



Defense: FY2012 Budget Request, Authorization and Appropriations

Pat Towell

Specialist in U.S. Defense Policy and Budget

October 19, 2011

Congressional Research Service

7-5700

www.crs.gov

R41861

CRS Report for Congress

Prepared for Members and Committees of Congress

Summary

President Obama's FY2012 budget request, sent to Congress on February 14, 2011, included \$670.9 billion in discretionary budget authority for the Department of Defense (DOD), of which \$553.1 billion was for the so-called "base budget" of the department, that is the cost of routine, peacetime operations not counting the cost of ongoing operations in Iraq and Afghanistan. The remaining \$117.8 billion in the DOD budget request was to cover the cost of so-called "overseas contingency operations (OCO)," including operations in those two countries.

However, the Budget Control Act (BCA) enacted in early August set ceilings on FY2012 discretionary budget authority that would require a reduction of \$35.7 billion from the total amount the Administration had requested for so-called "security agencies" – a category that includes the DOD base budget, the Departments of Veterans Affairs and Homeland Security, and the Energy Department's Nuclear National Security Agency, as well as the Department of State and various international activities funded by other federal agencies. The DOD base budget accounts for 76.9 percent of the security agencies' funding. So, if the base budget were to absorb that share of the security agencies' reduction (which is not required by the BCA), appropriations for the FY2012 DOD base budget would be at least \$27.2 billion below the amount requested.

Before the BCA was enacted, however, the House had passed its version of the FY2012 National Defense Authorization Act (H.R. 1540), which would authorize \$1.8 billion more than was requested for DOD in February. The bill was passed on May 26, 2011, by a vote of 322-96 after a floor debate highlighted by a relatively narrow vote (204-215) to reject an amendment by Representative McGovern that would have required the President to send Congress an accelerated plan for handing over security operations in Afghanistan to the government of that country. The Senate Armed Services Committee reported on June 22, 2011 its version of the authorization act (S. 1253) which would authorize \$6.4 billion less than the Administration requested for FY2012, of which \$5.9 billion would be cut from the base budget.

The version of the FY2012 DOD appropriations act (H.R. 2219) passed by the House on June 14, 2011, would reduce the President's requested base budget by \$8.9 billion. However, the bill would provide \$842 million more than the President's \$117.8 billion OCO request. Thus the net reduction to the President's request for H.R. 2219 as passed by the House would be \$8.1 billion.

The Administration's \$14.8 billion request for FY2012 military construction appropriations is funded in a companion bill, H.R. 2025. See CRS Report R41939, *Military Construction, Veterans Affairs, and Related Agencies: FY2012 Appropriations*, coordinated by Daniel H. Else.

The Senate Appropriations Committee reported on September 15, 2011, an amended version of H.R. 2219, the FY2012 DOD bill, which would provide \$620.2 billion for DOD in FY2012, \$29.39 billion less than the President requested for programs funded by this bill. Of the \$29.13 billion by which the bill would reduce funding for the base budget, \$9.9 billion was shifted into the part of the bill that funds OCO, where it would fund the activities for which it had been requested in the first place, principally operation and maintenance activities and a few procurement programs, notably including the purchase of three types of unmanned aerial vehicles (UAVs). Those funds shifted by the committee from the base budget into the OCO budget would offset funds the committee had cut from the OCO budget request, including \$5.0 billion that was cut because of President Obama's announcement on June 22, 2011 that the number of U.S. troops in Afghanistan would be reduced by 33,000 by the end of FY2012.

Contents

Most Recent Developments	1
Meeting Deficit Reduction Goals.....	1
Status of Legislation	2
FY2012 DOD Budget Request	3
Base Budget Highlights.....	5
War Cost Highlights	6
Budgetary Impact and Deficits	8
Changing the Baseline.....	11
FY2012 National Defense Authorization Act (H.R. 1540; S. 1253)	12
Authorization Bill Overview	13
House-passed Bill (H.R. 1540)	13
Senate Committee-reported Bill (S. 1253).....	14
Earmarks and Add-ons	16
House Add-ons	16
Senate Add-ons.....	18
Military Personnel Issues	19
Pay Raise	19
End Strength and ‘Dwell Time’	19
Tricare Fees	21
Don’t Ask, Don’t Tell.....	21
Women in Combat.....	22
Readiness.....	22
Acquisition Policy	23
House-Passed Competition Provisions.....	23
Senate Committee Competition Provisions.....	24
Other Acquisition-related Provisions	25
Ground Combat Systems.....	26
M-1 Tanks and Bradley Troop Carriers.....	26
Ground Combat Vehicle (GCV)	27
Expeditionary Fighting Vehicle (EFV).....	27
Joint Light Tactical Vehicle (JLTV)	29
Shipbuilding	29
House Shipbuilding Issues	29
Aircraft	30
Mid-Air Refueling Tanker.....	31
F-35 Joint Strike Fighter.....	31
Light Armed Reconnaissance Aircraft	32
Next Generation Bomber and Prompt Global Strike.....	32
Airlift.....	32
B-1 and U-2 Retirements.....	33
Strategic Missile Subs, Missile Defense, and Arms Control	34
START Arms Reduction Treaty.....	34
Anti-Ballistic Missile Defenses.....	35
Military Construction: Homeports and Headquarters.....	37
House Military Construction Highlights	37
Senate Military Construction Highlights/Global Deployments	37

Issues Related to Operations in Afghanistan and Iraq	40
Provisions Relating to Overseas Contingency Operations.....	40
Provisions Relating to Guantanamo Bay Detainees.....	41
House Floor Amendments	42
FY2012 DOD Appropriations Act (H.R. 2219).....	44
Defense Appropriations Bills Overview.....	44
House-Passed Bill	44
Senate Committee-Reported Bill.....	45
Defense Health Program	48
Ground Combat Systems.....	48
Aviation Programs.....	49
Ships.....	50
Missile Defense.....	50
House Appropriations Floor Debate	51

Figures

Figure 1. DOD Discretionary Budget Authority, FY2007-12	4
Figure 2. Funding by Country FY2008-12	6
Figure 3. Troop Level by Country FY2008-12.....	6
Figure 4. OCO Funding Requests by Function, FY2011-12	7
Figure 5. Projected Future Defense Budgets, FY2012-16.....	8
Figure 6. Alternative National Defense Budget Trends, FY2010-FY2023	10

Tables

Table 1. FY2012 National Defense Authorization Act: H.R. 1540, S. 1253.....	2
Table 2. FY2012 Defense Appropriations Act: H.R. 2219.....	3
Table 3. FY2012 National Defense Authorization Act Summary (H.R. 1540).....	12
Table 4. Selected House Floor Amendments to FY2012 National Defense Authorization Act (H.R. 1540)	42
Table 5. FY2012 DOD Appropriations Bill, discretionary spending (H.R. 2219).....	46
Table 6. Selected House Floor Amendments to FY2012 Defense Appropriations Act (H.R. 2219).....	51
Table A-1. Congressional Action on Selected FY2012 Missile Defense Funding: Authorization	54
Table A-2. Congressional Action on Selected FY2012 Missile Defense Funding: Appropriations	57
Table A-3. Congressional Action on Selected FY2012 Ground Combat and Communications Programs: Authorization	60
Table A-4. Congressional Action on Selected FY2012 Ground Combat and Communications Programs: Appropriations	62

Table A-5. Congressional Action on Selected FY2012 Shipbuilding Programs: Authorization	64
Table A-6. Congressional Action on Selected FY2012 Shipbuilding Programs: Appropriations	66
Table A-7. Congressional Action on Selected FY2012 Navy, Marine Corps and Air Force Aircraft Programs: Authorization	68
Table A-8. Congressional Action on Selected FY2012 Navy, Marine Corps and Air Force Aircraft Programs: Appropriations	72

Appendixes

Appendix. Selected Program Funding Tables	54
---	----

Contacts

Author Contact Information.....	77
Key Policy Staff.....	77

Most Recent Developments

In an October 4 letter to Senate Armed Services Committee Chairman Carl Levin and ranking committee Republican Senator John McCain, Senate Majority Leader Harry Reid said he would not schedule floor debate on S. 1253, the FY2012 National Defense Authorization Act, until unspecified steps were taken to address the opposition of the Obama Administration and some senators to provisions of the bill relating to detainees currently held at the U.S. base at Guantanamo Bay, Cuba. In particular, Senator Reid said “serious concerns” had been expressed about three provisions of the bill:

- Section 1031, which authorizes indefinite detention for certain persons captured by U.S. forces operating pursuant to the Authorization for Use of Military Force (AUMF) (P.L. 107-40) enacted in the aftermath of the terrorist attacks of September 11, 2001;
- Section 1032, which requires that certain detainees determined to be members of al-Qaeda or affiliated organizations be held in military custody; and
- Section 1033, which bars the transfer of detainees from Guantanamo Bay to foreign countries.¹

Meeting Deficit Reduction Goals

As reported by the Senate Armed Services Committee on June 22, 2011, the bill would cut \$6.43 billion from DOD’s \$670.9 billion² authorization request, authorizing \$664.5 billion for DOD as well as \$18.1 billion for defense-related nuclear weapons and power programs of the Department of Energy. Within the DOD total, S. 1253 would authorize \$547.1 billion for the so-called base budget (i.e., all DOD activities not associated with the ongoing operations in Iraq and Afghanistan), and \$117.3 billion for so-called Overseas Contingency Operations (OCO) comprising operations in Iraq and Afghanistan. The Senate committee bill thus would reduce the President’s FY2012 DOD base budget request by \$5.9 billion whereas H.R. 1540, the version of the FY2012 authorization bill passed by the House on May 26, 2011, would reduce the base budget request by \$1.7 million.

