost elements of these accounts.

Although funding is not specifically limited to projects identified in its budget justification, the Department of Defense identified the following construction projects for fiscal year 1999 that it plans to fund from these accounts.

1999 Amended Budget Estimates
Base Realignment and Closure
FY 1999 BRAC Military Construction Projects

Component/State/Project Description	BRAC Round	Amount ($000)
Navy BRAC III Construction, Fiscal Year 1999		
District of Columbia		
Naval District of Washington		
Building Renovation (P-040T)	III	4,300
Subtotal Navy Washington, District of Columbia		4,300
Nevada		
Naval Air Station, Fallon		
Bachelor Office Quarters Phase II (P-XX1T)	III	11,100
Subtotal Navy Nevada		11,100
Total for Navy Construction, FY 1999		**15,400**

1999 Amended Budget Estimates
Base Realignment and Closure
FY 1999 BRAC Military Construction Projects

Component/State/Project Description	BRAC Round	Amount ($000)
Army BRAC IV Construction, Fiscal Year 1999		
Alaska		
Fort Greely		
Munitions Storage Facility (PN 47461)	IV	1,550
Subtotal Army Alaska		1,550
Colorado		
Fitzsimons Army Medical Center		
Warehouse Addition (PN 47653)	IV	1,550
Reserve Center (PN 50296)	IV	2,750
Subtotal Army Colorado		4,300
Indiana		
Crane Army Ammunition Activity		
Surveillance Test Facility (PN 50057)	IV	1,850
Subtotal Army Indinia		1,850
Maryland		
Fort Detrick		
Physical Fitness Center (PN 48153)	IV	3,050
Fort Meade		
Administrative Facility DIS (PN 46307)	IV	12,000
Administrative Facility ESSD Renovation (PN 47770)	IV	2,900
SDC-W Renovation - Pershing Hall (PN 47237)	IV	6,300
Subtotal Army Maryland		24,250
New York		
Fort Totten		
Storage Facility (PN 46258)	IV	1,900
Subtotal Army New York		1,900
Pennsylvania		
Letterkenny Army Depot		
Enclave Fencing (PN 49714)	IV	1,150
Subtotal Army Pennsylvania		1,150
Virginia		

1999 Amended Budget Estimates
Base Realignment and Closure
FY 1999 BRAC Military Construction Projects

Component/State/Project Description	BRAC Round	Amount ($000)
Fort Eustis		
MTMC Headquarters (PN 49183)	IV	9,600
Fort Pickett		
Reserve Center (PN-46354)	IV	3,100
Army BRAC IV Construction, Fiscal Year 1999 (continues)		
Virginia (continues)		
Fort Lee		
WAC Museum (PN 50091)	IV	2,400
Subtotal Army Virginia		15,100
Various Locations		
Program Management	IV	2,350
Subtotal Army Various		2,350
Total for Army BRAC IV Construction, FY 1999		**52,450**
Army BRAC IV Family Housing Construction, FY 1999		
Alaska		
Fort Wainwright		
Family Housing (PN 47530)	IV	1,700
Subtotal Army Family Housing Alaska		1,700
Total Army Family Housing Construction, FY 1999		**1,700**
Navy BRAC IV Construction, FY 1999		
California		
Naval Air Weapons Station, Point Mugu		
Aviation Support Facilities (260U)	IV	1,500
Maintenance and Training Facilities (261U)	IV	12,800
Subtotal Navy California		14,300
District of Columbia		
Naval District of Washington		
NAVSEASYSCOM Headquarters Building Relocation (009U)	IV	71,543
Building Modernization (041U)	IV	7,350

1999 Amended Budget Estimates
Base Realignment and Closure
FY 1999 BRAC Military Construction Projects

Component/State/Project Description	BRAC Round	Amount ($000)
Subtotal Navy District of Columbia		78,893
Hawaii		
Naval Telecommunications Center, Makalapa		
Building Addition (411U)	IV	920
Subtotal Navy Hawaii		920

1999 Amended Budget Estimates
Base Realignment and Closure
FY 1999 BRAC Military Construction Projects

Component/State/Project Description	BRAC Round	Amount ($000)
Navy BRAC IV Construction, FY 1999 (continues)		
New Jersey		
McGuire AFB		
Defense Courier Service Building (935U)	IV	850
Subtotal Navy New Jersey		850
Tennessee		
Naval Support Activity, Memphis		
Building Renovation (329U)	IV	4,200
Subtotal Navy Tennessee		4,200
Texas		
Naval Air Station, Corpus Christi		
Sled Ramp Facility and Land Acquisition (421U)	IV	13,313
Subtotal Navy Texas		13,313
Virginia		
Naval Station, Norfolk		
Building Renovations and Alterations (317U)	IV	3,970
Naval Air Station, Oceana		
Training Facility Additions and Renovations (161U)	IV	5,784
Strike Fighter Weapons School Additions (163U)	IV	4,073
Corrosion Control Hanger (576U)	IV	4,868
Subtotal Navy Virginia		18,695
Total for Navy BRAC IV Construction, FY 1999		**131,171**
Air Force BRAC IV Construction, FY 1999		
New York		
Stewart International Airport		
Communications Training Complex (WHAY 959635)	IV	6,000
Subtotal Air Force New York		6,000
Oklahoma		
Tinker AFB		
Alter Product Management (WWYK990032)	IV	2,300

1999 Amended Budget Estimates
Base Realignment and Closure
FY 1999 BRAC Military Construction Projects

Component/State/Project Description	BRAC Round	Amount ($000)
Alter Engine Test Cell (WWYK993200)	IV	3,800
ADAL Fuel Air Facility (WWYK993201A)	IV	1,300
Subtotal Air Force Oklahoma		7,400

1999 Amended Budget Estimates
Base Realignment and Closure
FY 1999 BRAC Military Construction Projects

Component/State/Project Description	BRAC Round	Amount ($000)
Air Force BRAC IV Construction, FY 1999 (continues)		
Texas		
Kelly AFB		
Security Fence/Gates (MBPB 993205R1)	IV	400
Vehicle OPS/Maintenance Complex (MBPB 993213R1)	IV	6,200
Fuel Operations Facility (MBPB 993214R1)	IV	1,200
Consolidated Fire Station (MBPB 993216)	IV	1,200
Reconfigure Utility Systems (MBPB 993230)	IV	2,500
Subtotal Air Force Texas		11,500
Utah		
Hill AFB		
GTE Test Cell (KRSM 993009)	IV	2,100
Alter Product Management/Composites (KRSM983102)	IV	5,300
F-117 Radar Facility (KRSM 983002)	IV	1,100
Subtotal Air Force Utah		8,500
Various Locations		
Planning and Design (BCL 99RD4)	IV	700
Subtotal Air Force Various		700
Total Air Force BRAC IV Construction, FY 1999		**34,100**
Defense Logistics Agency BRAC IV Construction, FY 1999		
Utah		
Defense Distribution Region West Defense Depot Hill, UT		
Deployable Medical Systems Warehouse	IV	31,000
Subtotal Defense Logistics Agency Utah		31,000
Total Defense Logistics Agency Construction, FY 1999		
31,000		

TITLE XXI—ARMY

SUMMARY

The Army requested authorization of $790,876,000 for military construction and $1,206,534,000 for family housing for fiscal year 1999. The committee recommends authorization of $764,478,000 for military construction and $1,228,358,000 for family housing for fiscal year 1999. The reduction in the military construction program reflects the transfer of the Chemical Demilitarization program to Office of the Secretary of Defense.

Sec. 2101. Authorized Army construction and land acquisition projects.

This section contains the list of authorized Army construction projects for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Sec. 2102. Family housing.

This section would authorize new construction and planning and design of family housing units for the Army for fiscal year 1999.

Sec. 2103. Improvements to military family housing units.

This section would authorize improvements to existing units of family housing units for fiscal year 1999.

Sec. 2104. Authorization of appropriations, Army.

This section would authorize specific appropriations for each line item contained in the Army's budget for fiscal year 1999. This section also provides an overall limit on the amount the Army may spend on military construction projects.

Sec. 2105. Modification of authority to carry out fiscal year 1998 project.

The committee recommends a provision that would amend section 2101 of the Military Construction Authorization Act for Fiscal Year 1998. The provision would authorize an increase of funding for the whole barracks complex renewal at Fort Sill Oklahoma, from $25.0 million to $28.3 million, due to a change in scope.

OTHER ITEMS OF INTEREST

Improvements of military family housing, Army

The committee recommends that, within authorized amounts for improvements to military family housing and facilities, the Secretary of the Army execute the following projects: $7,400,000 for

Whole House Revitalization (40 units) at Fort Richardson, Alaska and $10,000,000 for Whole House Revitalization (95 units) at Fort Campbell, Kentucky.

TITLE XXII—NAVY

SUMMARY

The Navy requested authorization of $468,150,000 for military construction and $1,189,760,000 for family housing for fiscal year 1999. The committee recommends authorization of $538,715,000 for military construction and $1,202,406,000 for family housing for fiscal year 1999.

Sec. 2201. Authorized Navy construction and land acquisition projects.

This section contains the list of authorized Navy construction projects for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Sec. 2202. Family housing.

This section would authorize new construction and planning and design of family housing units for the Navy for fiscal year 1999.

Sec. 2203. Improvements to military family housing units.

This section would authorize improvements to existing units of family housing for fiscal year 1999.

Sec. 2204. Authorization of appropriations, Navy.

This section would authorize specific appropriations for each line item in the Navy's budget for fiscal year 1999. This section also provides an overall limit on the amount the Navy may spend on military construction projects.

TITLE XXIII—AIR FORCE

SUMMARY

The Air Force requested authorization of $454,810,000 for military construction and $1,008,446,000 for family housing for fiscal year 1999. The committee recommends authorization of $592,330,000 for military construction and $1,060,404,000 for family housing for fiscal year 1999.

Sec. 2301. Authorized Air Force construction and land acquisition projects.

This section contains the list of authorized Air Force construction projects for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Sec. 2302. Family housing.

This section would authorize new construction and planning and design of family housing units for the Air Force for fiscal year 1999.

Sec. 2303. Improvements to military family housing units.

This section would authorize improvements to existing units of family housing for fiscal year 1999.

Sec. 2304. Authorization of appropriations, Air Force.

This section would authorize specific appropriations for each line item in the Air Force's budget for fiscal year 1999. This section also would provide an overall limit on the amount the Air Force may spend on military construction projects.

OTHER ITEMS OF INTEREST

Planning and design, Air Force

The committee directs that, of the amount authorized for appropriations for Air Force planning and design, the Secretary of the Air Force may use $1,152,000 million for the completion of design work associated with the construction of the Consolidated Command and Control, Intelligence and Exploitation Facility at the Air Force Research Laboratory's Information Directorate, Rome, New York.

Improvements of military family housing, Air Force

The committe recommends that, within authorized amounts for improvements of military family housing and facilities, the Secretary of the Air Force execute the following projects: $9,110,000

for family housing improvements (94 units) at Charleston Air Force Base, South Carolina.

Consolidation of the Officer Training School, Maxwell Air Force Base, Alabama

The committee is aware that the Air Force is consolidating the Officer Training School currently split between the Air University and Maxwell Gunter Annex at Maxwell Air Force Base. The committee supports this action due to the economic and quality of life benefits. The committee urges the Secretary of the Air Force to make every effort to include the appropriate level of funding for the Commissioned Officer Training Dormitory in the fiscal year 2000 budget request.

TITLE XXIV—DEFENSE AGENCIES

SUMMARY

The Defense Agencies requested authorization of $491,675,000 for military construction and $37,244,000 for family housing for fiscal year 1999. The committee recommends authorization of $571,975,000 for military construction and $37,244,000 for family housing.

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.

This section contains the list of authorized Defense Agencies construction projects for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Sec. 2402. Improvements to military family housing units.

This section would authorize the Secretary of Defense to make improvements to existing units of family housing for fiscal year 1999 in an amount not to exceed $345,000.

Sec. 2403. Energy conservation projects.

This section would authorize the Secretary of Defense to carry out energy conservation projects.

Sec. 2404. Authorization of appropriations, Defense Agencies.

This section would authorize specific appropriations for each line item in the Defense Agencies budget for fiscal year 1999. This section also would provide an overall limit on the amount the Defense Agencies may spend on military construction projects.

Sec. 2405. Modification of authority to carry out certain fiscal year 1995 projects.

The committee recommends a provision that would amend section 2401 of the Military Construction Authorization Act for Fiscal Year 1995, as amended, and section 2408 of the Military Construction Authorization Act for Fiscal Year 1998. The provision would authorize an increase of funding for the construction of the Chemical Demilitarization Facilities at Pine Bluff Arsenal, Arkansas, from $134.0 million to $154.4 million, and at Umatilla Army Depot, from $187.0 million to $193.4 million, due to cost increases resulting from a delay in receiving the appropriate permits.

Sec. 2406. Modification of authority to carry out fiscal year 1990 project.

The committee recommends a provision that would amend section 2401 of the Military Construction Authorization Act for Fiscal Year 1990, as amended. The provision would authorize an increase of funding for the construction of the Portsmouth Naval Hospital, Virginia, from $330.0 million to $351.4 million, due to cost increases resulting from inflation and change in scope.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SUMMARY

The Department of Defense requested authorization of $185,000,000 for the North Atlantic Treaty Organization Security Investment Program for fiscal year 1999. The committee recommends $159,000,000.

Sec. 2501. Authorized NATO construction and land acquisition projects.

This section would authorize the Secretary of Defense to make contributions to the North Atlantic Treaty Organization (NATO) security investment program in an amount equal to the sum of the amount specifically authorized in section 2502 of this bill and the amount of recoupment due to the United States for construction previously financed by the United States.

Sec. 2502. Authorization of appropriations, NATO.

This section would authorize the Secretary of Defense to make contributions to the North Atlantic Treaty Organization (NATO) security investment program in an amount equal to the sum of the amount specifically authorized in section 2502 of this bill and the amount of recoupment due to the United States for construction previously financed by the United States.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SUMMARY

The Department of Defense requested a military construction authorization of $179,535,000 for fiscal year 1999 for National Guard and Reserve facilities. The committee recommends authorization for fiscal year 1999 of $400,201,000 to be distributed as follows:

Army National Guard	$93,395,000
Air National Guard	161,932,000
Army Reserve	107,378,000
Air Force Reserve	20,225,000
Naval and Marine Corps Reserve	15,271,000
Total	400,201,000

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

This section would authorize appropriations for military construction for the National Guard and Reserve by service component for fiscal year 1999. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Sec. 2602. Reduction in fiscal year 1998 authorization of appropriations for Army National Guard military construction.

The committee recommends a provision to amend the Military Construction Authorization Act for Fiscal Year 1998 to rescind the authority for the construction of a United States Army Reserve Center and Organizational Maintenance Shop at Fort Douglas, Utah. The provision would reduce funding for reserve component construction for fiscal year 1998 from $66,267,000 to $53,553,000. The project is redundant to a project submitted in the fiscal year 1999 military construction request.