Both of those cuts may fall short of the reductions to the FY2012 DOD budget request that could result from P.L. 112-25, the Budget Control Act of 2011 (BCA) enacted on August 2, 2011. That law set ceilings on FY2012 discretionary budget authority that would require an overall reduction of \$35.7 billion from the total amount the Administration had requested for so-called “security agencies” – a category that includes the DOD base budget, the Departments of Veterans Affairs and Homeland Security, and the Energy Department’s National Nuclear Security Agency, as well as the Department of State and various international activities funded by other federal agencies. The BCA does not specify how much of that reduction would come from DOD. However, the DOD base budget accounts for 76.9 percent of the security agencies’ funding, and if it were

¹ For further analysis, see “Provisions Relating to Guantanamo Bay Detainees,” p. 40.

² In addition to the funds that would be spent in FY2012, the DOD budget request included “advanced appropriations” totalling \$3.2 billion for Air Force satellite procurement in FY2013-17. The Armed Services and Appropriations Committees of the House and Senate all rejected this request, and those funds are not included in this report’s discussion of the Administration’s FY2012 DOD budget request.

absorb that percentage of the security agencies' reduction, the FY2012 DOD base budget would be cut by at least \$27.2 billion from the President's request.³

For discretionary DOD programs funded by the FY2012 DOD Appropriations Act,⁴ the version of the bill (H.R. 2219) passed by the House on July 8, 2011 would cut \$8.92 billion from the \$528.7 billion requested for the base budget. The House appropriations bill also would provide a net increase of \$826 million to the \$117.7 billion requested for OCO funding in the bill.

The version of H.R. 2219 reported September 15, 2011 by the Senate Appropriations Committee would cut a total of \$25.9 billion from the \$528.7 billion requested for DOD's FY2012 base budget and an additional \$268 million from the \$117.7 billion requested for war costs in Title IX of the bill. But nearly 40 percent of the amount the Senate committee would cut from the base budget -- \$9.9 billion -- would be transferred to Title IX of the bill, which provides OCO funding. The transferred funds would pay for the activities for which they originally had been requested. The largest part of the funds the Senate committee shifted from the base budget to war costs (\$6.2 billion) comes from the O&M accounts, including \$4.3 billion for major overhauls of ships, planes, combat vehicles and other weapons. Also shifted into Title IX is a total of \$2.9 billion from procurement and R&D accounts, of which 60 percent would come from three unmanned aerial vehicle (UAV) programs.

The funds transferred from the base budget request supplant most of the \$10.2 billion the committee would cut from the Administration's OCO request.

Status of Legislation

Table I. FY2012 National Defense Authorization Act: H.R. 1540, S. 1253

Subcommittee Markup							Conference Report Approval		
House	Senate	House Report	House Passage	Senate Report	Senate Passage	Conf. Report	House	Senate	Public Law
5/4-5/6 2011		H.Rept. 112-78 5/17/2011	Agreed to 322-96 5/26/2011	S.Rept. 112-26 6/22/2011					

³ For further analysis of the BCA, see CRS Report R41965, *The Budget Control Act of 2011*, by Bill Heniff Jr., Elizabeth Rybicki, and Shannon M. Mahan.

⁴ Although the military construction budget is authorized in the annual defense authorization bill, it is funded apart from the rest of the DOD program in an appropriations bill that also funds the Department of Veterans Affairs and other agencies. This report covers military construction issues dealt with in the authorization bill (see "Military Construction: Homeports and Headquarters," p. 35 ff. For further analysis of the President's military construction budget request and the relevant appropriations bill, see CRS Report R41885, *Military Construction: Analysis of the FY2012 Appropriation and Authorization*, by Daniel H. Else; and CRS Report R41939, *Military Construction, Veterans Affairs, and Related Agencies: FY2012 Appropriations*, coordinated by Daniel H. Else.

Table 2. FY2012 Defense Appropriations Act: H.R. 2219

Subcommittee Markup							Conference Report Approval		
House	Senate	House Report	House Passage	Senate Report	Senate Passage	Conf. Report	House	Senate	Public Law
6/1/2011		H.Rept. 112-110 6/16/2011	Agreed to 336-87 7/8/2011	S.Rept. 112-77 9/15/2011					

FY2012 DOD Budget Request

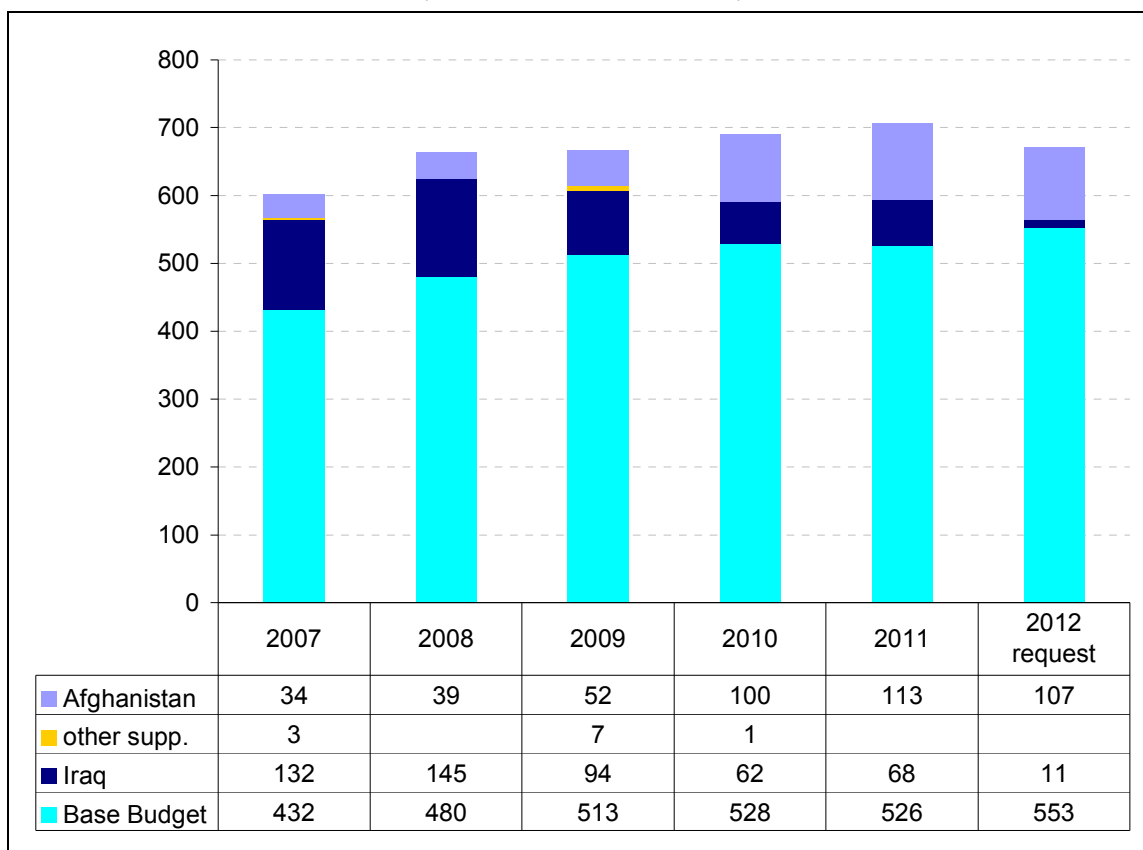
President Obama's FY2012 budget request for the Department of Defense (DOD), which totaled \$670.9 billion, was nearly 5.3% less than the amount he had requested for DOD in FY2011 and nearly 2.5% lower than the amount Congress approved for that year, after slicing more than \$20 billion from the FY2011 DOD request. The bulk of the reduction in the FY2012 request reflected the Administration's plan to reduce DOD funding for combat operations in Iraq and Afghanistan by 26% as the tempo of U.S. military activity in Iraq continues to decline and the planned drawdown of U.S. troops in Afghanistan gets underway. The Administration's FY2012 request assumes that all U.S. troops will be out of Iraq by the end of the first quarter of FY2012 and that the average number in Afghanistan will decline from 102,000 during FY2011 to 98,000, as the Administration begins its planned drawdown in U.S. troop levels.

The FY2012 request, sent to Congress on February 7, 2011, included \$553.7 billion for DOD's base budget, which includes all routine activities other than ongoing war costs. Compared with the FY2011 DOD base budget set by the FY2011 Department of Defense and Full-Year Continuing Appropriations Act (H.R. 1473, P.L. 112-10), this amounts to a 3% real increase in purchasing power, taking account of inflation.

On the other hand, the FY2012 request for so-called Overseas Contingency Operations (OCO) i.e., operations in Iraq and Afghanistan, which is \$117.8 billion, would amount to an inflation-adjusted decrease of 27%.

Figure I. DOD Discretionary Budget Authority, FY2007-12

(amounts in billions of dollars)



Source: DOD FY2012 Budget Briefing.

Of the FY2012 base budget request, \$528.7 billion is for programs funded by the annual DOD appropriations bill; \$14.8 billion is for military construction and family housing programs funded by the annual appropriations bill for those activities, the Department of Veterans Affairs and other agencies. The remaining \$10.7 billion requested in the FY2012 base budget funds the so-called Tricare-for-Life program which provides medical benefits to Medicare-eligible military retirees. Funding for Tricare-for-Life is a permanent appropriation made automatically under a provision of standing law.⁵

The FY2012 budget request would reduce military construction funding for the third year in a row, largely for three reasons:

- The budget to build facilities for units that are moving to new sites as a result of the FY2005 Base Realignment and Closure (BRAC) process is down sharply because most BRAC-related construction was funded in earlier budgets, in order to meet a September 15, 2011 deadline for completing the moves;

⁵ House and Senate Appropriations Committee tables generally show the amount for Tricare-for-Life as a “scorekeeping adjustment.” DOD tables generally show the amount as part of the annual request for military personnel.

- The budget for construction projects in Iraq and Afghanistan, which was \$1.3 billion in FY2011, is \$80 million in FY2012; and
- The request for family housing-related accounts continues to decline as a result of a policy, begun in the late 1990s, of privatizing military housing.

Military Construction Funding

For analysis of the FY2012 military construction budget request and funding legislation, see CRS Report R41653, *Military Construction: Analysis of the President's FY2012 Appropriations Request*, by Daniel H. Else.

Base Budget Highlights

Compared with the Obama Administration's prior DOD budget requests, the FY2012 proposal incorporates fewer cuts to major weapons programs. However, the Administration's proposal would cancel the Marine Corps's effort to develop the Expeditionary Fighting Vehicle (EFV) as a replacement for its current fleet of amphibious troop carriers. It also would restructure the F-35 Joint Strike Fighter program, slowing a projected increase in production, increasing the plane's development budget, and putting on probation for two years the effort to develop a vertical takeoff version of that plane for use by the Marines.

To replace some aging Navy fighters that had been slated for replacement by now-delayed F-35s, the budget would continue longer than had been planned—through FY2014—the purchase of F/A-18E/F carrier-based jets. It also would fund efforts to develop a new generation of long-range bombers and missile-launching submarines and mid-air refueling tankers.

The budget would continue the Administration's avowed emphasis on acquiring equipment that would enhance the ability of U.S. forces to conduct the types of operations which the Administration deems most likely in the near term: relatively limited, if prolonged and complex operations such as the current campaigns in Iraq and Afghanistan, rather than large-scale, conventional wars with a potential peer competitor, such as China or a militarily resurgent Russia. For example, the budget requests more than \$10 billion to develop and acquire various types of helicopters and \$4.8 billion for an array of unmanned aerial systems (UASs) that range in size and price from the airliner-sized Global Hawk to hand-launched reconnaissance drones the size of a toy.

The FY2012 budget request also incorporates some early results of the Administration's pledge to achieve a total of \$178 billion in efficiency savings in the DOD budgets for FY2012-FY2016.

To reach that \$178 billion goal, the armed services and the Special Operations Command are to identify a total of \$100 billion in savings over the five-year period of which \$28 billion is to be used to cover higher-than-anticipated operating costs while the remaining \$72 billion is to be reinvested over the five year period in high priority weapons programs, such as development of the Air Force's new long-range bomber, procurement of additional F/A-18E/F fighters and the addition of six ships to the Navy's acquisition plan.

Over the same five-year period (FY2012-FY2016), DOD officials are committed to reduce the cumulative DOD budget request by a total of \$78 billion through such factors as DOD's share of the two-year, government-wide freeze on federal civilian pay (\$12 billion), a freeze on the size of

the DOD civilian workforce (\$13 billion), and a reduction in service support contracts (\$6 billion).

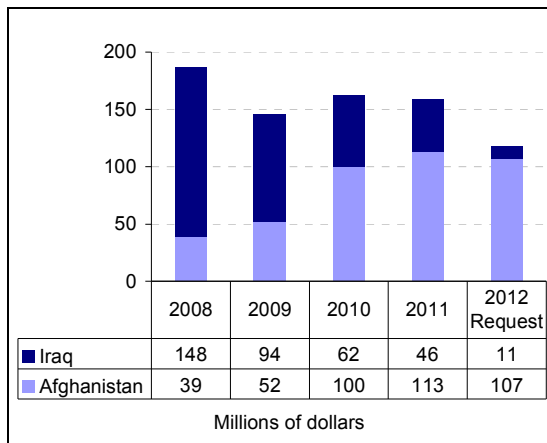
The FY2012 budget reflects an initial installment of \$10.7 billion toward a projected total savings by the services and Special Operations Command of \$100.2 billion through FY2016. Of the FY2012 total, \$3.3 billion comes from reducing or terminating acquisition programs, \$3.5 billion is attributed to organizational streamlining, and \$3.9 billion is to come from more efficient business practices.

War Cost Highlights

The Administration’s FY2012 budget request for war costs reflects its plan to wrap up by the end of calendar year 2011 the U.S. combat role in Iraq and to begin drawing down the U.S. military effort in Afghanistan (see **Figure 2** and **Figure 3**).

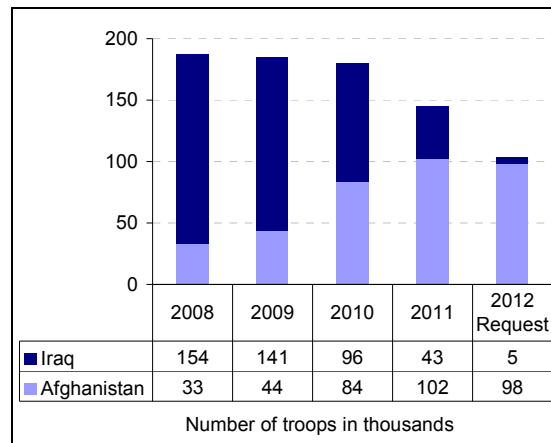
Under an agreement with the Government of Iraq, U.S. military forces are slated to withdraw by December 31, 2011, by which time Iraqi forces will be responsible for providing internal security. In contrast with the FY2011 DOD budget, in which Congress appropriated \$1.5 billion of the \$2.0 billion requested for funds to train and equip Iraqi forces, the FY2012 DOD budget requests no funds for those purposes.

**Figure 2. Funding by Country
FY2008-12**



Source: DOD Comptroller, FY2012 DOD Budget Request Overview, p. 6-4.