OTHER ITEMS OF INTEREST

Planning and design, Guard and Reserve Forces facilities

The committee directs that of the amount authorized for appropriations for Army National Guard, Army Reserve, Naval Reserve, Marine Corps Reserve, Army National Guard, and Air Force Reserve construction and land acquisition projects, the amount indicated for each respective project be directed toward the design of:

Army National Guard:	
NH: Concord, Army Aviation Support Facility	$968,000
OK: Sand Springs, Readiness Center	972,000

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.

This section would provide that authorizations for military construction projects, repair of real property, land acquisition, family housing projects and facilities, contributions to the North Atlantic Treaty Organization infrastructure program, and National Guard and Reserve projects will expire on October 1, 2001 or the date of enactment of an Act authorizing funds for military construction for fiscal year 2002, whichever is later. This expiration would not apply to authorizations for which appropriated funds have been obligated before October 1, 2000 or the date of enactment of an Act authorizing funds for these projects, whichever is later.

Sec. 2702. Extension of authorizations of certain fiscal year 1996 projects.

This section would provide for selected extension of certain fiscal year 1996 military construction authorizations until October 1, 1999, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2000, whichever is later.

Sec. 2703. Extension of authorization of fiscal year 1995 project.

This section would provide for selected extension of certain fiscal year 1995 military construction authorizations until October 1, 1999, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2000, whichever is later.

Sec. 2704. Effective date.

This section would provide that titles XXI, XXII, XXIII, XXIV, and XXVI of this bill shall take effect on October 1, 1998, or the date of the enactment of this Act, whichever is later.

TITLE XXVIII—GENERAL PROVISIONS

SUBTITLE A—MILITARY CONSTRUCTION PROGRAM AND MILITARY FAMILY HOUSING CHANGES

Sec. 2801. Modification of authority relating to architectural and engineering services and construction design.

The committee recommends a provision that would authorize the Secretary of the Air Force to convey, without consideration, the McNeese State University in Lake Charles, Louisiana approximately 4.38 acres of real property and improvements that constitute the Lake Charles Air Force Station. The conveyance would be contingent upon the University accepting the property, subject to such easements or rights of way as the Secretary considers appropriate. The provision would include a reversion clause in the event that the Secretary determines that the conveyed property is not used as a research facility.

Sec. 2802. Expansion of Army overseas family housing lease authority.

The committee recommends a provision that would amend section 2828(e) of title 10, United States Code, to authorize the Secretary of the Army to increase, by no more than 500 family housing units in Italy and no more than 800 family housing units in Korea, the number of leases for which the maximum amount is $25,000 per unit per year. Inflation in Italy has risen 57 percent since 1989 and Korea is experiencing an annual inflation rate of five to seven percent. This authority would enable the Army to retain family housing leases in Italy and Korea as the cost of the leases begins to exceed the current statutory cap.

SUBTITLE B—REAL PROPERTY AND FACILITIES ADMINISTRATION

Sec. 2811. Increase in thresholds for reporting requirements relating to real property transactions.

The committee recommends a provision that would amend section 2662 of title 10, United States Code, to increase the threshold for congressional notification for real property transactions from $200,000 to $500,000. The transactions requiring notification include the purchase, lease, transfer, and disposal of real property.

Sec. 2812. Exceptions to real property transaction reporting requirements for war and certain emergency and other operations.

The committee recommends a provision that would amend section 2662 of title 10, United States Code, to waive the reporting requirements for certain real estate transactions. The provision

would modify the reporting requirements in the event of a declaration of war, a national emergency, a natural disaster, a contingency operation, or a civil disturbance. In the event the secretary of a military department enters into a real property agreement under these conditions, the secretary would be required to submit a report on the agreement to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives not later than 30 days after entering into the agreement.

Sec. 2813. Waiver of applicability of property disposal laws to leases at installations to be closed or realigned under the base closure laws.

The committee recommends a provision that would amend section 2667(f)(1) of title 10, United States Code, to clarify that the Federal Property and Administrative Services Act (FPASA) of 1949 does not apply to the lease of excess property at closing or realigned installations if the secretary of the military department determines that such lease would facilitate state or local economic adjustment effort. The provision would resolve a legal issue where the courts have ruled that the FPASA is paramount over section 2667 of title 10, United States Code.

Sec. 2814. Restoration of Department of Defense lands used by another Federal agency.

The committee recommends a provision that would amend section 2691 of title 10, United States Code, to authorize the Secretary of the Military Department concerned to require users of Department of Defense lands to restore lands upon expiration of their use or to reimburse the military department for performing the restoration. The current authorization only allows the military department to restore the lands of other federal agencies. There is no reciprocal authority for use of Department of Defense lands by other federal agencies. This provision would eliminate this inequity.

SUBTITLE C—LAND CONVEYANCES

Sec. 2821. Land conveyance, Indiana Army Ammunition Plant, Charlestown, Indiana.

The committee recommends a provision that would authorize the Secretary of the Army to convey to the Indiana Army Ammunition Plant Reuse Authority all right, title, and interest to and in a parcel of real property, including improvements, consisting of approximately 4660 acres located at the Indiana Army Ammunition Plant, Charlestown, Indiana. The purpose of the conveyance would be for the development of an industrial park to replace all or part of the economic activity lost due to the inactivation of the plant. The provision would require the Plant Reuse Authority to compensate the secretary at the fair market value for the conveyed property, but defer payment for a 10-year period. The secretary would be required to deposit any proceeds in a special account established in accordance with section 204 of the Federal Property and Administrative Services Act of 1949.

In the event the Reuse Authority conveys or leases the property during the 10-year period, the Reuse Authority would pay the United States an amount equal to the fair market value of the reconveyed property as of the time of reconveyance, excluding any improvements made on the property by the Reuse Authority. The provision would also authorize the Secretary of the Army to accept compensation for administrative expenses.

Sec. 2822. Land conveyance, Army Reserve Center, Bridgton, Maine.

The committee recommends a provision that would authorize the Secretary of the Army to convey, without consideration, to the Town of Bridgton, Maine, a parcel of excess real property, including improvements thereon, consisting of approximately 3.65 acres on which is located the Army Reserve Center, Bridgton, Maine. The purpose of the conveyance would be for public benefit and it would facilitate the expansion of the municipal office complex, Bridgton, Maine. The provision would include a reversion clause in the event that the secretary determines that the conveyed property is not used for public benefit.

Sec. 2823. Land conveyance, Volunteer Army Ammunition Plant, Chattanooga, Tennessee.

The committee recommends a provision that would authorize the Secretary of the Army to convey to Hamilton County, Tennesssee all right, title, and interest to and in a parcel of excess real property, including improvements, consisting of approximately 1033 acres located at the Volunteer Army Ammunition Plant, Chattanooga, Tennessee. The purpose of the conveyance would be for the development of an industrial park to replace all or part of the economic activity lost due to the inactivation of the plant. The provision would require Howard County to compensate the secretary at the fair market value for the conveyed property, but defer payment for a 10-year period. The secretary would be required to deposit any proceeds in a special account established in accordance with section 204 of the Federal Property and Administrative Services Act of 1949.

In the event the Reuse Authority conveys or leases the property during the 10-year period, the Reuse Authority would pay the United States an amount equal to the fair market value of the reconveyed property as of the time of reconveyance, excluding any improvements made on the property by the Reuse Authority. The provision would also authorize the Secretary of the Army to accept compensation for administrative expenses.

Sec. 2824. Release of interests in real property, former Kennebec Arsenal, Augusta, Maine.

The committee recommends a provision that would authorize the Secretary of the Army to release, without consideration, all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 40 acres located in Augusta Maine, and formerly know as the Kennebec Arsenal. The property was transferred to the State of Maine in 1905 subject to the condition that the property be used as a hospital for the insane. The con-

dition for transfer was amended by section 771 of the Department of Defense Appropriations Act for Fiscal Year 1981 (Public Law 96–527; 94 Stat. 3093) to include the phrase "or for other public purposes." The provision would remove these conditions to clear the title to allow the State of Maine and the City of Augusta to form a nonprofit corporation to redevelop the property in support of a museum and for commercial activities.

Sec. 2825. Land exchange, Naval Reserve Readiness Center, Portland, Maine.

The committee recommends a provision that would authorize the Secretary of the Navy to convey to the Gulf of Maine Aquarium Development Corporation, Portland, Maine, a parcel of real property, including improvements thereon, consisting of approximately 3.72 acres in Portland, Maine, for the purpose of establishing an aquarium and research facility. The site is currently the Naval Reserve Readiness Center, Portland, Maine. In exchange for the conveyance, the provision would require the corporation to provide replacement facilities, as the Secretary determines appropriate for the Naval Reserve. These facilities would be designed and built by the corporation on a parcel of real property to be conveyed to the United States or designed and constructed on real property under the jurisdiction of the secretary. The secretary would have the option of choosing the form of compensation.

Sec. 2826. Land conveyance, Air Force Station, Lake Charles, Louisiana.

The committee recommends a provision that would authorize the Secretary of the Air Force to convey, without consideration, the McNeese State University in Lake Charles, Louisiana approximately 4.38 acres of real property and improvements that constitute the Lake Charles Air Force Station. The conveyance would be contingent upon the University accepting the property, subject to such easements or rights of way as the Secretary considers appropriate. The provision would include a reversion clause in the event that the Secretary determines that the conveyed property is not used as a research facility.

SUBTITLE D—OTHER MATTERS

Sec. 2831. Purchase of build-to-lease family housing at Eielson Air Force Base, Alaska.

The committee recommends a provision that would authorize the Secretary of the Air Force, if he determines that it is in the best economic interest of the Air Force, to purchase the 366-unit military family housing project at Eielson Air Force Base, Alaska, that was constructed and is being leased by the Secretary under section 801 of the Military Construction Authorization Act for Fiscal Year 1984 (Public Law 98–115). The purchase price of the housing units would be an amount equal to the amount of the outstanding indebtedness of the developer for the project that would remain at the time of the purchase if the developer had paid down the indebtedness to the lender according to the original payment schedule for the project.

Sec. 2832. Beach replenishment, San Diego, California.

The committee recommends a provision that would authorize the Secretary of the Navy to use funds remaining from the Naval Air Station North Island, California dredging project authorized in section 2204(a)(1) of the Military Construction Authorization Act for Fiscal Year 1997 to carry out beach replenishment in and around San Diego, California. The provision would authorize the secretary to merge any funds contributed to the cost of that project by the State of California and by local governments under the agreement under section 2205 of the Military Construction Authorization Act for Fiscal Year 1997. The provision would prohibit any obligation of funds to carry out the beach replenishment project until 30 days after the date on which the Secretary submits to the congressional defense committees a report providing the following information:

(1) an explanation why the sand originally proposed to be used for beach replenishment under the project related to the Naval Air Station North Island dredging could not be used for that purpose.

(2) a comprehensive explanation of why the beach replenishment plan at Naval Air Station North Island was abandoned;

(3) a description of any administrative action taken by or against any agency or individual as a result of abandonment of the plan;

(4) a statement of the total Navy funds available for the beach replenishment;

(5) a statement of the amount of the contributions of the State of California and local government for the beach replenishment;

(6) an estimate of the total cost of the beach replenishment;

(7) the amount of financial aid the State of California has received from the Federal Government for beach restoration and replenishment during the 10-year period ending on the date of enactment of this Act;

(8) the amount of financial aid the State of California has requested from the Federal Government for beach restoration or replenishment because of the 1997–1998 El Nino event; and

(9) a current analysis that compares the costs and benefits of homeporting the U.S.S. John C. Stennis (CVN–74) at Naval Station North Island with the costs and benefits of homeporting that vessel at Naval Station Pearl Harbor, Hawaii, and the costs and benefits of homeporting that vessel at Naval Station Bremerton, Washington.

The committee is disappointed that the Navy and the State of California could not reach the appropriate accommodations to carry out the beach replenishment project, as authorized by the Military Construction Act for Fiscal Year 1997. The committee included this provision so that the Secretary of the Navy may comply with an agreement reached with the City of San Diego in dredging operations necessary to home port the U.S.S. Stennis at the Naval Station North Island. The committee would not be receptive to any request for additional funding for the beach replenishment project and would be prepared to support the relocation of the U.S.S. Stennis, if a satisfactory agreement is not reached, to complete the dredging and beach replenishment.

OTHER ITEMS OF INTEREST

Report on Air Force Plant #3, Tulsa, Oklahoma

The committee commends the Department of the Air Force for the expeditious obligation of environmental cleanup funds for the ground contamination at Air Force Plant #3, Tulsa, Oklahoma. The committee, however, remains concerned about other environmental contamination, particularly in above-ground structures. The committee directs the Secretary of the Air Force to investigate these hazards and report to the congressional defense committees by March 1, 1999 on these risks. The report should also include a detailed obligation schedule that fully addresses these concerns before the actual title transfer to the City of Tulsa.

Report on Fort Hunter Liggett, California

The committee is aware that the Army is currently developing plans for the reuse of Fort Hunter Liggett, California, which the 1995 Defense Base Closure and Realignment Commission realigned. The Commission's findings state in part: "The realignment of this installation ends the Active Component presence while preserving the U.S. Army Reserve Command garrison. The Army will license the training facility and training area to the California National Guard as part of the realignment."

The committee has learned that the Secretary of the Army's plan for the realignment of Fort Hunter Liggett does not include a requirement to grant a real estate license to the California National Guard. Although the committee does not intend to intervene in the base closure process, the committee directs the secretary to submit a report to the Committee on Armed Services of the Senate detailing the Army's intent regarding the granting of a real estate license to the California National Guard.

TITLE XXIX—JUNIPER BUTTE RANGE LANDS WITHDRAWAL

The committee recommends a provision that would provide for the withdrawal and reservation of approximately 12,000 acres of public lands, known as the Juniper Butte Range, Idaho, to support enhanced military training. In addition to the land withdrawal, the provision would require the Administrator of the Federal Aviation Administration to modify current airspace restrictions associated with the existing Saylor Creek Range.

The committee anticipates that the changes in airspace associated with Enhanced Training in Idaho (ETI) would result in a net decrease of existing restricted airspace by nearly 50 percent. Flights would be more evenly distributed throughout the Military Operational Area (MOA) to avoid concentration of flights north of the Duck Valley Reservation and over the Owyhee Canyonlands.

The committee notes that land use and environmental considerations would involve monitoring and cooperation among the Department of the Air Force, the Department of Interior, and the State of Idaho. Specifically, integrated natural resource management plans would be developed by the Air Force, in cooperation with the Department of Interior and the State of Idaho, consistent with the Sikes Act (16 U.S.C. 670a). The committee understands that military land-based components would avoid special use land management areas, such as wilderness study areas and areas of critical environmental concern. Moreover, it is expected that there would be continued emphasis on meaningful input by the Shoshone-Paiute tribes on cultural resources issues, with a focus on consultation, government-to-government relations, and effective monitoring procedures.

The committee recognizes that the Department of the Air Force and the Department of Interior are engaged in discussions related to the terms and conditions of the withrawal. The committee hopes that these discussions will result in a resolution that will balance the interests related to enhanced training and protection of the environment.