**Figure 3. Troop Level by Country
FY2008-12**

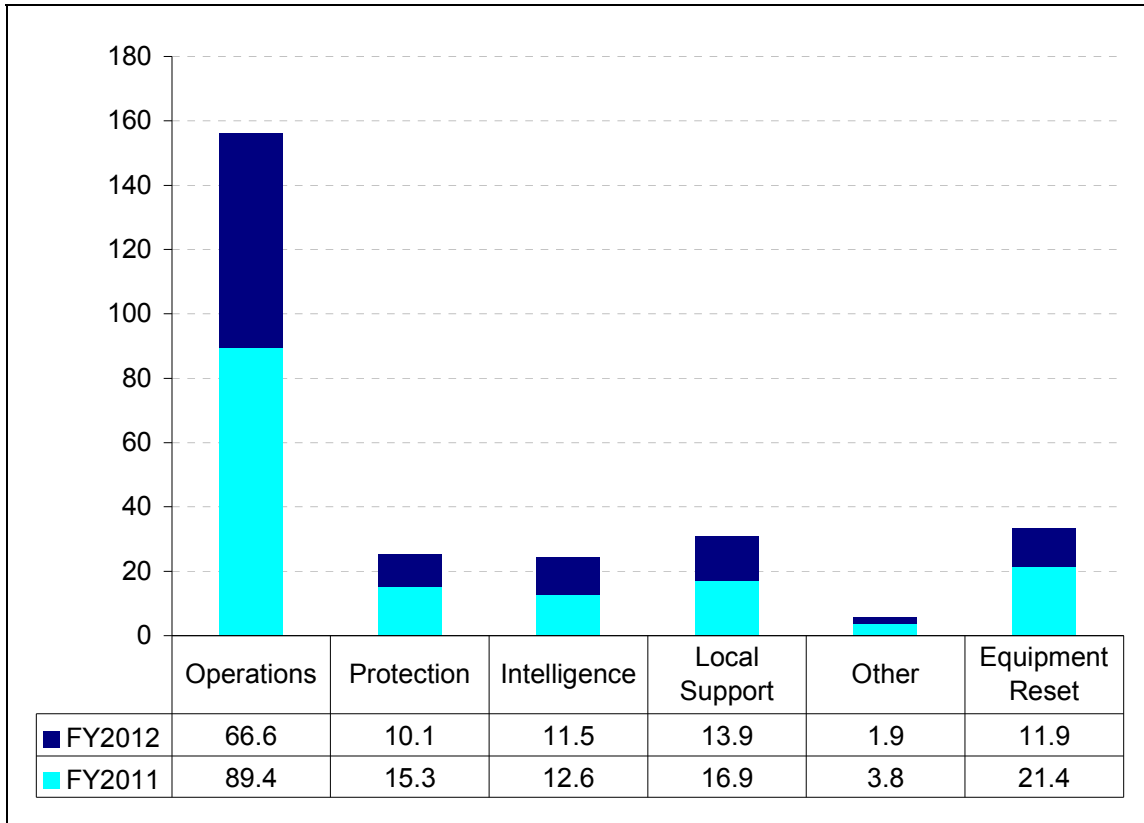


Source: DOD Comptroller, FY2012 DOD Budget Request Overview, p. 6-4.

In December 2009, President Obama announced decisions to (1) “surge” the number of U.S. military and civilian personnel in Afghanistan, with the aim of disrupting and defeating al-Qaeda and (2) begin a “conditions-based” withdrawal of U.S. troops from the country in July 2011. In December 2010, announcing the results of the Administration’s Afghanistan-Pakistan Annual Review, President Obama said the United States was committed to handing over to the Afghan

government lead responsibility that country’s security by 2012.⁶ Consistent with that policy, the DOD budget for funds to train and equip Afghan Security forces, for which Congress approved (as requested) \$11.6 billion in FY2011, would increase to \$12.8 billion in FY2012 under the Administration’s budget.

Figure 4. OCO Funding Requests by Function, FY2011-12
(amounts in billions of dollars)



Source: DOD Comptroller, FY2012 DOD Budget Request Overview, p. 6-5.

Notes: “Local Support” includes funding to support Iraqi and Afghan security forces and other countries assisting the U.S. effort as well as the Commanders’ Emergency Response Program (CERP). “Intelligence” includes military intelligence and support from national intelligence agencies.

War Funding

This report summarizes highlights of the budget request and legislative actions relating to operations in Iraq and Afghanistan. For a comprehensive analysis of issues related to the funding of U.S. military operations in Iraq and Afghanistan see CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by Amy Belasco.

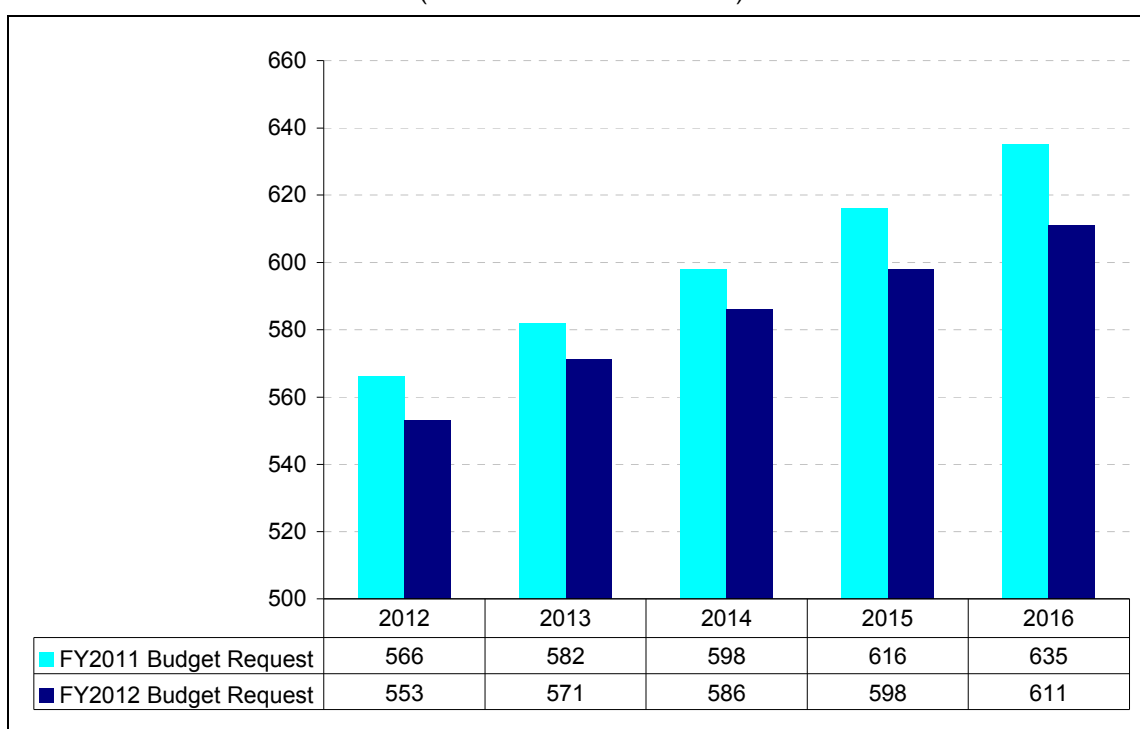
⁶ For background and analysis, see CRS Report R40156, *War in Afghanistan: Strategy, Operations, and Issues for Congress*, by Catherine Dale.

Budgetary Impact and Deficits

Congress is weighing the FY2012 DOD budget request in the context of intense pressure across a wide band of the political spectrum to reduce the federal budget deficit.

In January 2011, a few weeks before DOD published its FY2012 request, the Defense Department announced \$78 billion of savings in the FY2012-FY2016 five-year defense plan that was submitted with the FY2012 budget request, compared with the spending plan for the same period that accompanied the FY2011 DOD budget request (see **Figure 5**).

Figure 5. Projected Future Defense Budgets, FY2012-16
(amounts in billions of dollars)



Source: DOD Comptroller, FY2012 DOD Budget Request Overview, p, 1-2.

But even before the President released his FY2012 proposal, there had been calls for more substantial retrenchment in DOD spending. In December, 2010, former Senator Alan Simpson and former White House staff director Erskine Bowles, the co-chairs of the Presidentially appointed National Commission on Fiscal Responsibility and Reform (generally referred to as the “Fiscal Commission”) recommended cuts in security-related spending that, if applied proportionally to defense, would entail a reduction of as much as \$100 billion a year in national defense funding by the middle of the decade compared to Administration projections at the time of the Commission report.⁷ The Fiscal Commission plan also contemplates substantial additional

⁷ *The Moment of Truth: Report of the National Commission on Fiscal Responsibility and Reform*, December 2010, accessed at <http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/> (continued...)

cuts in later years. In November 2010, the independent, bipartisan Domenici-Rivlin Debt Reduction Task Force recommended a comparable cut in defense by the middle of the decade, though it would allow growth in spending to resume thereafter.⁸

On April 13, the President outlined a long-term budget proposal that would reduce funding for security-related programs, of which defense is the largest part,⁹ by an additional \$400 billion (beyond the reductions embodied in the FY2012 DOD request) over the 12 years from FY2012-FY2023.¹⁰ The Defense Department is now working on adjusting its long-term plans to absorb an as-yet-undetermined share of the cuts (see **Figure 6**).

(...continued)

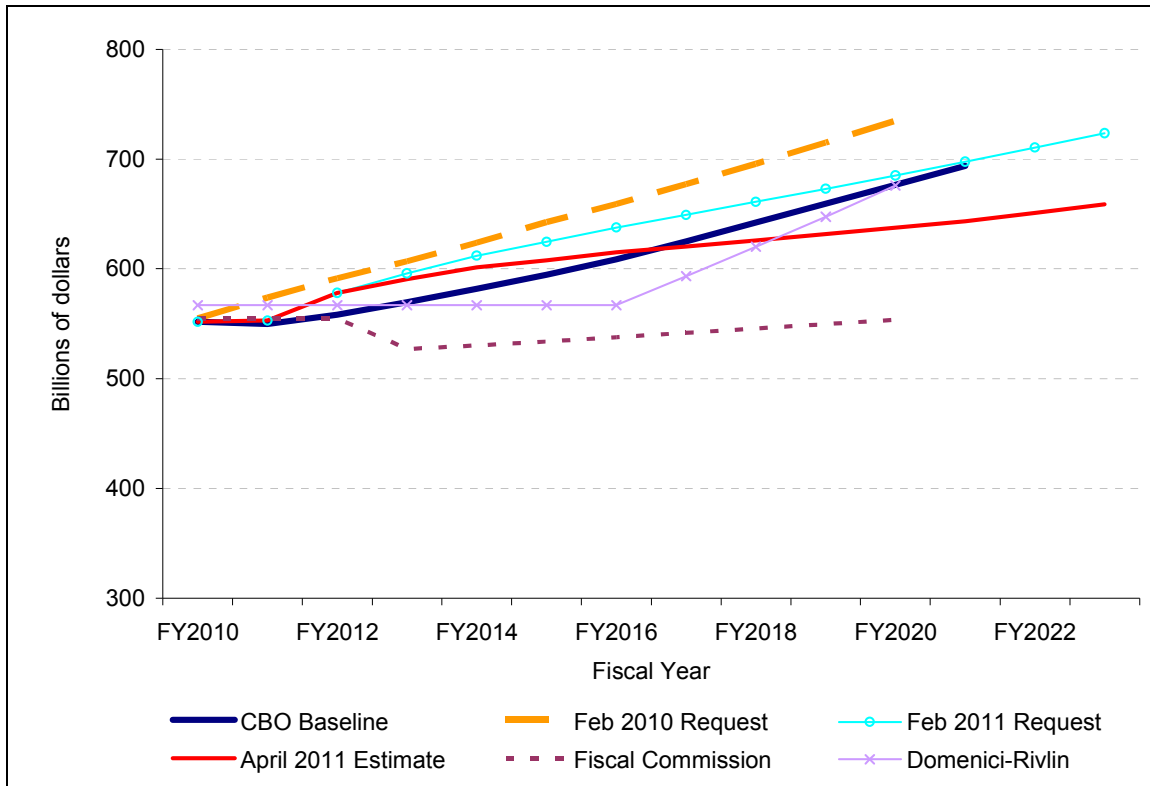
TheMomentofTruth12_1_2010.pdf. It is important to note that the Fiscal Commission did not reach a consensus. Eleven of the eighteen members of the Commission endorsed the plan by Co-Chairs Alan Simpson and Erskine Bowles, but the proposal did not receive the 14 votes needed for formal approval.

⁸ *Restoring America's Future*, Debt Reduction Task Force, Bipartisan Policy Center, November 2010.

⁹ The Administration defines security-related discretionary spending to include Department of Defense military activities, Department of Energy nuclear weapons development and production, Department of Veterans' Affairs health programs, international affairs, and Department of Homeland Security spending. See Office of Management and Budget, *Fiscal Year 2012 Budget of the U.S. Government*, Table S-11, "Funding Levels for Appropriated ("Discretionary") Funds by Agency," pp. 199-200, on line at <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/budget.pdf>.

¹⁰ The White House, Office of the Press Secretary, "Remarks by the President on Fiscal Policy," George Washington University, April 13, 2011, on line at <http://www.whitehouse.gov/the-press-office/2011/04/13/remarks-president-fiscal-policy>.

Figure 6. Alternative National Defense Budget Trends, FY2010-FY2023
(billions of dollars)



Sources: CBO baseline from Congressional Budget Office; February 2010 and 2011 requests from Office of Management and Budget; estimates of Fiscal Commission, Domenici-Rivlin, and April 2011 Administration plans by Congressional Research Service.

Note: Amounts are for discretionary budget authority for the national defense budget function, excluding funding for overseas contingency operations.

Some defense advocates have opposed the President’s plan for additional reductions in projected DOD budgets, including the House Armed Services Committee Chairman, Representative Howard P. “Buck” McKeon, who called the proposal to take \$400 billion from security-related budgets “jawdropping.... There appears to have been no consideration of threats, of deterrence, of logistics, or capabilities—or even the effect such cuts would have on our three wars, our troops, or our national security,” he said in an op-ed column published in *USA Today*.¹¹

However, in April the House incorporated the Administration’s February defense projections, extended through FY2021, in its FY2012 budget resolution. The House Appropriations Committee went further, setting a funding target for the Defense Subcommittee requiring Congress to cut \$8.9 billion from the President’s FY2012 request for DOD base budget¹², as the subcommittee subsequently did in a draft FY2012 DOD appropriations bill it marked up June 1.

¹¹ Rep. Howard P. “Buck” McKeon, “Obama Cuts Would Gut U.S. Defense,” *USA Today*, April 28, 2011, accessed at http://www.usatoday.com/news/opinion/forum/2011-04-28-McKeon-blasts-Obama-defense-cuts_n.htm#uslPageReturn.

¹² See House Appropriations Committee press release, “Chairman Rogers Announces Schedule and Subcommittee Spending Limits to Complete Appropriations Bills ‘On Time and On Budget,’” May 11, 2011 accessed at (continued...)

In a speech to the American Enterprise Institute on May 24¹³ Defense Secretary Robert Gates said that, as a practical matter, it was inevitable that projected future defense budgets would be scaled back as part of the deficit reduction effort. He said that the President's proposed reductions were not unprecedented:

What's being proposed by the President is nothing close to the dramatic cuts of the past. For example, defense spending in constant dollars declined by roughly a third between 1985 and 1998. What's being considered today, assuming all \$400 billion comes from DOD over 12 years, corresponds to a projected reduction of about 5 percent in constant dollars—or slightly less than keeping pace with inflation.

However, Secretary Gates also emphasized that the proposed reductions would require tough decisions about such hitherto untouchable issues as the pay, pensions and medical care of military personnel and their families, and the type and number of missions U.S. forces could be ready to handle:

If we are going to reduce the resources and the size of the U.S. military, people need to make conscious choices about what the implications are for the security of the country, as well as for the variety of military operations we have around the world if lower priority missions are scaled back or eliminated.

Changing the Baseline

Negotiations surrounding legislation to increase the national debt ceiling resulted in enactment on August 2, 2011 of the Budget Control Act of 2011 (BCA) which, among other things, set new caps on discretionary spending in FY2012. While the law does not specifically mandate a reduction in DOD appropriations below the President's initial request, as a practical matter such reductions may result.

One of BCA's provisions sets a cap on discretionary appropriations for so-called "security agencies" – a category that includes the DOD base budget, the Departments of Veterans Affairs and Homeland Security, and the Energy Department's National Nuclear Security Agency, as well as the Department of State and various international activities funded by other federal agencies. The cap would require a reduction of \$35.7 billion from the total amount the Administration had requested for that category of agencies. The DOD base budget accounts for 76.9 percent of the discretionary budget request for security agencies' funding. Thus, if the base budget were to absorb that share of the security agencies' reduction (which is not required by the BCA), appropriations for the FY2012 DOD base budget would be at least \$27.2 billion below the amount requested.