Consistent with the National Environmental Policy Act (42 U.S.C. 4321 et seq.), the Department of the Air Force prepared an environmental impact statement (EIS) to examine the existing conditions and potential environmental consequences of selecting the ETI action alternative for the 366th Wing based at Mountain Home Air Force Base, Idaho. The alternative action search for range development began with interagency and intergovernmental discussions among the Air Force, the Department of Interior, the State of Idaho, the Shoshone-Paiute Tribes, and the Idaho congressional delegation. There were four alternative actions evaluated: no action; Clover Butte; Grasmere; and Juniper Butte. The EIS identified Juniper Butte as the preferred alternative because it ad-

dressed the operational goals to enhance training in Idaho with less potential for environmental impacts. The selection of the Juniper Butte Range was based on operational, environmental, ranching, and Native American considerations. The committee has been assured that these considerations were taken into account under the recommended land withdrawal provision.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Title XXXI authorizes appropriations for the Atomic Energy Defense Activities of the Department of Energy, including: the purchase, construction, and acquisition of plant and capital equipment; research and development; nuclear weapons; naval nuclear propulsion; environmental restoration and waste management; operating expenses; and other expenses necessary to carry out the purposes of the Department of Energy Organization Act (Public Law 95–91). The title would authorize appropriations in five categories: weapons activities; defense environmental restoration and waste management; other defense activities; defense environmental management privatization; and defense nuclear waste disposal.

The fiscal year 1999 budget request for the atomic energy defense activities totaled $12.3 billion, a 5.4 percent increase over fiscal year 1998. Of the total amount requested, $4.5 billion was for weapons activities, $4.3 billion was for defense environmental restoration and waste management activities, $1.0 billion was for defense facility closure projects, $516.0 million was for defense environmental management privatization, $1.7 billion was for other defense activities, $190.0 million was for defense nuclear waste disposal, and $140.0 million was for the formerly utilized sites remedial action program.

The committee recommends $11.9 billion for atomic energy defense activities, a reduction of $379.3 million to the budget request. The committee recommends $4.5 billion for weapons activities, $5.3 billion for defense environmental restoration and waste management, $241.9 million for defense environmental management privatization, $1.7 billion for other defense activities, $190.0 million for defense nuclear waste disposal, and $140.0 million for the formerly utilized sites remedial action program.

The following table summarizes the budget request and the committee recommendations:

SUBTITLE A—NATIONAL SECURITY PROGRAMS AUTHORIZATIONS

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	Senate Change	Senate Recommended
ATOMIC ENERGY DEFENSE ACTIVITIES (053)			
Weapons Activities	4,500,000	(125,300)	4,374,700
Defense Environmental Restoration and Waste Management	4,259,903	1,042,240	5,302,143
Defense Nuclear Waste Disposal	190,000		190,000
Other Defense Actitivities	1,667,160	(15,000)	1,652,160
Defense Facilities Closure Projects	1,006,240	(1,006,240)	0
Defense Environmental Management Privatization	516,857	(275,000)	241,857
Formerly Utilized Site Remediation	140,000		140,000
Defense Nuclear Facilities Safety Board	17,500		17,500
Total Atomic Energy Defense Activities (053)	12,297,660	(379,300)	11,918,360

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
ATOMIC ENERGY DEFENSE ACTIVITIES			
WEAPONS ACTIVITIES			
Stockpile Stewardship			
Core Stockpile Stewardship			
Operation and Maintenance	1,505,832	(65,000)	1,440,832
Construction:			
99-D-102 Rehabilitation of maintenance facility, LLNL, Livermore, CA	6,500		6,500
99-D-103 Isotope sciences facilities, LLNL Livermore, CA	4,000		4,000
99-D-104 Protection of real property (roof reconstruction-Phase II), LLNL, Livermore, CA	7,300		7,300
99-D-105 Central health physics calibration facility, LANL, Los Alamos, NM	3,900		3,900
99-D-106 Model validation & system			

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
certification test center, SNL, Albuquerque, NM	1,600		1,600
99-D-107 Joint computational engineering laboratory, JCEL, SNL, Albuquerque, NM	1,800		1,800
99-D-108 Renovate existing roadways, Nevada Test Site, NV	2,000		2,000
97-D-102 Dual-axis radiographic hydrotest (DARHT) facility, LANL, Los Alamos, NM	36,000		36,000
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	20,423		20,423
96-D-103 ATLAS, Los Alamos National Laboratory, Los Alamos, NM	6,400		6,400
96-D-104 Processing and environmental technology laboratory (PETC), SNL, Albuquerque, NM	18,920		18,920
96-D-105 Contained firing facility (CFF) addition,			

400

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
LLNL, Livermore, CA	6,700		6,700
Total, Construction	115,543	0	115,543
Total, Core Stockpile Stewardship	1,621,375	(65,000)	1,556,375
Inertial Fusion			
Operation and Maintenance	213,800		213,800
Construction:			
96-D-111 National ignition facility (NIF) LLNL	284,200		284,200
Total, Inertial Fusion	498,000	0	498,000
Technology Partnerships/Education			
Technology partnership	60,000		60,000
Education	9,000		9,000
Total, Technology Partnerships/Education	69,000	0	69,000
Total, Stockpile Stewardship	2,188,375	(65,000)	2,123,375
Stockpile Management			
Operation and Maintenance	1,935,803	105,000	2,040,803

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
Construction:			
99-D-122 Rapid reactivation, various locations	11,200		11,200
99-D-123 Replace mechanical utility systems, Y-12 plant, Oak Ridge, TN	1,900		1,900
99-D-125 Replace boilers & controls, Kansas City plant, Kansas City, MO	1,000		1,000
99-D-127 Stockpile management restructuring initiative, Kansas City plant, Kansas City, MO	13,700		13,700
99-D-128 Stockpile management restructuring initiative Pantex plant, Amarillo, TX	1,108		1,108
99-D-132 SMRI nuclear materials S&S upgrades project, LANL, Los Alamos, NM	9,700		9,700
98-D-123 Stockpile management restructuring initiative, Tritium facility modernization and			

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
consolidation, Savannah River, SC	27,500		27,500
98-D-124 Stockpile management restructuring initiative, Y-12 consolidation, Oak Ridge, TN	10,700		10,700
97-D-122 Nuclear materials storage facility renovation, LANL, Los Alamos, NM	9,164	(4,300)	4,864
97-D-123 Structural upgrades, Kansas City plant, Kansas City, MO	6,400		6,400
96-D-122 Sewage treatment quality upgrade (STQU), Pantex plant, Amarillo, TX	3,700		3,700
95-D-102 Chemistry and metallurgy research building (CMR) upgrades project, LANL, Los Alamos, NM	16,000	(11,000)	5,000
93-D-122 Life safety upgrades, Y-12 plant, Oak Ridge, TN	3,250		3,250
Total, Construction	115,322	(15,300)	100,022

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
Total, Stockpile Management	2,051,125	89,700	2,140,825
Program Direction	260,500	(5,000)	255,500
Subtotal, Weapons Activities	4,500,000	19,700	4,519,700
Use of prior year balances	0	(145,000)	(145,000)
TOTAL, WEAPONS ACTIVITIES	4,500,000	(125,300)	4,374,700
DEFENSE ENVIRONMENTAL RESTORATION & WASTE MANAGEMENT			
Site/Project Completion			
Operation and maintenance	848,090		848,090
Construction:			
99-D-402 Tank farm support services, F&H area, Savannah River Site, Aiken, SC	2,745		2,745
99-D-404 Health physics instrumentation laboratory, INEEL, ID	950		950

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Fiscal Year 1999 Department of Energy Defense Activities
(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
98-D-401 H-tank farm storm water systems upgrade, Savannah River site, Aiken, SC	3,120		3,120
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	26,814		26,814
98-D-700 INEL road rehabilitation, INEEL, ID	7,710		7,710
97-D-450 Actinide packaging and storage facility, Savannah River Site, Aiken, SC	79,184		79,184
97-D-470 Regulatory monitoring and bioassay lab, Savannah River Site, Aiken, SC	7,000		7,000
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	38,680		38,680
96-D-408 Waste management upgrades, Kansas City Plant, Kansas City, MO, and Savannah River Site, Aiken, SC	4,512		4,512

Fiscal Year 1999 Department of Energy Defense Activities
(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
96-D-464 Electrical & utility systems upgrade, Idaho Chemical Processing Plant, INEEL, Idaho Falls, ID Engineering Laboratory, ID	11,544		11,544
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC	8,000		8,000
95-D-456 Security facilities consolidation, Idaho Chemical Processing Plant, INEEL, Idaho Falls, ID	485		485
92-D-140 F&H canyon exhaust upgrades Savannah River Site, Aiken, SC	3,667		3,667
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	4,752		4,752
Total, Construction	199,163	0	199,163
Total, Site/Project Completion	1,047,253	0	1,047,253
Post 2006 Completion			

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Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
Operation and Maintenance	2,592,195	10,000	2,602,195
Construction:			
99-D-403 Privatization phase I infrastrucure support, Richland, WA	14,800		14,800
97-D-402 Tank farm restoration and safe operations, Richland, WA	22,723		22,723
96-D-408 Waste management upgrades, Richland, WA	171		171
94-D-407 Initial tank retrieval systems, Richland, WA	32,860		32,860
93-D-187 High-level waste removal from filled waste tanks, Savannah River Site, Aiken, SC	10,702		10,702
Total, Construction	81,256	0	81,256
Total, Post 2006 Completion	2,673,451	10,000	2,683,451

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Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
Closure Projects	0	1,006,240	1,006,240
Technology development	193,000	57,000	250,000
Program direction	346,199	(10,000)	336,199
Subtotal, Def Environmental Restoration & Waste Mgmt	4,259,903	1,063,240	5,323,143
Savannah River Pension Refund	0		0
Use of Prior Year Balances	0	(21,000)	(21,000)
TOTAL, DEFENSE ENVIRONMENTAL REST. & WASTE MGMT.	4,259,903	1,042,240	5,302,143
DEFENSE FACILITIES CLOSURE PROJECTS			
Site closure	1,006,240	(1,006,240)	0
DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION			
Privatization initiatives, various locations	516,857	(275,000)	241,857
OTHER DEFENSE ACTIVITIES			
Nonproliferation and National Security			
Verification and Control Technology			

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
Nonproliferation and verification R&D	210,000		210,000
Arms control	256,900	(20,000)	236,900
Intelligence	33,600	3,000	36,600
Total, Verification and Control Technology	500,500	(17,000)	483,500
Nuclear safeguards and security	53,200		53,200
Security investigations	30,000		30,000
Emergency management	23,700		23,700
Program direction	88,900	(4,000)	84,900
Total, Nonproliferation and National Security	696,300	(21,000)	675,300
Worker and Community Transition			
Worker and community transition	41,000	(5,000)	36,000
Program direction	4,000		4,000
Total, Worker and Community Transition	45,000	(5,000)	40,000
Fissile Materials Control and Disposition			
Operation and maintenance	111,372		111,372
Construction			

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Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
99-D-141 Pit disassembly and conversion Facility, Various locations	25,000		25,000
99-D-143 Mixed oxide fuel fabrication facility, Various locations	28,000		28,000
Total, Construction	53,000	0	53,000
Program direction	4,588		4,588
Total, Fissile Materials Control and Disposition	168,960	0	168,960
Environment, Safety & Health			
Office of environment, safety and health (defense)	69,231	(5,000)	64,231
Program direction	4,769		4,769
Total, Environment, Safety and Health	74,000	(5,000)	69,000
Office of hearings and appeals	2,400		2,400
Nuclear Energy			
Nuclear technology research and development	0		0
International nuclear safety	35,000		35,000

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
Nuclear security	0		0
Chornobyl shutdown initiative	0		0
Total, Nuclear Energy	35,000	0	35,000
Naval Reactors			
Naval reactors development	0		0
Operation and maintenance	623,600	16,000	639,600
GPN-101 General plant projects, various locations	9,000		9,000
Construction:			
98-D-200 Site laboratory/facility upgrade, various locations	7,000		7,000
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	5,800		5,800
Total, Construction	12,800	0	12,800
Total, Naval Reactors Development	645,400	16,000	661,400

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Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	FY 1999 Change	Recommended
Program Direction	20,100		20,100
Total, Naval Reactors	665,500	16,000	681,500
Subtotal, Other Defense Activities	1,687,160	(15,000)	1,672,160
Adjustments:			
Use of prior year balances	0	0	0
Offset to user organizations	(20,000)		(20,000)
General Reductions			0
Total, Adjustments	(20,000)	0	(20,000)
TOTAL, OTHER DEFENSE ACTIVITIES	1,667,160	(15,000)	1,652,160
DEFENSE NUCLEAR WASTE DISPOSAL			
Defense nuclear waste disposal	190,000		190,000
FORMER UTILIZED SITE REMEDATION	140,000		140,000
DEFENSE NUCLEAR SAFETY BOARD	17,500		17,500

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Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	FY 1999 Request	Change	Recommended
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES	12,297,660	(379,300)	11,918,360

Sec. 3101. Weapons activities.

The committee recommends a provision that would authorize $4.5 billion for atomic energy defense weapons activities of the Department of Energy, an increase of $19.7 million from the requested amount of $4.5 billion. The amount authorized is for the following activities: $2.1 billion for stockpile stewardship, a reduction of $65.0 million; $2.1 billion for stockpile management activities, an increase of $89.7 million; and $255.5 million for program direction, a reduction of $5.0 million. The committee recommends an undistributed reduction of $145.0 million to be offset by the availability of uncosted, unobligated prior year funds.

Stockpile stewardship programs

The committee recommends $451.0 million for the Advanced Strategic Computing Initiative (ASCI) and Stockpile Computing program, a reduction of $65.0 million. The committee notes that even at this reduced level of funding, the program will experience a growth rate of 12 percent over fiscal year 1998 funding levels.

The committee believes that the Department has not fully justified the rapid growth requested in this program or the pace of acquisition of added computational capacities. The committee notes that the Office of Defense Programs does not fully utilize the computing capacity that it has already acquired. The average utilization rate for existing Defense Programs-operated supercomputers is only 46 percent, leaving more than half of all computing capability unused. Further, the committee notes that much of the experimental data that the ASCI computers are intended to utilize have not been collected. The data in question will be collected at new experimental facilities that have not been constructed. Given these findings, the committee believes that the proposed reduction will have no significant impact on the Department's stockpile stewardship and management program. The committee encourages the Department to adjust the rate of growth of this program in future years to track more closely the utilization requirements of the Office of Defense Programs.

The committee recommends no funding for utilization of capabilities at the Pittsburgh Supercomputing Center. Given existing low utilization rates of DOE-owned supercomputers, the committee believes that this leasing arrangement is not advantageous for the taxpayer. The committee directs the Secretary of Energy to report to the congressional defense committees on the justification for such leases, and whether any such leased capabilities can meet the Department's computing needs in lieu of computer acquisitions proposed under the ASCI program.