(...continued)

http://appropriations.house.gov/index.cfm?FuseAction=PressReleases.Detail&PressRelease_id=298&Month=5&Year=2011.

¹³ Defense Secretary Robert Gates, Speech to the American Enterprise Institute, May 24, 2011, accessed at <http://www.defense.gov//speeches/speech.aspx?speechid=1570>.

FY2012 National Defense Authorization Act (H.R. 1540; S. 1253)

On May 26, by a vote of 322-96, the House passed its version of the FY2012 National Defense Authorization Act, H.R. 1540. Earlier, the House Armed Services Committee completed its markup of the bill on May 11 and issued a report on May 17 (H.Rept. 112-78).

Overall, the House bill would authorize \$690.1 billion in discretionary budget authority for programs covered by that bill. This includes \$553.0 billion for DOD's base budget and an additional \$118.9 billion for OCO. The remaining \$18.1 billion the bill would authorize is for defense-related nuclear activities carried out by the Department of Energy.

Viewed in the aggregate, H.R. 1540 would make only minor changes to President Obama's funding request for programs covered by the authorization bill: The DOD base budget request would be trimmed by \$1.7 million while the \$1.1 billion the bill would add to the request for war costs is accounted for almost entirely by the House committee's addition to the DOD budget of \$1.1 billion for the Pakistan Counterinsurgency Fund, a program which the Administration's budget had funded through the State Department.¹⁴

On the other hand, the version of the FY2012 defense authorization bill reported June 22 by the Senate Armed Services Committee (S. 1253) would cut \$6.43 billion from the President's request, and would authorize \$7.52 billion less than the House-passed bill. For the base budget, the Senate bill would authorize \$547.1 billion, which is \$5.9 billion less than the President requested for programs covered by the bill. (See **Table 3**)

Table 3. FY2012 National Defense Authorization Act Summary (H.R. 1540)

(amounts in millions of dollars)

	FY2011 Authorization H.R. 6523 (P.L. 111-383)	FY2012 Administration Request	FY2012 House-Passed H.R. 1540	FY2012 SASC-reported S. 1253
DOD Base Budget				
Procurement	110,433	111,454	111,386	109,539
Research and Development	76,587	75,325	75,580	74,859
Operations and Maintenance	168,151	170,759	171,120	168,683
Military Personnel	138,541	142,829	142,164	142,448
Other Authorizations	36,274	37,900	38,016	37,892

¹⁴ Echoing action that Congress incorporated into the FY2011 funding bills, H.R. 1540 would defer for one additional year (in this case, through FY2012) the transfer from DOD to the State Department of the Pakistan Counterinsurgency Fund.

	FY2011 Authorization H.R. 6523 (P.L. 111-383)	FY2012 Administration Request	FY2012 House-Passed H.R. 1540	FY2012 SASC-reported S. 1253
Military Construction and Family Housing	18,191	14,766	14,766	13,717
Subtotal: DOD Base Budget	548,176	553,033	553,032	547,139
Subtotal: Atomic Energy Defense Activities (Energy Dept.)	17,716	18,085	18,085	18,089
TOTAL: FY2012 Base Budget	565,891	571,118	571,117	565,228
Subtotal: Overseas Contingency Operations	158,750	117,843	118,940	117,306
GRAND TOTAL: FY2012 National Defense Authorization	724,642	688,961	690,056	682,534

Source: H.Rept. 112-78, House Armed Services Committee, "Report on H.R. 1540, the National Defense Authorization Act for Fiscal Year 2012;" and S.Rept. 112-26, Senate Armed Services Committee, "Report to accompany S. 1253, the National Defense Authorization Act for Fiscal Year 2012."

Authorization Bill Overview

House-passed Bill (H.R. 1540)

The House bill's total authorization is the net result of dozens of additions and subtractions to various components of the President's request which, all told, would shift billions of dollars. In its report accompanying the bill (H.Rept. 112-78), the House Armed Services Committee cited a variety of policy and management justifications for these proposed changes. Among the most costly of the policy-based increases proposed by the committee are the following:

- \$1.31 billion to increase funding for maintenance, repair and upgrades to facilities;
- \$375 million to continue production of M-1 tanks and Bradley troop carriers, contrary to DOD's proposal to shut down those production lines;
- \$310 million to accelerate development and production of various anti-missile defense systems, including \$110 million for systems designed and manufactured in Israel, intended for that country's defense; and
- \$325 for equipment for the National Guard and the other reserve components of the armed services.

The House bill also incorporates recommended cuts to the DOD budget request. Among the largest of the proposed reductions aimed at specific weapons programs are cuts of:

- \$523.9 million – all but \$15.7 million of the amount requested -- from an Army airborne electronic eavesdropping system designated the Enhanced, Medium-Altitude Reconnaissance and Surveillance System (EMARSS), a package of cameras and electronic eavesdropping gear installed in a small, twin-engine Beechcraft commercial plane. The committee said delays in the program justified the reduction;
- \$148.7 million from the amount requested for the Army’s Early Infantry Brigade Combat Team (E-IBCT), an effort to equip infantry units with a digital network which DOD cancelled in February 2011. The committee said that, at the Army’s request, it was eliminating this amount and shifting the remainder of the funds requested for E-IBCT (\$89.9 million) to other purposes;
- \$149.5 million from the MEADS anti-missile system, which is being jointly developed by the United States, German, and Italy, but which the Pentagon has decided not to purchase.

The largest single group of budget cuts the House committee incorporated into H.R. 1540 reflected its judgment that many DOD budget accounts held funds, appropriated in prior years, which would not be obligated by the end of FY2011. On grounds that these “unobligated balances” could be used in lieu of new budget authority to cover some of the cost of DOD’s FY2012 program, the committee cut a total of \$2.66 billion from the amount of new budget authority requested for various accounts.

The House committee also incorporated into H.R. 1540 across-the-board cuts in the operations and maintenance accounts totaling \$59.7 million to reflect 10% reductions in the amounts requested for printing (a cut of \$35.7 million) and for the performance of studies and analysis by outside think-tanks (a \$24.0 million reduction).

Senate Committee-reported Bill (S. 1253)

The Senate Armed Services Committee’s net reduction of \$6.43 billion to the President’s request in its version of the FY2012 NDAA resulted from dozens of specific changes incorporated into the committee’s version of the bill (S. 1253). However, a relatively small number of relatively large changes accounted for most of the reduction.

The Senate committee bill would make cuts totaling \$3.78 billion that the committee said would have no adverse effect on Pentagon operations, including the following reductions:

- \$1.10 billion, distributed across several appropriations accounts, to reduce what the committee called a “bloated” budget request for contract services;¹⁵
- \$1.01 billion from the departments operations and maintenance (O&M) accounts in anticipation that, as typically has been the case, DOD agencies asked for more money in these accounts than it could spend in the course of the fiscal year, resulting in excessively large “unobligated balances” at year’s end;¹⁶

¹⁵ S.Rept. 112-26, p.p. 86-87. According to the committee report on S. 1253, DOD’s base budget for FY2012 included \$150 billion for contract services, more than double the amount it spent for that purpose in FY2000.

¹⁶ Ibid., pp. 89-90.

- \$230 million, 5 percent of the amount requested to maintain and operate DOD's array of more than 1,500 business systems, a cut the committee said was intended to pressure the agency to abandon obsolete business systems and adopt a more efficient set of business systems;¹⁷
- An additional \$269 million from the Air Force O&M request for what the committee termed "excessive growth";
- \$265 million, slightly more than 10 percent of the \$2.58 billion requested, for the Joint Improvised Explosive Device Defeat Organization (JIEDDO), an umbrella organization that was created to coordinate DOD efforts to neutralize the roadside bombs widely used against U.S. troops in Iraq and Afghanistan but which the committee said had not done enough to eliminate duplicative efforts and was too dependent on contractor personnel;
- \$752 million requested for weapons systems that were requested in the FY2012 budget sent to Congress in February, but which, subsequently, had been funded in the FY2011 DOD Appropriations bill, enacted April 15 as part of the FY2011 omnibus spending bill (P.L. 112-10), including nine F/A18E/F Navy fighters (\$495 million), two HH-60M Blackhawk helicopters modified for combat search and rescue (\$70 million), one Apache attack helicopter (\$36 million) and upgrades for various helicopters used by special forces (\$151 million); and
- \$150 million from the \$2.98 billion requested for the Defense Advanced Research Projects Agency (DARPA) for a combination of reasons including concern about the agency's history of excessive unobligated balances and the committee's doubts about the feasibility of some projects the agency is funding such as an effort to develop a Transformer Vehicle that would combine attributes of a vertical take-off aircraft and a HMMWV (Humvee).

In addition, the committee cut a total of \$1.18 billion from four major weapons programs¹⁸ (including three of which the House bill also would cut). As reported, S. 1253 would cut:

- \$451 million from an Army airborne surveillance system designated the Enhanced Medium-Altitude Reconnaissance and Surveillance System (EMARSS);
- \$192 million (nearly 80 percent of the total requested) for the Army's digital network for combat units designated Early Infantry Brigade Combat Team (E-IBCT);
- \$407 million for the multinational Medium Extended Air Defense System (MEADS) anti-aircraft and anti-missile defense system; and
- \$127 million (of the \$877 million total) requested to develop a new mid-air refueling tanker (designated KC-46A), funds which the committee said the program would not need in FY2012.

¹⁷ Ibid, pp. 87-88.

¹⁸ At the request of the Marine Corps, the Senate Committee cut \$300 million from the budget request for medium-sized trucks but reallocated the funds to other Marine Corps priorities, and thus did not reduce the overall amount authorized by the bill.

Altogether, those two sets of reductions amount to 77 percent of the Senate Armed Services Committee's net reduction to the President's FY2012 defense authorization request.

Earmarks and Add-ons

Compared with annual defense authorization bills in the recent past, both the House-passed and Senate committee-reported FY2012 bill include fewer Member-sponsored funding initiatives (widely referred to as "earmarks") and those that they do include are, as a rule, much less specific in terms of identifying the program, contractor or locality for which the additional funds are intended.

House Add-ons

Early in the House committee's process of addressing the FY2012 DOD budget request, the committee's chairman, Representative Howard P. "Buck" McKeon, announced that the authorization bill would be marked up in compliance with the policy of the House Republican Conference that bans for the duration of the 112th Congress the adoption of "earmarks" defined by the rules of the House. He also announced that any Member-sponsored amendment to the committee's draft bill would be subject to a vote by the full committee in open session.

Clause 9 of House Rule XXI defines a *congressional earmark* as

a provision or report language included primarily at the request of a Member, Delegate, Resident Commissioner, or Senator providing, authorizing, or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality, or Congressional district, other than through a statutory or administrative formula-driven or competitive award process.¹⁹

In the course of a markup session that began on May 11, 2011 and ran into the early hours of May 12, the House committee approved more than 200 amendments, most of them by voice votes on en bloc groupings that incorporated several amendments. Of the amendments that were adopted, 156 increased the amount authorized for particular purposes. However, compared with similar Member-sponsored additions to earlier defense bills, the purposes of the add-ons to H.R. 1540 were defined in less specific terms.

Compared with the FY2010 authorization bill reported by the House Armed Services Committee in June 2009 (H.R. 2647; H.Rept. 111-166), the committee's FY2012 defense bill would contain about one-fourth the number of Member-sponsored add-ons. However, in toto, this smaller number of add-ons would add roughly the same amount of money.²⁰ In the titles of the annual

¹⁹ U.S. Congress, House, *House Rules and Manual*, §1068d.

²⁰ Direct comparisons between H.R. 1540 and defense authorization bills reported by the committee in the recent past is complicated by the fact that, because the committee's procedure precludes the inclusion of "earmarks" in H.R. 1540, there is no "earmark" list appended to its report on the bill, as there were in the committee's reports on earlier defense bills reported beginning in 2007. This analysis compares the authorization bills for FY2010 and FY2012, as reported by the House Armed Services Committee and focuses on additions to the budget request of less than \$100 million, which encompasses the vast majority of add-ons to each bill and all but one of the earmarks that to the FY2010 bill that are identified by the committee.

In bills for which the House Armed Services Committee prepared "earmark" lists, it did not treat as "earmarks" a (continued...)

authorization bills that authorize Procurement and Research & Development, as reported by the House Armed Services Committee:

- The FY2010 bill included 372 earmarks each with a value of less than \$100 million²¹, providing a total of \$1.37 billion (for an average value per earmark of \$3.7 million); and
- The FY2012 bill included 98 committee additions with a value of less than \$100 million, providing a total of \$1.30 billion (for an average value per addition of \$13.3 million).

The impact of the new approach to Member-sponsored funding initiatives is even more striking in a comparison of portions of the authorization bills for FY2010 and FY2012 that cover military construction projects:

- The FY2010 bill included 110 military construction earmarks for specific projects at specific sites with a total value of \$579 million; and
- The FY2012 bill would add to the construction request 22 lump-sum amounts—all but two of them in the amount of \$10 million or \$20 million—for general classes of facilities (e.g., maintenance and production facilities, troop housing facilities, operational facilities) with the additional funds available for use at “unspecified worldwide locations.”

‘Mission Force Enhancement Transfer Fund’

In previous defense authorization bills reported by the House Armed Services Committee, additions to the budget request typically have been listed in the funding tables that are part of the committee report on the bill. By contrast, most²² of the committee’s additions to H.R. 1540 are listed in the text of the bill (Title XVI), each addition being accompanied by the stipulation that the additional funds be allocated to a specific entity only on the basis of “merit-based” or “competitive” procedures.

The committee covered the cost of most, though not all, of those add-ons costing less than \$100 million each by drawing down funds in a new account, called the Mission Force Enhancement Transfer (MEFT) Fund, which it had funded with \$1 billion that had been cut from various parts of the DOD budget request. Program add-ons adopted by the committee during the markup of H.R. 1540 absorbed \$651.7 million of the \$1 billion, leaving a balance in the MEFT Fund of \$348.3 million.

(...continued)

relatively small number of large initiatives, which the committee regarded as policy initiatives sponsored by the committee itself, rather than as requests by an individual member. For example, the committee did not list as an earmark its addition to the FY2010 defense bill (H.R. 2647) of \$601 million to continue developing, as an alternative engine for the F-35 Joint Strike Fighter, the F-136 jet being developed by General Electric and Rolls-Royce. Similarly, H.R. 1540 includes a handful of relatively large add-ons which are discussed in the committee report as policy issues.

²¹ The committee report lists only one earmark in the bill worth more than \$100 million, which is the addition of \$105 million for procurement of a C-40 executive jet.

²² The relatively few exceptions to this generalization involve large sums (more than \$100 million each) and high profile issues of defense policy (e.g., whether or not to continue the production line for M-1 tanks and Bradley troop carriers).

As reported, the bill would have authorized the Secretary of Defense to draw money from the fund balance to meet unfunded requirements in any of seven areas: missile defense; shipbuilding; shortages in the number of strike fighters; mine warfare; intelligence, surveillance and reconnaissance; basic research; and the ability to defeat precision-guided ballistic missile and other weapons intended to bar access of U.S. forces to certain areas. However, by a vote of 269-151, the House adopted an amendment eliminating the from the bill the \$348.5 million that remained in the MEFT fund (see **Table 4**).

Senate Add-ons

In the Senate, the “no earmark” rule had an even more dramatic impact on the defense authorization bill reported by the Armed Services Committee. The bill’s detailed funding tables show only 38 instances in which the committee added funding to the budget request, with a total cost of \$1.61 billion.²³ More than 40 percent of that total amount comes from increased funding for various ballistic missile defense programs (\$120.0 million) and the creation of funds to foster technological innovation (\$240.0 million).

As reported, S. 1253 includes 37 discrete funding increases (excluding military construction projects) which would add a total of \$1.64 billion to the budget requested by the President.

The largest single increase is \$405 million added to Operations and Maintenance funds intended, the committee said in its report, “to reimburse expenses deferred to fund foreign operations.” The report does not elaborate on that statement. Other relatively large amounts the committee bill would add to the President’s budget request include:

- \$322 million to continue upgrading M-1 tanks;
- \$240 million for various funds intended to promote the development and production of innovative equipment; and
- \$120 million for various ballistic missile defense programs.

Taken together, those four sums amount to nearly two-thirds of the gross amount the Senate committee’s bill would add to the budget request.

By way of comparison, the version of the FY2010 defense authorization bill that the Senate Armed Services Committee reported on July 2, 2009 (S. 1390) included 336 additions (excluding military construction) with a total cost of \$5.17 billion – nearly nine times as many additions and more than three times the total cost of the additions in S. 1253.