The committee compliments the Department on the successful subcritical experiments conducted in fiscal year 1998. The committee believes these experiments are fully compliant with existing arms control agreements and are vital to maintaining the safety and surety of the U.S. nuclear deterrent. The committee notes, however, that the Department will conduct only three of the four experiments scheduled to be conducted this fiscal year, rather than the four experiments that were proposed. The committee notes that $20.0 million in fiscal year 1998 funds designated for subcritical experiments will be unused by the end of the fiscal year due to the

delay of one of the planned experiments. The committee supports a vigorous program to carry out subcritical experiments and recommends the Department establish attainable schedules for such activities.

Stockpile management programs

The committee continues to believe that the United States must maintain viable weapons manufacturing capabilities and capacities to rebuild aging weapons and to retain the ability to reconstitute its nuclear forces. The committee directs the Department to maintain the existing manufacturing capabilities found at the four nuclear weapons production plants and to ensure that weapons activities continue to be carried out jointly by DOE laboratories and plants.

Of the funds available for stockpile management, the committee recommends an increase of $45.0 million for weapons production plants, to be allocated as follows: $20.0 million for the Pantex Plant to support scheduled workload requirements associated with weapons dismantlement activities and for skills retention; $15.0 million for the Kansas City Plant to support advanced manufacturing efforts such as Advanced Development Program and for skills retention; $5.0 million for the Y–12 Plant to support maintenance of core stockpile management capabilities; and $5.0 million for the Savannah River Site to support infrastructure and maintenance activities associated with the replacement tritium facility.

The Assistant Secretary for Defense Programs is encouraged to create a stockpile stewardship and management council to advise the Assistant Secretary on programmatic and budget issues related to the Department's weapons missions. The council membership should include the three weapons laboratory directors, the four weapons production plant managers, the manager of Nevada Test Site, and a representative of the U.S. Strategic Command. The council should attempt to meet quarterly, but no less than semiannually.

The committee commends the Department for successfully producing a replacement plutonium pit at the Los Alamos National Laboratory. The committee is concerned, however, that the Department has not completed a long range plan for full scale pit production. The committee notes that production quantities envisioned by the Office of Defense Programs may not be in alignment with Department of Defense needs because the Department of Defense has not established a pit production requirement for warheads expected to remain in the enduring stockpile.

The committee directs the Secretary of Energy and Secretary of Defense to prepare a long range plan identifying pit production requirements, including: quantities by warhead type, schedules, costs, and siting options. The report should also identify the military requirements and assumptions underlying each option and include options which reflect various potential stockpile levels. The report should be submitted to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives in both unclassified and classified form not later than March 1, 1999.

Technology transfer and education

The committee recommends $69.0 million for technology transfer and education activities. Of this amount, the committee recommends $11.0 million for the American Textiles Partnership project.

Program direction

The committee recommends a $5.0 million reduction to the budget request for program direction. The committee believes that the reduction can be achieved through continued efficiency savings to be gained from realignment efforts described in the Institute for Defense Analysis report on the Department's management structure for weapons activities.

Construction projects

The committee recommends a reduction of $11.0 million to the chemistry and metallurgy research facility renovation project (95–D–102) to reflect continued delays and suspended operations at that facility. The committee recommends a reduction of $4.3 million to the nuclear material storage facility renovation project (97–D–122) to reflect delays in final design and deferral of planned construction activities.

Tritium production

The committee does not believe the Department's fiscal year 1999 budget request of $157.0 million for tritium production to be credible. The committee notes that the requirement to deliver new tritium by the year 2005 for the light water reactor and the year 2007 for the accelerator, as identified in the Nuclear Weapons Stockpile Memorandum, has not changed. The committee believes that the Department's unwillingness to include funding for the acquisition of a new tritium source in its proposed out year funding plan is unacceptable. Further, the committee notes that the fiscal year 1999 budget request does not appear to be sufficient to complete the Department's own dual track tritium strategy. The committee is very concerned that the Department did not request sufficient funds to continue evaluation of both technologies being considered under the dual track approach. The committee recommends an increase of $60.0 million for research associated with the accelerator production of tritium option in order to fully fund the dual track approach.

The committee continues to be concerned that the Department has not completed a senior level policy review required by the National Defense Authorization Act for Fiscal Year 1998. The committee expects this review to include participation by senior cabinet-level officials, such as the Secretaries of Defense, State, and Energy, as well as the National Security Advisor and the Director of the Arms Control and Disarmament Agency. The committee notes that the Secretary of Energy is prohibited from selecting a preferred technology option until 30 days after the results of this review are submitted to Congress. The committee further notes that a provision in the National Defense Authorization Act for Fiscal Year 1998 urged the Secretary to identify a preferred light water reactor sub-option not later than March 1, 1998. As of May 14,

1998, the committee has not received notification that any such sub-option was selected.

The committee remains concerned that the selection of a commercial light water reactor option could have unacceptable nuclear proliferation ramifications. The committee notes that the United States has a long-standing policy requiring civilian and military uses of nuclear energy to remain separate. The committee endorses this policy and does not propose to alter this policy in the absence of a full and open debate on the potential ramifications of such a decision.

Laboratory Directed Research and Development

The committee continues to be concerned that funds provided for Laboratory Directed Research and Development (LDRD) may not be managed appropriately. The committee supports a viable, laboratory directed research program. The committee notes that LDRD funds are authorized and appropriated by Congress, but do not fall under the same budgetary control as similar funds made available to the Department. The committee directs the Secretary of Energy to identify alternative methods of meeting the goals of the LDRD program that provide greater managerial and programmatic control over funds utilized within this program. The report should be provided to the congressional defense committees not later than February 1, 1999, and should identify a range of alternatives, including, but not limited to, the creation of a line item funding account for all funds provided to the Department pursuant to Title XXXI at each DOE laboratory that currently has an LDRD program.

The committee notes that prohibitions enacted in the National Defense Authorization Act for Fiscal Year 1998 regarding uses of LDRD funds remain in effect.

Sec. 3102. Environmental restoration and waste management.

The committee recommends a provision that would authorize $5.3 billion for defense environmental restoration and waste management activities (the Environmental Management program) of the Department of Energy, an increase of $1.0 billion to the requested amount of $4.3 billion. The amount authorized is for the following activities: $1.0 billion for closure projects, the amount of the request; $1.0 billion for site and project completion, the amount of the request; $2.7 billion for post 2006 completion, a $10.0 million increase; $250.0 million for technology development, a $57.0 million increase; $336.2 million for program direction, a $10.0 million reduction. The committee recommends an undistributed reduction of $21.0 million to be offset by the availability of uncosted, unobligated prior year funds.

Post 2006 completion

Of the amounts authorized for post 2006 completion, the committee recommends an increase of $5.0 million to the National Spent Fuel Program to address regulatory and repository issues associated with Department of Energy owned spent nuclear fuel and an increase of $10.0 million to accelerate research and treatment of

high level nuclear wastes at the Idaho National Engineering and Environmental Laboratory.

Of the amounts authorized for post 2006 completion, the committee recommends an increase of $30.0 million for the in-tank precipitation (ITP) process at the Savannah River Site. The committee notes that the Department has invested over $270.0 million on late wash and saltstone precipitation technologies. The unexpected shutdown of the ITP process jeopardizes the operational efficiency of the defense waste processing facility and, if left unaddressed, could pose significant risks to worker safety and health. The committee directs the Department to set aside these additional funds until a full review has been conducted on the technology options available to correct the problems discovered with the current ITP system. The committee directs the Department to evaluate all technology options on an equal basis. Options should include modifications to the current system and selection of alternative technologies, such as ion exchange.

The committee recommends an increase of $10.0 million to support infrastructure upgrades at the defense waste processing facility (DWPF) and consolidated incineration facility (ICF). The committee notes that shortfalls in infrastructure investments have resulted in periodic operational shutdowns of these two facilities. The committee supports appropriate investments to ensure continuity of operations at the DWPF and ICF. The committee recommendation includes full funding for the F- and H-canyon materials processing facilities.

Technology development

The committee is concerned by the Department's request for the Office of Science and Technology. Recent Departmental testimony and the "Accelerating Cleanup—Pathways to Closure" report have identified that the Department cannot meet its accelerated closure goals without aggressive application of new technologies. The committee agrees with the Department's assessment of the need for increased use of innovative technology at DOE facilities. The committee encourages the Department to revise its performance measures for facility managers to include the application of new technology in site cleanup activities. The committee is pleased with the recent management changes in the Office of Science and Technology and believes that this office can now fully meet the technology needs of the environmental management program. The committee urges the Secretary to report on the proposed uses of the $57.0 million increase in this account.

Accelerating cleanup

The committee commends the Department's environmental management program for its progress in focusing its management attention and resources on completing clean up and closure of DOE facilities. The committee compliments the Office of Environmental Management on its "2006 Plan" and the subsequent "Accelerating Cleanup—Pathways to Closure" report. These documents, however, identify several deficiencies in the Department's long range cleanup plans. The committee is concerned that there are no known methods to treat and dispose of much of the waste that is currently

stored or that will be generated; cost data for closure activities have not been developed; and the basis for the assumptions that new technologies will be available and program efficiency savings will be achieved are not explained. The committee intends to work cooperatively with the environmental management program to address these deficiencies and to establish tangible program metrics based on the "Accelerating Cleanup" report.

UF6 stabilization and reuse

The committee notes that the Department has issued a Draft Programmatic Environmental Impact Statement for Alternative Strategies for the Long-Term Management and Use of Depleted Uranium Hexafluoride. The committee also notes that the Department's preferred alternative is to convert and use all of the depleted uranium as soon as possible. The Department is encouraged to pursue programs that will expedite conversion and appropriate beneficial reuse of this material.

Environmental validation, verification and engineering analysis

The Department's environmental programs are increasingly challenged by the complexity of regulatory, scientific, engineering, and analytical factors affecting requirements and resource decisions across the DOE complex. The committee recognizes the need to retain and expand core capabilities and specialized skills to enhance competency and integration across environmental management programs. The Environmental Validation, Verification and Engineering Analysis (EVVEA) program is designed to meet this need in the same way the Core Capabilities Program assures specialized expertise for the Department's Defense Programs laboratories. The committee supports this initiative for fiscal year 1999 and directs the Department to provide sufficient funding in future budget requests to maintain a robust program to enhance environmental engineering and analysis core capabilities.

Off-site disposal of low level waste

The committee is concerned that the Department has only one commercial low-level waste disposal option available. Although this facility has a satisfactory operating record and has proven to be a cost effective option for waste disposal, it remains the Department's sole large-scale commercial disposal option. The committee encourages the Department to move forward with a national procurement, as announced by the Secretary of Energy, to initiate open competition for the Department's waste disposal contracts.

Overdue reports

The committee notes that the Secretary of Energy has not provided the report required by section 3132(f) of the National Defense Authorization Act for Fiscal Year 1998, regarding the Department's authority to enter into privatization contracts and any potential for such contracts to violate Federal anti-deficiency requirements. The report was required to be submitted not later than 90 days after enactment of the provision, but has not yet been received by the committee. The committee further notes that the Secretary of Energy has not provided the report required by section 3102 of the

National Defense Authorization Act for Fiscal Year 1997, regarding use of travel funds under DOE grants, cooperative agreements, and subcontracts. The committee directs that both of these reports be provided not later than 30 days after enactment of this provision and that 25 percent of all Departmental travel funds authorized by this title be withheld until the reports are provided to the committee.

Sec. 3103. Other defense activities.

The budget request included $1.7 billion for other defense activities in the Department of Energy (DOE). This amount includes $696.3 million for nonproliferation and national security; $168.9 million for fissile materials control and disposition; $35.0 million for nuclear energy; $45.0 million for worker community transition; $74.0 million for environment, safety and health; $2.4 million for hearings and appeals; and $665.5 million for naval reactors.

The committee recommends authorization of $236.9 million for arms control activities, a reduction of $20.0 million to the budget request. The committee also recommends an increase of $3.0 million to the budget request for intelligence activities to conduct analysis of foreign nuclear weapons capabilities; and recommends a $4.0 million reduction to the budget request for nonproliferation and national security program direction.

Nonproliferation and verification research and development

For several years, the committee has endorsed efforts of the national laboratories in the area of forensic analysis. While the committee does not recommend an increase to the fiscal year 1999 budget request for this activity, the committee continues to support the broader participation of Department of Energy laboratories in this program. The committee also supports the broad participation of DOE national laboratories, including Pacific Northwest Laboratory, Idaho National Laboratory, the Savannah River Site, and industry in the research and development of technologies to detect and respond to chemical and biological warfare and terrorism.

Russian Reactor Core Conversion Program

The Congress provided the Department of Energy authority in the National Defense Authorization Act for Fiscal Year 1997 to expand its international reactor safety assistance program to include a program to develop, in conjunction with the Department of Defense (DOD), a cooperative program with Russia to modify or replace the nuclear reactor cores at three plutonium production facilities. Funds were included in the DOD Cooperative Threat Reduction (CTR) program in fiscal years 1997 and 1998 for this activity.

The committee directs DOD and DOE to keep the committee informed on the status of the Reactor Shutdown Agreement with the Russian Federation Ministry of Atomic Energy and to submit a joint report to the committee on the agreement not later than 60 days after agreement is reached. The report should include a status report on the project, as well as detailed information on the estimated cost to complete the program, the design of the core, and the program plan to complete the conversion. The information on Rus-

sia's specific contribution to the reactor core conversion program should also be included in the report submitted to the committee.

Lastly, the committee understands that a program decision document will serve as the basis upon which a decision will be made by the United States on whether to complete the remaining core conversion activities. The committee wants to be kept informed on a regular basis on this program and directs the Secretaries of Defense and Energy not to take any action that would result in an expenditure of funds for activities that might be affected by a decision not to complete the core conversion activities, until the committee has been notified.

NUCLEAR SMUGGLING AND COUNTERTERRORISM

The Congress directed the Department to make $3.0 million available to plan and conduct realistic exercises to prepare Federal, state, and local entities to respond to domestic terrorist use of nuclear devices or materials. The committee supports the use of existing national assets such as the Nevada Test Site (NTS) and the Hammer facility at the Pacific National Laboratory to train Federal, state and local first responders as part of the domestic emergency response program. The committee continues to believe that training exercises should use the most realistic scenarios possible. The DOE should coordinate the activities of these exercises with the executive agent and program manager for the Department of Defense domestic emergency preparedness program in order to integrate scenarios related to chemical and biological incidents in the exercises and take advantage of cost savings. The committee was advised during recent testimony by the Director of the Nonproliferation and National Security program that no funds had been made available. The committee directs the Department to report to the Congress by July 1, 1998 on the status of implementing the direction of providing funding for a coordinated DOD/DOE domestic emergency training exercise.

The committee remains concerned about previous press reports that supercomputers were sold by a U.S. firm to nuclear weapons institutes in Russia and China. The committee directs the Department of Energy to provide a report to the congressional defense committees not later than November 1, 1998 on the status of the investigations involving these incidents.

Worker and community transition

The committee recommends a reduction of $5.0 million to worker and community transition to be taken from reduced severance payments at Department of Energy defense nuclear facilities.

Fissile materials

The committee recommends the budget request of $168.9 million for fissile materials. The committee is pleased with the approach being pursued by DOE in the fissile materials disposition program. The committee supports the request for title I design funds for new materials disposition facilities.

Of the amount requested for fissile materials, $24.9 million is requested for fissile material activities with the Russian government, a $14.9 million increase over the fiscal year 1998 budget. The com-

mittee believes that the requested amount for cooperative efforts with the Russian materials disposition program is more than sufficient. The committee remains concerned that there has been insufficient progress achieved in negotiating a bilateral agreement with the Russian government on disposition of plutonium. The committee understands that the bilateral agreement with the Russian government has been reached on a narrowly focused joint testing program.

The committee directs the Department to report to the congressional defense committees on the status of efforts to achieve agreement with the Russian government on this program. The report should also include information on the estimated cost and how the program is expected to be financed.

The committee encourages the Department to continue these cooperative efforts and does not support construction of a U.S. mixed oxide fuel fabrication facility without significant progress being made in Russian materials disposition programs.

Environment, safety and health-defense

The committee recommends a reduction of $5.0 million to defense environment, safety and health. The committee notes that this account was increased dramatically in past years. The decrease is expected to be taken from efficiency savings similar to those implemented by the Environmental Management program.

Naval reactors

The committee recommends an increase of $16.0 million to naval reactors to expedite decommissioning and decontamination activities at surplus prototype plant facilities. This increase is intended to continue ongoing prototype facility deactivation efforts. The committee notes that trained, experienced workers are proceeding from project to project in an orderly and efficient manner. The committee further notes that the budget request would eliminate over 20 percent of the prototype inactivation work planned for fiscal year 1999. The committee directs that the increased funding be utilized to support continued progress in the prototype facility deactivation program, consistent with the committee's desire to complete rapidly cleanup and closure of surplus facilities.

The committee recommends full funding for existing operating naval nuclear reactors and to support work on the New Attack Submarine and carrier reactor plants. The committee believes these programs are essential to maintain the viability of U.S. nuclear powered vessels into the future.

Sec. 3104. Defense nuclear waste disposal.

The committee recommends authorization of the budget request of $190.0 million for the Department of Energy fiscal year 1998 defense contribution to the defense nuclear waste fund.

Sec. 3105. Defense environmental management privatization.

The committee recommends $273.9 million for defense environmental management privatization projects to be allocated as follows: $113.5 million for the tank waste remediation system project,

phase I (Richland); $20.0 million for spent nuclear fuel dry storage (Idaho); $87.3 million for advanced mixed waste treatment (Idaho); $19.6 million for remote handled transuranic waste transportation (Carlsbad); and $33.5 million for environmental management/waste management disposal (Oak Ridge).

The committee authorizes the use of $25.0 million in fiscal year 1997 unobligated, uncosted balances within the defense environmental management privatization account to reflect the cancellation of projects, as follows: $15.0 million for the broad spectrum low activity mixed waste treatment privatization project (Oak Ridge), and $10.0 million for the waste water treatment plant privatization project (Rocky Flats). The committee further authorizes the use of $7.0 million in fiscal year 1998 unobligated, uncosted balances within the defense environmental management privatization account to reflect unobligated, uncosted, and undistributed funds.

The committee believes that management of the Hanford Tank Waste Remediation System (TWRS) privatization project requires greater scrutiny by DOE senior management than other projects at the Hanford Site. The use of both government and private investments in this project makes integration with other Hanford Site requirements and priorities difficult. Accordingly, the committee endorses the transfer of responsibility for the TWRS project to the Assistant Secretary of Energy for Environmental Management. The committee takes this action without prejudice to the Hanford Site management.

SUBTITLE B—RECURRING GENERAL PROVISIONS

Sec. 3121. Reprogramming.

This provision would prohibit the reprogramming of funds in excess of 110 percent of the amount authorized for the program, or in excess of $1.0 million above the amount authorized for the program, until the Secretary of Energy has notified the congressional defense committees and a period of 30 days has elapsed after the date on which the report is received.

Sec. 3122. Limits on general plant projects.

This provision would authorize the Secretary of Energy to carry out any construction project authorized under general plant projects if the total estimated cost does not exceed $5.0 million. The provision would require the Secretary to submit a report to Congress if the cost of the project is revised to exceed $5.0 million.

Sec. 3123. Limits on construction projects.

This provision would permit any construction project to be initiated and continued only if the estimated cost for the project does not exceed 125 percent of the higher of: (1) the amount authorized for the project; or (2) the most recent total estimated cost presented to the Congress as justification for such project. The Secretary of Energy may not exceed such limits until 30 legislative days after the Secretary submits to the congressional defense committees a detailed report setting forth the reasons for the increase. This provision would also specify that the 125 percent limitation would not apply to projects estimated to cost under $5.0 million.

Sec. 3124. Fund transfer authority.

This provision would permit funds authorized by this Act to be transferred to other agencies of the government for performance of work for which the funds were authorized. The provision would permit the merger of such transferred funds with the authorizations of the agency to which they are transferred. The provision would also limit, to not more than five percent, the amount of such funds that may be transferred between authorization accounts in the Department of Energy that were authorized pursuant to this Act.

Sec. 3125. Authority for conceptual and construction design.

This provision would limit the Secretary of Energy's authority to request construction funding until the Secretary has completed a conceptual design. This limitation would apply to construction projects with a total estimated cost greater than $5.0 million. If the estimated cost to prepare the conceptual design exceeds $600,000, the provision would require the Secretary to request funds for the conceptual design before requesting funds for construction. The provision would require the Secretary to submit to Congress a report on each conceptual design completed under this provision. The provision would provide an exception to these requirements in the case of an emergency.

Sec. 3126. Authority for emergency planning, design, and construction activities.

This provision would permit, in addition to any authorized advance planning and construction design, the Secretary of Energy to perform planning and design with funds available for any Department of Energy national security program construction project whenever the Secretary determines that the design must proceed expeditiously to protect the public health and safety, to meet the needs of national defense, or to protect property.

Sec. 3127. Funds available for all national security programs of the Department of Energy.

This provision would authorize amounts appropriated for management and support activities and for general plant projects to be made available for use, when necessary, in connection with all national security programs of the Department of Energy.

Sec. 3128. Availability of funds.

This provision would authorize amounts appropriated for operating expenses or for plant and capital equipment to remain available until expended. Program Direction funds would remain available until the end of fiscal year 2001.

Sec. 3129. Transfers of defense environmental management funds.

This provision would provide the manager of each field office of the Department of Energy with limited authority to transfer up to $5.0 million in fiscal year 1999 defense environmental management funds from one program or project under the jurisdiction of the office to another such program or project, once in a fiscal year. This

provision extends the authority granted by section 3139 of the National Defense Authorization Act for Fiscal Year 1997.

SUBTITLE C—PROGRAM AUTHORIZATIONS, RESTRICTIONS, AND LIMITATIONS

Sec. 3131. International cooperative stockpile stewardship.

The committee recommends a provision that would prohibit use of fiscal year 1999 or prior year funds to conduct international cooperative stockpile stewardship activities. The provision excludes activities conducted with the United Kingdom and France and activities carried out under Title III of this Act (relating to cooperative threat reduction with states of the Former Soviet Union). The prohibition would apply to all Department of Energy activities, including, but not limited to, laboratory directed research and development funded studies and analyses of possible nuclear futures. This provision is consistent with prohibitions established by the National Defense Authorization Acts for Fiscal Year 1997 and 1998.

The committee remains concerned that conducting international cooperative stockpile stewardship activities may have unintended detrimental impacts on U.S. national security interests. Accordingly, the committee strongly opposes any programs intended to assist existing and threshold nuclear weapons nations in areas relating to nuclear weapons safety, reliability and effectiveness.

Sec. 3132. Prohibition on use of funds for ballistic missile defense and theater missile defense.

The committee recommends a provision that would prohibit the use of any funds authorized by Title XXXI to support ballistic missile defense research, development, demonstration, testing, and evaluation. The prohibition includes studies and assessments. The provision would also prohibit use of Laboratory Directed Research and Development and laboratory overhead funds for such purposes.

The committee supports cooperation among Department of Energy laboratories and the Ballistic Missile Defense Organization (BMDO) in those areas where there is mutual programmatic benefit. The committee believes that the Departments of Defense and Energy should pursue such activities through work for others agreements and that use of funds authorized and appropriated for stockpile stewardship and management should not be used to carry out BMDO missions. The committee notes that the cooperative agreement required by section 3131 of the National Defense Authorization Act for Fiscal Year 1998 is not executed.

Sec. 3133. Licensing of certain mixed oxide fuel fabrication and irradiation facilities.

The committee recommends a provision that would require any person constructing or operating new or existing facilities utilized to fabricate mixed oxide (MOX) fuel for use in commercial nuclear reactors be subject to licensing by the Nuclear Regulatory Commission (NRC). The provision would also require the occupational safety and health of employees working at such facilities be subject to regulation by the Department of Labor. The licensing and regu-

latory requirements in this provision would not apply to demonstration, testing, or research activities related to MOX fuel carried out by, or under contract with, the Department of Energy.

The committee believes that, in order to be successful, the Department of Energy's fissile materials disposition program must provide for seamless regulatory oversight of all mixed oxide fuel fabrication and irradiation activities. Because MOX fuel is intended to be burned in commercial nuclear facilities that are regulated by the NRC, the committee believes it is advantageous for any MOX fuel fabrication facilities to meet applicable NRC standards.

The committee does not endorse the wholesale external regulation of Department of Energy defense nuclear facilities and remains skeptical of the potential benefits associated with implementing new regulatory regimes at new or existing DOE defense nuclear facilities.

Sec. 3134. Continuation of processing, treatment, and disposition of legacy nuclear materials.

The committee recommends a provision that would require the Secretary of Energy to maintain a high state of readiness at the F-canyon and H-canyon facilities, as recommended by the Defense Nuclear Facilities Safety Board and consistent with direction provided in previous year's authorizations.

Sec. 3135. Authority for Department of Energy federally funded research and development centers to participate in merit-based technology research and development programs.

The committee recommends a provision that would amend the National Defense Authorization Act for Fiscal Year 1995 to grant Department of Energy (DOE) sponsored federally funded research and development centers (FFRDCs) the same ability to compete for contracts as Department of Defense sponsored FFRDCs. The provision would authorize DOE facilities that function primarily as research laboratories to respond to competitive solicitations, research announcements, broad agency announcements, and grant announcements for programs that promote research, development, demonstration, transfer of technology based on their core competencies, areas of specialized or derived expertise, or utilization of unique facilities.

Sec. 3136. Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico.

The committee recommends a provision that would authorize the Department of Energy (DOE) to make a $5.0 million payment to a not-for-profit education foundation in the area around the Los Alamos National Laboratory to enrich educational activities of the local school system. DOE contributions to this foundation would be used to contribute to a fund, the corpus of which would remain in trust and the annual revenue used to support the local school system. This provision extends the authority granted to the Secretary of Energy in section 3167 of the National Defense Authorization Act for Fiscal Year 1998.

The conferees expect that the Secretary of Energy will make no more than five total annual payments to this fund for a total contribution not to exceed $25.0 million. The conferees note that the Secretary was authorized to make the first of such payments in fiscal year 1998. The conferees expect that upon making the fifth payment or meeting the $25.0 million cap, DOE assistance to the local school system will end.

SUBTITLE D—OTHER MATTERS

Sec. 3141. Repeal of fiscal year 1998 statement of policy on stockpile stewardship program.

The committee recommends a provision that would repeal section 3156 of the National Defense Authorization Act for Fiscal Year 1998. The committee believes the fiscal year 1998 provision is no longer needed and may be misinterpreted to establish a U.S. policy to unilaterally draw down the U.S. nuclear stockpile in advance of arms control negotiations.

Sec. 3142. Increase in maximum rate of pay for scientific, engineering, and technical personnel responsible for safety at defense nuclear facilities.

The committee recommends a provision that would raise the pay level for the excepted service authority provided in the National Defense Authorization Act for Fiscal Year 1995 from Level IV to III of the Executive Schedule. This increase is intended to help the Department of Energy attract and retain senior scientific, engineering, and technical personnel who possess the skills to perform critical nuclear health and safety activities at the Department's defense nuclear facilities.

The committee notes that, in recent years, the Level IV pay cap has limited the Department's ability to attract and retain the highest qualified scientific and technical talent.

Sec. 3143. Sense of Senate regarding treatment of Formerly Utilized Sites Remedial Action Program under a nondefense discretionary budget function.

The committee recommends a sense of the Senate resolution that urges the Office of Management and Budget to transfer funding for the Formerly Utilized Sites Remedial Action Program into a nondefense discretionary portion of the Federal budget in future years.

OTHER ITEMS OF INTEREST

Asset disposition

The committee continues to support the Department of Energy's efforts to identify surplus assets or real property excess to the needs of the Federal Government. Section 3138 of the National Defense Authorization Act for Fiscal Year 1998 created a pilot program to dispose of excess Department assets and assess how the proceeds from such sales might be used to reduce the Federal deficit and conduct decontamination, decommissioning, and closure activities at Department of Energy owned clean-up sites. The provision authorized six transactions under the pilot program and di-

rected the Secretary of Energy to report on the amounts retained by the Department as a result of the transactions.

The committee continues to support this initiative, but believes more information is needed before the pilot program can be expanded. The committee anticipates that the Department will submit the report by the statutory due date of January 31, 1999. The committee will assess the benefits of expanding this program based on the results of the pilot transactions and the information and recommendations contained in the report.

Improving collaboration between the Department of Defense and Department of Energy laboratories

The committee commends the Under Secretary of Defense for Acquisition and Technology and the Assistant Secretary of Energy for Defense Programs for beginning to develop ways to use the Nation's investment in science and technology at the Department of Energy National Laboratories for national defense goals in the post-Cold War era. The committee notes that in response to the recommendations contained in the National Defense Authorization Act for Fiscal Year 1998, the Departments of Defense and Energy have agreed to collaborate in three areas that are key to addressing the challenge of defeating the hard and deeply buried targets that shelter the war-making capabilities, including weapons of mass destruction, of rogue states.

The committee believes that the Under Secretary of Defense for Acquisition and Technology and the Assistant Secretary of Energy for Defense Programs should create a mechanism to fund and manage the pilot project to defeat hard and deeply buried targets and other related collaborative programs. The committee directs a report be submitted to the congressional defense committees no later than February 15, 1999, that provides a detailed description of the pilot program and a plan for its execution, including an explanation of joint funding and management arrangements.

Los Alamos Non-proliferation Center

The Department of Energy National Laboratories play a significant role in the nonproliferation activities of the Department of Energy. The Department of Energy has indicated that it is planning to request funds for construction of a new modern building to consolidate the nonproliferation activities at Los Alamos National Laboratory (LANL). The committee urges the Department to submit the construction project as part of its fiscal year 2000 budget request.

The committee notes that the Department of Energy has established two nonproliferation centers. The construction of the facility at Los Alamos National Laboratory will bring the number of DOE nonproliferation centers to three. The committee wants to ensure that research and development efforts at the three centers not result in the unnecessary duplication of effort. The committee directs DOE to report to the congressional defense committees by March 1, 1999 on the unique roles that each of these centers will play in the nonproliferation effort.

Robotics and intelligent machines

Last year, the committee noted the crucial support provided by the Department of Energy to the development of robotics and intelligent machines, and directed the Secretary of Energy to develop a comprehensive Robotics and Intelligent Machines Initiative to integrate existing Departmental programs. The committee understands that the Department has made substantial progress in responding to this directive.

The committee notes that the Under Secretary of Energy has been assigned responsibility for improving coordination on robotics within the Department. Under his direction, a robotics roadmap is being developed to identify research needs and opportunities related to the full spectrum of the Department's missions. This technology roadmap should be completed this summer.

The committee looks forward to receiving the roadmap and encourages the Department to continue its planning efforts. The committee directs the Department to use its robotics roadmap to plan the Robotics and Intelligent Machines Initiative called for in the National Defense Authorization Act for Fiscal Year 1998. The committee also encourages the Department to build on the development of its robotics roadmap and increase interagency awareness and cooperation on research and development related to robotics and intelligent machines.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

The committee recommends a provision that would authorize $17.5 million for the Defense Nuclear Facilities Safety Board (DNFSB) for fiscal year 1999. The committee notes that DNFSB continues to provide exceptional and effective external oversight with a budget that equals about one-tenth of one percent of total Atomic Energy Defense funding.

Section 3202 of the National Defense Authorization Act for Fiscal Year 1998 (P.L. 105–85) directed the DNFSB to prepare a report and make recommendations regarding: which Department of Energy (DOE) facilities should remain under the jurisdiction of the DNFSB; the potential regulatory and jurisdictional issues surrounding defense environmental management privatization projects and the proposed commercial light water reactor option for tritium production; the potential costs of moving DOE facilities to an alternative external regulation regime; and the impact of repealing section 210 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (42 U.S.C. 7272). The report is to be submitted to Congress this year and will include any comments by the Secretary of Energy and the Chairman of the Nuclear Regulatory Commission.

The committee is not convinced that external regulation of new or existing DOE defense nuclear facilities will increase safety, decrease cost, or improve operational efficiency at such facilities. The committee notes that transfer of the Paducah gaseous diffusion plant from DOE to NRC regulation cost over $200.0 million and took three years to complete.

The committee is concerned that the implementation of an additional external regulation approach could draw scarce resources away from high priority, compliance driven cleanup actions and critical national security activities, with little added benefit. The committee believes no decisions should be made or actions taken until the findings of the DNFSB and the comments of the Secretary of Energy and Chairman of the Nuclear Regulatory Commission have been provided and the ongoing external regulation pilot program is completed. The committee will be extensively involved in any movement toward an alternative external regulation approach.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

The committee recommends a provision that would authorize the Stockpile Manager to obligate $83.0 million from the National Defense Stockpile Transfer Fund during fiscal year 1998 for the authorized uses of funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

The committee also recommends a provision that would authorize the disposal of excess materials from the National Defense Stockpile. Under current law, the Stockpile Manager cannot dispose of excess materials unless the proposed disposal has been reviewed by the Market Impact Committee and included in the Annual Materials Plan or a revision of the plan.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

The President's budget request included $117.0 million for operation of the Naval Petroleum and Oil Shale Reserves in fiscal year 1998. The committee recommends a provision that would authorize the full $117.0 million for the operation of the Naval Petroleum and Oil Shale Reserves in fiscal year 1999.

TITLE XXXV—PANAMA CANAL COMMISSION

Sec. 3501. Short title; references to Panama Canal Act of 1979.

The committee recommends a provision that would establish title XXXV of the National Defense Authorization Bill for Fiscal Year 1999 as the "Panama Canal Commission Authorization Act for Fiscal Year 1999".

Sec. 3502. Authorization of expenditures.

The committee recommends a provision that would grant the Panama Canal Commission authority to make expenditures from the Panama Canal Commission Revolving Fund within existing statutory limits. The provision would also establish ceilings for the reception and representation expenditures of the supervisory board, administrator and secretary of the Commission.

Sec. 3503. Purchase of vehicles.

The committee recommends a provision that would authorize the Panama Canal Commission to purchase vehicles for official use.

Sec. 3504. Expenditures only in accordance with treaties.

The committee recommends a provision that would confirm the obligation of the Panama Canal Commission to make expenditures only in accordance with the Panama Canal Treaty of 1977 and related agreements.

Sec. 3505. Donations to the Commission.

The committee recommends a provision that would provide the Panama Canal Commission with the authority to accept donations of funds, property and services from both private and public entities for the purpose of carrying out its promotional activities. The committee believes this authority will help the Commission to establish and operate a museum and expanded tourist facilities at the Miraflores Locks. The museum and tourist facilities will facilitate the Canal's efforts to promote its core ship transit business while enhancing its ability to earn additional revenues as a tourist destination. It is envisioned, for example, that private corporations will sponsor state-of-the-art, multimedia presentations regarding different aspects of the Canal's history, operations and future. Absent the authority to accept donations, funding for such expansion and diversification would come largely from tolls charged to the international shipping community, and thereby divert funds from capital improvements.

Various agencies currently have similar authority to accept gifts. Specific statutory authority to accept donations is required in order to avoid violations of the Anti-Deficiency Act (31 U.S.C. 1341 *et*

seq.), which, among other things, prohibits augmentation of appropriations without congressional approval.

Sec. 3506. Agreements for United States to provide post-transfer administrative services for certain employee benefits.

The committee recommends a provision that would provide for the assumption of responsibility for administering post-1999 Panama Canal-related benefits in Panama by the U.S. ambassador to Panama. The Panama Canal Commission currently administers programs that provide financial and medical benefits to approximately 700 former Canal employees and dependents who were never covered by any Canal retirement or medical plan. The employment of these former employees was terminated prior to October 5, 1958. The Commission also provides liaison services for approximately 260 individuals receiving disability payments under the provisions of the Federal Employees' Compensation Act (5 U.S.C. 8101 *et seq.*).

The Commission expects to contract with some private financial or insurance entity to manage these programs and oversee the distribution of benefits after 1999. In conjunction with such a contract, the U.S. Embassy in Panama would have a three-fold responsibility: (1) facilitate resolution of complaints of the aforementioned former employees; (2) perform periodic audits of contract performance; and (3) take appropriate measures, including legal action, to ensure contract compliance. The provision of such services is deemed appropriate in light of the general infirmity of these former employees and to protect the fiscal integrity of these programs.

The committee expects that the contractor or contractors would be subject to the jurisdiction of U.S. courts.

Sec. 3507. Sunset of United States overseas benefits just before transfer.

The committee recommends a provision that would sunset certain benefits to certain U.S. citizen employees of the Panama Canal Commission and thereby clarify the conditions of employment intended to be continued by Panama after the transfer of the Canal. U.S. citizen employees working for the Panama Canal have traditionally been eligible, either by statute or agency regulation, for a number of benefits, which include an overseas recruitment and retention (tropical/Panama Area) differential, housing, vacation leave and travel, repatriation, an equity package, educational tuition sponsorship, educational travel and medical sponsorship. Originally, these benefits were provided to all U.S. citizens. However, over the years, eligibility requirements for many of these benefits have been narrowed such that they are now extended to new employees only at the discretion of the Commission based on actual recruitment needs. Accordingly, eligibility for some of these benefits depends, in addition to citizenship, on the date of hire, place of recruitment and position for which recruited. Only repatriation remains an entitlement for all U.S. citizen permanent employees, while educational travel for dependents remains available by law only to those employed on September 30, 1979 and those recruited outside Panama after that date. In addition, many of these benefits

are guaranteed for employees who were hired before the effective date of the Panama Canal Treaty of 1977 throughout the life of the Treaty by section 1231(a), which requires that the terms and conditions of employment be generally no less favorable than those enjoyed on September 30, 1979. The covered conditions of employment include such broad areas as basic pay, tropical differential, leave and travel, transportation and repatriation rights, and group health and life insurance.

The purpose of affording these benefits, as is common throughout the U.S. Government, has been to provide recruitment and retention incentives to U.S. citizen employees who have been willing to work for a U.S. Government agency outside of the United States. The Panama Canal Commission, a U.S. Government corporation, will cease to operate the Panama Canal on December 31, 1999, at which time its employees will largely become employees of the Panama Canal Authority (PCA), the Government of Panama entity that will succeed the Panama Canal Commission. The Panamanian Constitution and the organic law establishing the PCA guarantee continuance of conditions of employment existing on December 31, 1999. Panama's executive branch has indicated that these guarantees will not extend to any citizenship-based benefits and has stated that, after December 31, 1999, it will compensate PCA employees uniformly, i.e., without regard to citizenship or place of recruitment. Performing this technical adjustment of accelerating the expiration of these benefits by twelve hours (from 12:00 noon on December 31, 1999 to 11:59 p.m. on December 30, 1999) will help make the transition to a system with no citizenship-based benefits clearer and less prone to confusion and claims.

Panama's interpretation of its own Constitution and laws should prevail in any litigation which might be brought by former Commission employees who continue with the PCA and who claim entitlement to such benefits. Nevertheless, it is prudent to sunset these benefits on December 30, 1999 so it is clear to all concerned that the aforementioned continuity provisions of Panamanian law will not cover the benefits in question. Accordingly, it is in the best interest of the transition to terminate these benefits before December 31, 1999 in order to ensure the PCA has the flexibility to determine if and what kind of retention benefits are necessary for operational continuity and efficiency. Termination of these benefits on December 30, 1999, rather than at noon December 31, 1999, requires specific amendments to Public Law 96–70. The provision would provide for the early—December 30, 1999—repeal of specific provisions related to benefits, e.g., 1206 (cost of living allowance/equity adjustment), 1207 (educational travel), 1217(a) (recruitment and retention (tropical) differential), 1224(11) (housing and educational allowances); 1231 (general preservation of terms and conditions of employment existing on September 30, 1979) and 1321 (educational and medical sponsorship).

While the provision would terminate these rights and nullify existing agency regulations on December 30, it would also provide that compensation calculations, like most of those listed in section 1218, are to be computed and paid as if the provisions had not been repealed. For example, the 1217(a) tropical differential will continue to be treated as basic pay for these U.S. citizen employees

with respect to such things as retirement benefits, severance pay and payment of accumulated leave. On the other hand, actual compensation for that one day would be marginally affected. For example, any pay calculations for hours of work performed on December 31, 1999 will not continue to include a 15 percent tropical or Panama Area differential component.

Sec. 3508. Central Examining Office.

The committee recommends a provision that would repeal a section relating to the Central Examining Office. The unit known as "Central Examining Office" no longer exists and an office performing similar functions does not require a statutory mandate.

The Central Examining Office was the successor office to the Canal Zone Central Examining Office that served all U.S. Government agencies operating in the former Canal Zone. As initially established in 1979, this office was responsible for carrying out the President's responsibilities for coordination of policies and activities of agencies participating in the Panama Canal Employment System (PCES). Since September 1996, the Panama Canal Commission has had sole administration of the PCES, and the Central Examining Office, with its reduced mission, was reformed as the Recruitment and Examination Division within the Commission's Department of Human Resources. The Commission does not need statutory authority to create or continue such an office.

Sec. 3509. Liability for vessel accidents.

The committee recommends a provision that would bring the Panama Canal Commission's liability for vessel accidents in line with industry standards and thereby lower costs for Panama Canal operations. The situation concerning liability for injuries to vessels and their cargo, crew and passengers while transiting the Canal has changed several times since the waterway first opened to the shipping world in 1914. For the first 26 years, the agency operating the waterway was a virtual insurer for injuries sustained while a vessel was passing through a lock, but paid nothing for injuries sustained anywhere else in the waterway. In 1940, the law was changed to allow the Canal to pay up to $60,000 on claims for vessel damage sustained outside the locks; however, it could not be sued on claims for non-locks damage.

In 1951, the newly formed Panama Canal Company, a wholly owned government corporation, was made liable without limit on all vessel accident claims, regardless of whether the accident occurred in or out of the locks, and was subject to suit on all such claims. The Company remained a virtual insurer with respect to damage sustained in the locks, but the shipowner was required to establish negligence on the part of one or more Canal employees before the agency was liable in non-locks cases. When the Panama Canal Treaty entered into force in October 1979, the Panama Canal Commission (which replaced the Company as the U.S. agency operating the Canal) remained an insurer for vessel damage sustained in the locks (and could be sued on such claims), but was authorized to consider non-locks vessel damage claims only up to $120,000. Claims in excess of that amount were required to be submitted to the Congress with a special report and recommendation.

Although a number of such claims were submitted to the Congress during this time, and were the subject of hearings before the Merchant Marine and Fisheries Committee of the House of Representatives, none was ever disposed of by legislative action.

The current law, enacted in 1985, gave the Commission the authority to settle vessel claims regardless of either the situs of the accident or amount of the claim. The agency is subject to suit on all such claims but is no longer an insurer for damage sustained by a vessel while passing through the locks. For both in-lock and out-of-lock damages, the claimant is required to establish negligence on the part of the Canal's employees before being entitled to recover.

The provision would limit the Commission's exposure to liability for vessel damage (as well as for injuries to cargo crew, and passengers aboard vessels passing through the Canal) to those cases in which the claimant is covered by insurance against Canal mishaps in the amount of at least $1 million. Under these amendments, the Canal would pay only those damages that are in excess of amounts recovered or recoverable by the claimant from its insurer. The provision would also foreclose consideration of any claim in the nature of subrogation against the Commission by an insurer. It would also bring investigation and litigation costs down for less significant accidents, as has been the case in other contexts in which a "no-fault" system has been introduced. Savings from these efficiencies could be used for tangible Canal capital improvements and maintenance, instead of being used for attorneys' fees and related administrative costs.

Sec. 3510. Placement of United States citizens in positions with the United States Government.

The committee recommends a provision that would provide U.S. citizen employees of the Panama Canal Commission, who were hired after the Panama Canal Treaty of 1977 and who are involuntarily separated during the 18 months immediately preceding transfer of the Canal to Panama, the same placement opportunities generally provided to other U.S. federal employees who are involuntarily separated.

In 1979, the Congress provided, in section 1232 of the Panama Canal Act of 1979 (22 U.S.C. 3672), that the Office of Personnel Management (OPM) afford placement assistance in other U.S. Government positions for U.S. citizens who were employees of the Panama Canal Company or Canal Zone Government on March 31, 1979, but were separated as a result of the 1977 Panama Canal Treaties.

OPM established a Government-wide placement program for eligible employees who requested placement assistance (5 CFR 315.601 (1997)). As a result, pre-Treaty employees who were separated from employment as a result of the Treaty were provided maximum placement assistance that included priority consideration for vacancies in the U.S. Government.

Less than two years remain before the Canal is transferred to Panama. At this time, approximately 60 U.S. citizen employees remain with the Panama Canal Commission, in Panama and in its Washington and New Orleans offices, who will be ineligible to re-

tire by the Canal transfer date. That number is expected to decrease before the transfer, but some inevitably will wish to continue their federal careers. Commission employees working in Panama cannot utilize existing placement programs, which require employees to occupy positions within the local commuting area of advertised vacancies. Accordingly, this provision requires OPM to provide assistance to current—as of July 1, 1998—U.S. citizen employees of the Panama Canal Commission who are separated from employment as a result of the 1977 Panama Canal Treaty and related agreements.

Specifically, OPM currently operates the Interagency Career Transition Assistance Plan (ICTAP) for Displaced Employees (5 CFR 330.701 *et seq.*). Generally, ICTAP does not apply to excepted service employees, which includes all Commission employees, because "such employees do not have the same kind of eligibility to be appointed on an "interchangeable" basis as employees in the competitive civil service." 62 *Federal Register* 31317. This rationale does not apply to Commission employees, however, because the Congress specifically provided for the interchange of Canal employees and the competitive service. 22 U.S.C. 3652(a)(4).

By granting Commission employees noncompetitive appointment eligibility and selection priority, the provision would render these former Canal employees "displaced employees" within the meaning of the ICTAP. 5 CFR 330.703(b)(7). Additionally, because ICTAP functions within a "local commuting area," the amendment allows, in the case of an employee employed in the Republic of Panama at the time of separation, the local commuting area to be the Standard Federal Region or local commuting area of the employee's choice.

In practical terms, such priority placement will give the displaced Canal employee priority over an individual who is not a federal employee, a federal employee from outside the local commuting area or a federal employee from within the local commuting area but from outside the agency. The Canal employee will be on equal footing with employees involuntarily separated due to a reduction in force from outside the agency within the local commuting area. Canal employees will have a lower priority than employees within the agency with the vacancy.

Sec. 3511. Panama Canal Board of Contract Appeals.

The committee recommends a provision that would provide greater flexibility in the timeline for establishing the Panama Canal Board of Contract Appeals and in determining the salaries of members serving on the Board.

The purpose of section 3102 of the Panama Canal Act of 1979 (22 U.S.C. 3862), enacted last year in Public Law 105–85, is to facilitate the transfer of the Panama Canal Commission's contract dispute resolution system to Panamanian administration after 1999. The Board of Contract Appeals is the forum intended for that purpose. Section 3102 was drafted before the current Panama Canal Authority (PCA) Board of Directors was in place. This provision would revise section 3102 to allow flexibility in the timing and implementation of current law relating to the Board of Contract Appeals, in light of the workload ahead of the PCA and the fact that

whatever actions the United States takes are designed to be continued by the PCA. Therefore, given the foreseeable workload of the transition, a more flexible timeline is indicated.

The current statute calls for the Board to be established and functioning no later than January 1, 1999. This revision would simply eliminate any mandatory date for establishment and functioning of the Board of Contract Appeals, so that the United States and Panama could take more time to ensure that the result will truly meet the long term needs of the transition.

Another section of the provision would allow the Commission to bring salaries for members serving on the Board of Contract Appeals in line with local salary conditions and the professional expertise envisioned for service on that body. In light of the purpose of establishing the Board for long-term, continuous service under Panamanian administration of the Canal, and because local compensation may differ from that prevailing in the United States, section 3102(a) is amended to authorize the Commission's Supervisory Board to determine the compensation for the Chairman, Vice Chairman and other members of the Board of Contract Appeals.

The Commission's Supervisory Board would not be able to reduce, during any Board member's appointed term, the level of that member's compensation from the level established at the time of that member's appointment. This provision is included to preserve the independence of the Board and its decisionmaking functions. Without this amendment, the Contract Disputes Act (28 U.S.C. 2510 *et seq.*) would require that compensation be fixed according to the levels prescribed by section 5372a of title 5, United States Code.

Consistent with the Panama Canal Treaty of 1977, U.S. jurisdiction and funding of the Panama Canal Board of Contract Appeals will end on December 31, 1999. At that time the functions of the Board will be continued by the Panama Canal Authority under Panamanian laws, regulations, and funding.

LEGISLATIVE REQUIREMENTS

Departmental Recommendations

By letter dated March 17, 1998, the General Counsel of the Department of Defense forwarded to the President of the Senate proposed legislation "To authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, and for other purposes." The transmittal letter and proposed legislation were officially referred as Executive Communication 4382 to the Committee on Armed Services on March 17, 1998. Executive Communication 4382 is available for review at the committee. Senators Thurmond and Levin introduced this legislative proposal as S. 1812, by request, on March 23, 1998.

By letter dated February 17, 1998, the General Counsel of the Department of Defense forwarded to the President of the Senate proposed legislation "To authorize military construction and related activities of the Department of Defense for fiscal year 1999." The transmittal letter and proposed legislation were officially referred as Executive Communication 4381 to the Committee on Armed

Services on February 17, 1998. Executive Communication 4381 is available for review at the committee. Senators Thurmond and Levin introduced this legislative proposal as S. 1813, by request, on March 23, 1998.

Committee Action

In accordance with the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, there is set forth below the committee vote to report the National Defense Authorization Act for Fiscal Year 1999.

Vote: Adopted by voice vote.

The roll call votes on amendments to the bill which were considered during the course of the mark-up have been made public and are available at the committee.

Congressional Budget Office Cost Estimate

It was not possible to include the Congressional Budget Office cost estimate on this legislation because it was not available at the time the report was filed. It will be included in material presented during floor debate on the legislation.

Regulatory Impact

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that a report on the regulatory impact of the bill be included in the report on the bill. The committee finds that there is no regulatory impact in the case of the National Defense Authorization Bill for Fiscal Year 1999.

Changes in Existing Law

Pursuant to the provisions of paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by certain portions of the bill have not been shown in this section of the report because, in the opinion of the committee, it is necessary to dispense with showing such changes in order to expedite the business of the Senate and reduce the expenditure of funds.

ADDITIONAL VIEWS OF SENATOR JOHN MCCAIN

The chairmen of the Senate Armed Services Subcommittees are to be commended for the fine job they did presenting their recommendations to the full committee, especially given the extremely difficult circumstances under which they were operating. The Balanced Budget Agreement of 1997 established funding levels for the 050 National Defense function beyond which the committee could not mark without being in violation of the agreement. This fiscal discipline, the long overdue response to decades of prolifigate spending on programs of questionable merit or low priority, helped to constrain the normal tendency of members to add programs for strictly parochial reasons.

Sadly, the rest of the Senate acted in the usual irresponsible fashion by requesting funding for programs not requested by the Department of Defense and, in some instances, of little or no relevance to the mission of providing for the common defense. During previous years, when Congress added funds to the Administration's budget request out of concern for issues of readiness, modernization, and quality of life, the impact on high-priority programs of member-adds was minimized, although still highly damaging to research and development programs that get little attention yet represent the future of our armed forces. Applying standard operating procedures in the most constrained fiscal environment in which the department has had to operate in many years, however, magnifies the problem of wasteful and unnecessary spending many-fold. It is in this light that one must assess the bill currently before us.

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.

Congress' proclivity to fund National Guard programs irrespective of other higher priorities on account of the Guard's representation in every state and most congressional districts has been another continuing problem for many years. That the aforementioned C–130Js are designated for the Air National Guard is a case in point. That an unrequested $1.5 billion amphibious assault ship was provided $50 million in advance procurement funding in the

bill, further strains credibility within a political party that rose to primacy in Congress under the mantle of fiscal responsibility. Compared to the cost of a $1.5 billion ship and the C–130Js for the Guard, the $7.5 million added to the budget for the purchase of additional Norwegian-made Penguin missiles as part of a possible quid pro quo arrangement involving Norwegian purchase of U.S.-built patrol craft doesn't seem like such a big deal. Everything is relative, though, and $7.5 million wasted is a significant sum to most Americans.

The Science and Technology accounts continue to be cavalierly abused by Congress. The chairman of the Acquisition and Technology Subcommittee did a fine job of minimizing that damage, but important long-term 6.1 and 6.2 science and technology programs are still being impaired by member adds, some of which clearly constitute wasteful spending under any credible objective assessment. For example, the $1.5 million in the Acquisition and Technology portion of the bill to study the effects on missile components of high frequency vibrations would be commendable were it not for the fact that we already have 40 years of research into that area, involving every single missile and rocket designed and tested since the dawn of the missile age. This addition, while fortunately relatively small, nevertheless is a prime example of members conducting themselves with a "business as usual" mentality.

Similarly, adding $3 million for research in stainless steel double hull technologies is an unambiguous waste of precious financial resources. Naval shipbuilders possess considerable knowledge of and experience in the use of various grades of steel, especially for use in constructing submarine hulls. Furthermore, environmental statutes requiring the use of double hull tankers for transporting oil have already provided commercial and naval shipbuilders all the incentive they need to pursue this technology with their own resources, to say nothing of the added benefit to such shipbuilders of Title XI loan guarantees such as were used to secure double hull tanker contracts for one particular U.S. shipbuilder.

The committee added $3 million to initiate a highly questionable program in the area of remote visualization, collaborative exploitation of high performance computing modernization capabilities, and distance learning computing. Clearly, this funding is intended as an earmark for one particular college, competitive language notwithstanding.

These criticisms of the Acquisition and Technology account aside, the chairman of the subcommittee did an admirable job of minimizing disruption to science and technology programs by mandating competitive contract processes as well as by holding monetary amounts to a minimum. The continuation to the tune of $11 million of the High Frequency Active Auroral Research Program (HAARP), however, is a reminder that the committee, and Congress as a whole, still have a ways to go.

The practice of adding military construction projects for which the Defense Department has not requested funding in a given fiscal year continues unabated, this year to the tune of close to $600 million. The 88 projects added to the Administration request may very well fall within most of the established criteria for being added to the budget (for example, they are in the Future Years Defense

Plan), but the funds for these projects had to be taken away from requested programs. Once again, the damage done to higher priority projects by this "business as usual" approach is magnified in a zero-growth budget environment.

While it is gratifying that no money was added for the National Automotive Center, it is disheartening that the absence of such an add is a direct result of the funding for the center being included in the Administration's request—a triumph of politics over military necessity. Also troubling is the designation of the NAC as the beneficiary of all future defense dollars for development of commercial-military automotive technology. The use of the word "should" in the committee report in this context is obviated by the committee's direction that the Secretary of Defense develop a plan for implementing the goal of designating the NAC as the focal point for this activity.

As of this writing, the issue of whether to allocate as much as $550 million to the National Foreign Intelligence Program resulting from a dispute between the Armed Services and Intelligence Committees is yet to be resolved. The amount of money at issue is significant given the requirement to mark to the budget agreement level. Should the Armed Services Committee have to implement cuts to accommodate Intelligence Committee concerns, to fail to impose those cuts on member-adds would do serious damage to the highest priority programs and activities. Such a situation would be intolerable.

The Armed Services Committee wisely included provisions to fund the requested pay raise for our men and women in uniform, to take effect January 1, 1999, and to increase the monthly pay for cadets and midshipmen at the service academies.

Of all the critical programs that are included in the $270 billion Defense Authorization bill, the single most important issue that was addressed was Senator Kempthorne's and Senator Cleland's health care reform package that provides for a demonstration project in which the Department of Defense would provide health care to retired military personnel and their families who are over age 65 and Medicare-eligible. The Secretary of Defense would be required to identify six demonstration sites outside the catchment area of a military treatment facility, two for each demonstration. The demonstration projects would allow Medicare-eligible beneficiaries to participate in the Federal Health Benefits Program (FEHBP), create a TRICARE Senior Supplement program that would be similar in function to a commercial Medicare supplement insurance policy, and extend the TRICARE mail order pharmacy benefit to all Medicare-eligible beneficiaries of the Military Health Care System. The Committees action is an important step in the protracted effort at reconciling the promise of life-time medical care with the extreme discomfort retirees feel at losing access to CHAMPUS when they turn 65 years of age.

The Committee also included a useful provision to encourage the Services to expedite the release of promotion board results. Specifically, it requires Service Secretaries to advise the Senate Armed Services and House National Security Committees when 100 days have elapsed since the board report was signed by the board members without an approval by the President. Officers stationed

around the globe are concerned with the increasing amount of time it seems to be taking the Navy to release promotion board results. According to the Bureau of Naval Personnel, the promotion board routing process currently takes the Navy six to seven months from selection board call out until it reaches the Senate. The other services route promotion board results in half the time and yet they all operate under the same Secretary of Defense instruction. A smooth running promotion system enhances retention, and the converse is true, a poor running promotion system hurts retention.

The Armed Services Committee wisely funded the requested pay raise for active duty personnel, to take effect January 1, 1999, and approved an increase in monthly pay for cadets and midshipmen at the service academies. It was particularly gratifying to see the committee include in its bill legislation establishing health care demonstration projects for Medicare-eligible military retirees as part of the protracted effort at reconciling the promise of life-time medical care with the extreme discomfort retirees feel at losing access to CHAMPUS when they turn 65.

The looming problem of systemic computer malfunctions expected to occur with the turn of the century, the so-called Y2K problem, received the attention it deserved by the committee. Concerned about the impact on military operations and the Department of Defense's ability to continue to function when its computer-dependent administrative and logistical organizations suffer the effects of computers unable to properly identify the year as 2000, the committee wisely requires the department to focus the necessary attention and resources on preparing for that eventuality. Additionally, the committee authorized additional funds toward that purpose. Given the scale of the problem and limited time with which to confront it, the Readiness Subcommittee's emphasis on this issue is fully warranted.

Finally, it was extremely disappointing to witness yet another failed attempt by myself and others to pass legislation mandating another round of base closures. The Secretary of Defense and Chairman of the Joint Chiefs of Staff have repeatedly emphasized the importance of divesting themselves of unneeded infrastructure if vital modernization and readiness initiatives are to be implemented. For the Armed Services Committee, which knows better than any other collection of Members in the Senate the importance of closing military installations and facilities excess to requirements, to once again reject proposals to close such installations and facilities flies in the face of reality. Concerns about the politicization of the process as was done during the 1995 round are valid, but the Committee's refusal to consider additional base closings even after the current Administration leaves office is a strong indication that parochial considerations are playing a much greater role than many are willing to admit.

These criticisms should not detract from the good work of the chairman of the Armed Services Committee, who is stepping down at the end of the current session of Congress. Strom Thurmond deserves all the accolades he is receiving for his years as committee chairman. His experience and strong desire to act in the best interest of the United States and its Armed Forces should stand as an example to all who follow. He has succeeded in getting a $270 bil-

lion authorization bill to the floor of the Senate in an expedient and efficient manner. Congress, and the country, owe Chairman Thurmond a debt of gratitude for his years of devoted service to the national defense of the United States.

JOHN MCCAIN.

ADDITIONAL VIEWS OF SENATOR CARL LEVIN

I support the National Defense Authorization Act for Fiscal Year 1999 reported by the Armed Services Committee. It is consistent with the bipartisan budget agreement and with the FY1999 Budget Resolution. In several important aspects the bill continues the implementation of the recommendations of the Quadrennial Defense Review (QDR) to help keep our military forces the finest in the world.

There are some areas, however, where I believe this bill needs to be improved, and I will be working to make these improvements during the floor debate in the Senate and in conference.

BASE CLOSURES

I am disappointed that the committee turned down the request of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff to authorize another round of base closures in the Department of Defense. The case for closing more military bases is clear and compelling.

Recently Secretary Cohen released a detailed report mandated by Congress last year on the extent of our excess military infrastructure and the savings from past base closures. This report contains almost 1,800 pages of backup material, and is responsive to those who have said that we need a thorough analysis before we can reach a decision on the need for more base closures.

Secretary Cohen's report reaffirms that DOD still has more bases than it needs. From 1989 to 1997, DOD reduced total active duty military end strength by 32 percent, a figure that will grow to 36 percent by 2003. Even after 4 base closure rounds, DOD's base structure in the United States has been reduced by only 21 percent.

DOD's analysis concluded that the military services still have about 23 percent excess capacity in their current base structure. For example, by 2003:

> The Army will have reduced the personnel at its classroom training commands by 43 percent, while classroom space will have been reduced by only 7 percent.
>
> The Air Force will have reduced the number of fighters and other small aircraft by 53 percent since 1989, while the base structure for those aircraft will be only 35 percent smaller.
>
> The Navy will have 33 percent more hangars for its aircraft than it requires.

Secretary Cohen's Report also documents the substantial savings that have been achieved from past base closure rounds. Between 1990 and 2001, DOD estimates that base closure actions will produce a total of $13.5 billion in net savings. After 2001, when all of the prior base closure actions must be completed, steady state savings will be $5.6 billion per year.

CBO and GAO are both conducting their review of the DOD Report on Base Closures. In the past, though, both CBO and GAO have agreed that base closures produce substantial savings. According to the DOD Inspector General's recent work, these savings in some cases are larger—and the costs somewhat smaller—than we thought.

Based on the savings from the first four base closure rounds, every year we delay another base closure round, we deny the Defense Department, and the taxpayers, about $1.5 billion in annual savings that we can never recoup by continuing to study the question of exactly how much savings we have achieved from previous rounds.

I know that closing bases is a painful process. All three Air Force bases in my state have been closed, and we are still working to overcome the economic blow to those communities. But experience shows that there is life after base closure. According to Secretary Cohen's recent report, at bases closed more than two years, nearly 75 percent of the lost civilian jobs have been replaced. Communities affected by base closures obviously have to cope with near-term disruption, but the long-term economic impact can be positive in most cases.

It is just as important to focus on the long-term military impact of base closures.

Secretary Cohen said last month that: "More than any other initiative we can take today, BRAC will shape the quality and strength of the forces protecting America in the 21st century."

General Shelton, the Chairman of the Joint Chiefs of Staff, stated: "I strongly support additional base closures. Without them we will not leave our successors the warfighting dominance of today's force."

A decade ago, under the bipartisan leadership of the Senate and the House, Congress had the vision and courage to start the base closure process. That process has been remarkably successful. DOD would be facing tremendous financial and budget problems today if they were not able to count on the savings from the previous base closure rounds.

The senior civilian and military leaders of DOD are telling us again that they need to close more bases. I hope that Congress will have the same vision and courage that we showed ten years ago when we started the base closure process.

Admiral Jay Johnson, the Chief of Naval Operations, summed it up well last month when he said:

> This is more than about budgeting. It's about protecting American interests, American citizens, American soldiers, sailors, airmen and Marines. We owe them the best force we can achieve. Reducing excess infrastructure will help take us there and is clearly a military necessity.

Closing bases is a military necessity, and we cannot afford to delay any longer. Congress should authorize another round of base closures.

CHEMICAL DEMILITARIZATION PROGRAMS

Through DOD's Chemical Demilitarization program, the U.S. is destroying our chemical weapons in accordance with the Chemical Weapons Convention (CWC), which the Senate ratified almost exactly one year ago. It is very important to make sure this program is sufficiently funded in order to meet our treaty obligation of destroying our declared chemical weapons stockpile by April 29, 2007.

I am very disappointed that the Committee bill includes a reduction of $125 million to the budget request of $980 million for the Chemical Demilitarization program. I believe this significant cut could harm the program and interfere with the ability of the U.S. to meet its CWC treaty obligations.

Given the historical difficulty of obtaining the necessary permits to build and operate the chemical destruction facilities, DOD program managers have taken a number of initiatives recently to accelerate key schedules and reduce program costs. These initiatives, which are designed to ensure that the U.S. meets its treaty obligations, depend upon the funding level contained in the FY1999 budget request.

I believe the Senate should not ratify a treaty and then take an action, even if inadvertent, that could have the effect of precluding the U.S. from being able to comply with the treaty. I hope the Senate will restore the funding required to assure we meet the CWC deadlines for destroying our chemical weapons stockpile.

DEPARTMENT OF ENERGY STOCKPILE STEWARDSHIP AND NONPROLIFERATION PROGRAMS

The Department of Energy (DOE) has the responsibility to ensure that the U.S. stockpile of nuclear weapons is safe and reliable. DOE also has important programs underway to prevent the spread of nuclear materials and technology to rogue nations and terrorists. Unfortunately, the Committee bill reduces the budget request for both of these essential programs.

The Energy and Water Development Appropriations Act for Fiscal Year 1993 included a nuclear testing moratorium that brought the U.S. nuclear weapons testing program to an end. DOE is responsible for keeping the U.S. nuclear warheads safe and reliable without nuclear weapons testing. Maintaining this stockpile is now done through the Stockpile Stewardship Program, which uses new computational and experimental capabilities to maintain the safety and reliability of the nuclear weapons stockpile.

The Committee bill reduces the FY1999 budget request for the Stockpile Stewardship Program by $145 million. In a letter to the Committee, Secretary of Energy Federico Peña indicated that such reductions could imperil fundamental areas of the Stockpile Stewardship Program, and could have "a real and dramatic impact on our ability to continue to certify the stockpile and maintain our strategic deterrent."

DOE also plays a key role in our nonproliferation efforts to ensure that nuclear materials and technology do not fall into the wrong hands. The DOE arms control programs help account for, control, and protect weapons materials through cooperative programs in Russia and the Newly Independent States, and around

the world. The Committee reduction of $20 million to the budget request of $237 million is, in my view, short-sighted.

I hope that the funds for these two important programs can be restored to the levels requested in the FY1999 budget during the Senate's floor debate or in conference.

CARL LEVIN.

ADDITIONAL VIEWS OF SENATOR JEFF BINGAMAN

This year's defense bill continues to place greater emphasis on addressing potential threats which are not validated and for which military requirements have not been established and authorized. This year the Committee increased spending for National Missile Defense, including the Space Based Laser program, for example, by almost $100 million above the President's request of about $1.0 billion. Information provided to the Committee indicated that the ballistic missile threat for which such spending is directed is limited. Intelligence reports indicate that the threat for ballistic missile attack from any rogue nation is not likely to occur for many years in the future. While it is important to continue to fund technology research for ballistic missile defense, funding priority for those programs could be lower than for programs designed to meet more immediate threats.

The announcement of nuclear tests in India on May 11, 1998 serves as a wake-up call that proliferation of nuclear weapons and other weapons of mass destruction is a near-term threat deserving of immediate attention and priority funding. India has repeatedly stated its concern that existing nuclear powers have not taken serious measures toward reducing nuclear weapons and cannot expect other countries to foreswear them in the absence of meaningful movement toward disarmament. For example, progress toward reaching final agreement on the START II Treaty remains stalled, and, should Russia ratify that agreement, under its provisions full implementation would not be complete for more than another decade. In addition, the Senate has taken no steps toward ratification of the Comprehensive Test Ban Treaty submitted by the President last September. While the timing of India's tests may have come as a surprise, it should not be a shock in view of India's perspective on these matters.

While the Committee increased funding for defense against intercontinental ballistic missiles, it reduced funding for programs designed to prevent the proliferation of nuclear weapons and materials and other weapons of mass destruction. The President requested $697 million dollars—compared to $1 billion for National Missile Defense—for threat reduction programs to combat proliferation. The Committee cut the Department of Defense's Cooperative Threat Reduction programs, also known as Nunn Lugar programs, by $2 million after debating much deeper cuts. Those programs provide essential means to ensure and improve the security of Russian nuclear weapons from theft or misuse and to dismantle them in Russia and nations of the former Soviet Union. The Committee also reduced funding by $20 million for programs in the Department of Energy (DOE) related to cooperative threat reduction. As a result of the Committee's action, DOE's Materials Protection Control and Accounting program, which provides added security

measures to prevent nuclear weapons materials from being smuggled to terrorists or rogue nations will be delayed.

The proliferation clock ticks on as the Senate demurs ratification of the Comprehensive Test Ban Treaty (CTB). India's actions will assuredly provoke a response from Pakistan. Other non-nuclear nations may reconsider their positions concerning whether to develop a nuclear weapons capability. China, a signatory to the CTB, may choose ultimately not to ratify it. Meanwhile, the Committee reduced funding for programs needed to provide essential information to U.S. nuclear weapons scientists that would support the CTB. By cutting funding for the Stockpile Stewardship Program by about $130 million, the Committee threatens the likelihood of Senate ratification of the CTB. Failure to ratify the CTB will reinforce the action taken by the Indian government and encourage other nations to follow suit.

The Committee's priorities are misplaced not only with respect to investing our resources to meet our most immediate military threats, but for those needed to ensure our long-term security. The Committee continues to cut funding for basic research and development efforts needed to support the technologies for weapons a generation away. The Committee approved a cut in funding for initial research programs by $100 million below last year's appropriated level. Efforts to establish long-term spending goals for basic research in order to avoid further erosion gained vocal support, but not the Committee's endorsement. Funding to support the nation's test and evaluation facilities, especially at White Sands, remains insufficient to repair existing facilities and update instrumentation needed to evaluate high technologies being developed for next generation weapon systems.

I am deeply concerned that the Committee remains stuck on an inertial path that cannot move quickly enough either to meet the nation's most immediate defense threats, or to make the necessary investments in meeting long-term defense needs. The Senate's recent extensive debate on NATO enlargement represents our inability to move beyond Cold War concerns. The Committee's actions suggest a similar myopia. I intend to raise these issues fully when the Senate considers the bill.

JEFF BINGAMAN.

ADDITIONAL VIEWS OF SENATOR JOHN GLENN

As a Member of both the Senate Armed Services Committee (SASC) and the Senate Select Committee on Intelligence (SSCI), I wish to register my deep concern with the significant reductions taken by the SASC to the fiscal year 1999 intelligence budget. The SSCI's recommendation for the fiscal year 1999 Intelligence Authorization Bill resulted in a modest reduction to the overall budget request—the outcome of an in-depth SSCI review of the Intelligence Community's budget request. The SSCI's budget review resulted in significant increases in funding for high priority projects designed to position the Intelligence Community for the technological challenges of the future.

The SASC's reduction to the intelligence budget far exceeded the SSCI's recommended reduction level and represents a "meat axe" approach to the intelligence budget. (Note: Since the intelligence budget is classified, most of the intelligence budget is concealed within the defense budget. Accordingly, the SASC has annually taken the intelligence bill on sequential referral after the SSCI has marked it up.)

These severe cuts to the intelligence budget are unacceptable, and it is particularly ironic that some who have supported this deep cut also bemoan the increased threat to U.S. national security from a diminishing defense budget. The U.S. needs a strong and reliable intelligence capability during this period of enormous change and uncertainty in the international environment. Indeed, we rely heavily on intelligence to detect and monitor these changes in the international system so we can reallocate increasingly scarce resources in a more efficient manner.

To the extent that we need to de-emphasize resources devoted to the former Soviet target, we must focus more of our intelligence capabilities and resources on other security threats such as the proliferation of weapons of mass destruction—as underscored by the recent nuclear tests in India, drug smuggling, terrorism, environmental change, low-intensity conflict in the Third World, information warfare and the illicit export of high-technology items. We also need to continue to support a robust capability to monitor arms control agreements.

It is also important to remember that accurate and timely intelligence is our greatest force-multiplier—particularly at a time when we are reducing the size of our military forces. Intelligence serves as our nation's "early warning system", and it needs to be protected at a time when the U.S. defense establishment is being reduced. It should also be noted that defense systems and programs often have a great utility in their non-use, serving as deterrents to our enemies. Intelligence systems and programs, on the other hand, are constantly in use—with the primary objective of keeping U.S. policymakers informed about changes to our national security and

thereby avoiding the need to deploy military forces to protect U.S. lives and property.

In addition, with the end of the Cold War and the strong likelihood that our defense spending will remain in decline, we must be mindful of the lessons of history. Defense spending has always experienced cycles of expansion and contraction. Periods of lower tension result in reduced defense budgets. Such times invariably give way to period of greater tension which, in turn, lead toward greater defense spending. When the day comes that the United States must rebuild our national defense to confront a threat that is now difficult to foresee, we must do it from the strongest and most reliable intelligence base possible. I am convinced that significant reductions to our intelligence capabilities—such as those recommended in the fiscal year 1999 National Defense Authorization Act, especially during this period of international instability, are extremely unwise and are likely to be damaging to U.S. national security.

This cut by the SASC has also led me to the reluctant conclusion that the SASC should no longer play a role in authorizing intelligence programs, particularly when it increasingly appears that it has little appreciation for the vital role of intelligence in our nation's security. As a Member of the SASC since 1985 and a Member of the SSCI since 1989, I have long been concerned with the SASC's practice of cannibalizing the intelligence budget to fund unrelated and less important defense systems and programs. This latest action by the SASC is simply one more example of this longstanding practice. I believe that the time has come to formally end the practice of burying the intelligence budget in the Pentagon's budget and have a separate, stand-alone intelligence budget line in the federal budget.

On October 15, 1997, Director of Central Intelligence (DCI) George Tenet publicly announced the aggregate amount appropriated for intelligence and intelligence-related activities for fiscal 1997. In March of this year, Director Tenet publicly announced the same information for fiscal year 1998. I believe that disclosing the aggregate U.S. intelligence budget poses no threat to our nation's security and I believe that the Administration should publicly disclose the aggregate intelligence budget every year, thereby ending the need to have the intelligence budget buried in the Pentagon's budget. I do not believe that public disclosure puts us on a "slippery slope" for more detailed disclosures of Intelligence Community programs and activities. Just as past Administrations have refused to disclose the aggregate intelligence budget for the last 50 years, so too should we hold the line against disclosing more than the aggregate figure in the future.

I believe that there should be a separate line in the federal budget—separate and distinct from the defense budget—that contains the aggregate figure for intelligence and intelligence-related activities. These funds should be authorized exclusively by the Senate and House intelligence oversight committees, and the appropriations committees of the Senate and House should consider the creation of intelligence subcommittees to deal with intelligence budget appropriations. I think this will go a long way toward making Con-

gressional oversight of the Intelligence Community more effective and responsible.

The Director of Central Intelligence is ostensibly the manager of the Intelligence Community, but in reality, he only has meaningful control of the CIA's budget. Serious consideration should be given to providing the DCI with sole management authority of the entire Intelligence Community budget. I think this would significantly enhance the management, efficiency and effectiveness of the Intelligence Community.

JOHN GLENN.

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