The contrast is more dramatic in the case of authorization increases for military construction projects. The Senate committee’s FY2010 bill would have added a total of \$605 million for 76 projects whereas its FY2012 bill adds to the pending budget request only one project, with a cost of \$6.4 million. This comparison excludes two large increases to the FY2010 bill for funds that are not project-specific.

²³ This comparison excludes funding increases that were, in effect, amendments to the budget request made at the request of DOD or one of the armed services.

Military Personnel Issues

For military personnel costs in the base budget, the House bill would authorize \$142.2 billion of the \$142.8 billion requested, with a few minor increases more than offset by a proposed reduction of \$664.7 million to be made up for by unobligated balances in the military personnel accounts, left over from prior fiscal years.

As reported by the Senate committee, S. 1253 would authorize \$142.45 billion for military personnel costs in the base budget, which is \$380.6 million less than was requested. The Senate committee justified the bulk of the reduction (\$325.6 million) on the basis of unobligated balances in appropriations accounts that could be used to offset those cuts.

Additional Detail on Selected FY2012 Military Personnel Issues

For a more detailed analysis of military personnel issues in the FY2012 budget see CRS Report R41874, *FY2012 National Defense Authorization Act: Selected Military Personnel Policy Issues*, coordinated by David F. Burrelli.

Pay Raise

The House-passed bill includes a provision (Section 601) that would authorize a 1.6% raise in service members' basic pay, as requested. This increase matches the Labor Department's Employment Cost Index (ECI), which is an estimate of the past year's increase in private sector pay. The Congressional Budget Office (CBO) estimates the cost of a 1.6% increase in basic pay to be \$1.2 billion.

The Senate committee-reported bill includes no corresponding provision but, in effect, it also would authorize the requested 1.6 percent increase in basic pay because, by law, military personnel and federal civilian employees receive annual pay raises at the rate established by the ECI, unless a different pay rate is established by statute.

End Strength and 'Dwell Time'

Both bills would authorize (with one minor change²⁴) the Administration's proposal to reduce the active-duty force by 9,800, setting the end-strength of the force (i.e., the number of troops on the rolls on the last day of FY2012) at 1.42 million personnel. However, in their respective reports on the bills, both Armed Services Committees expressed concern that the planned reduction in forces might allow individuals less "dwell time" between deployments than the Army aims to provide.

DOD's goal is for active-personnel to spend three years at their home station for every year deployed, to allow rest, retraining in missions other than the particular mission on which they were deployed, and renewal of family ties. Despite that goal of achieving a dwell time ratio (time deployed to time at home) of one-to-three, current operations require deployments at such a pace that the ratio is much lower, and DOD hopes to improve the dwell time ratio to one-to-two by the end of FY2012. The House committee questioned the wisdom of the Administration's plan to reduce active-duty Army end-strength by 22,000 in FY2013 and to further reduce the size of the active-duty Army and Marine Corps by a total of 42,300 personnel in FY2015-16 assuming that

²⁴ The House bill would increase the Navy's end-strength ceiling by 39 above the number requested.

the commitment of combat forces in Afghanistan would be substantially reduced by the end of FY2014.

It remains unclear to the committee what the level of forces in Afghanistan would need to be reduced [to] in order to allow the force reduction to begin without an adverse impact on troops and their families. More importantly, the anticipated reductions appear to have no relationship to the requirements of overall national strategy or to future warfighting requirements.²⁵

The House bill included a provision (Section 522) requiring the Secretary of Defense to establish a policy on dwell time and to establish a data base that would monitor service member's actual ratio of time deployed to time at home.

Similarly, the Senate committee expressed concern that, if the drawdown were carried out too quickly, while large U.S. forces remain deployed in Afghanistan and Iraq, troops would have too little time at home between deployments abroad.

Shaping the Drawdown

In its report, the Senate committee urged DOD, in deciding where to make further cuts in the force, to be mindful of service members who have served during a decade of combat operations, but have not yet completed the 20 years of service required to qualify for military retired pay:

...[F]uture reductions in force, while necessary, must be accomplished in a responsible manner, taking into account the wartime service and contribution of service members, particularly those with over 15 years of service. The nation owes it to our service members and their families, especially after enduring the challenges of 10 years of war, to carefully balance many factors in deciding how to draw down responsibly and fairly.²⁶

The Senate committee bill includes three provisions requested by the Administration to enable it to more precisely tailor further reductions in the size of the force:

- Section 502 would authorize payment to certain officers with between 20 and 29 years of service of a voluntary retirement incentive amounting to up to 12 times their monthly basic pay.
- Section 523 would extend from three months to one year the amount of time prior to the end of an enlistment term that a service member could be involuntarily discharged without loss of certain benefits (except that he or she would not be paid for the time not served).
- Section 524 would extend through 2018 authority to provide, in effect, severance pay to certain service members with less than 20 years of service who agree to be retired.²⁷

²⁵ H.Rept. 112-78, Report on the National Defense Authorization Act of FY2012, pp. 127-28.

²⁶ H.Rept. 112-26, p. 105.

²⁷ Under current law (10 U.S.C. 1175a), authority for this voluntary separation pay would lapse at the end of 2012.

Tricare Fees

The Administration proposed in its FY2012 budget request an increase in enrollment fees for TRICARE Prime, an HMO-style managed care plan that offers the most comprehensive coverage among the nine options offered by DOD's TRICARE medical insurance programs for servicemembers, retirees and their dependents. The budget would have increased the fees – which have not increased since 1995 -- by \$30 per year for individuals (to \$260) and by \$60 per year for families (to \$580). The Administration also proposed that, in future years, the fees increase annually at the same rate as the National Healthcare Expenditure (NHE) Index, a measure of health spending calculated by the federal agency that manages Medicare and Medicaid. The NHE index is projected to increase at an average annual rate of 5-6 percent over the next decade.²⁸

The House Armed Services Committee (HASC) Personnel Subcommittee proposed including in H.R. 1540 a one year prohibition on increasing TRICARE Prime fees, similar to prohibitions Congress has included in several prior defense authorization bills. But instead, the full House committee included in the bill a provision (Section 701) that would allow the Administration's proposed fee increase but would limit increases in any future year to the percentage by which military retired pay is increased in the same year. In its analysis of H.R. 1540, the Congressional Budget Office estimated that this provision would allow the fees to increase by about 2 percent annually over the next decade.²⁹

The Senate committee bill contained a similar provision (also designated Section 701). However, in its report on the bill the Senate committee said it would consider options for phasing in a more rapid increase in TRICARE fees, as early as FY2014.

Don't Ask, Don't Tell³⁰

The House bill includes three provisions relating to the repeal in December 2010 of the 1993 law barring openly homosexual persons from military service.³¹ That law had embodied a DOD policy colloquially referred to as, “don't ask, don't tell.”

These provisions would:

- Defer repeal of the 1993 law until the senior uniformed officer of each service certifies, in writing, that repeal would not degrade the combat readiness, cohesion or morale of units (Section 533).
- Affirm that any DOD ruling or regulation concerning a service member of DOD civilian employee will conform with the provision of the Defense of Marriage Act (P.L. 104-199) which defines “marriage” as only a legal union of one man and one woman (Section 534).

²⁸ Testimony of Jonathan Woodson, M.D., Assistant Secretary of Defense (Health Affairs) before the Senate Armed Services Committee Personnel Subcommittee, May 4, 2011, available at http://www.tricare.mil/tma/congressionalinformation/downloads/2011/05-04-11%20SASC-P%20DoD%20Focus%20Hearing%20Statement%20_Woodson_%20-%20FINAL.pdf.

²⁹ H.Rept. 112-78, Part 2.

³⁰ For background, see CRS Report R40782, “*Don't Ask, Don't Tell*”: Military Policy and the Law on Same-Sex Behavior, by David F. Burrelli, and CRS Report R40795, “*Don't Ask, Don't Tell*”: A Legal Analysis, by Jody Feder.

³¹ The 1993 legislation was repealed by H.R. 2965 which was enacted on December 22, 2010 as P.L. 112-321.

- Require that any marriage performed in a DOD facility or by a military chaplain or other DOD official acting in an official capacity conform to the same definition of “marriage” (Section 535).

Analysis of issues related to the ‘Don’t Ask, Don’t Tell’ Policy

For a more comprehensive analysis of issues related to legislation and DOD policy concerning service of openly homosexual persons in the armed forces, see CRS Report R40782, “Don’t Ask, Don’t Tell”: *Military Policy and the Law on Same-Sex Behavior*, by David F. Burrelli, and CRS Report R40795, “Don’t Ask, Don’t Tell”: *A Legal Analysis*, by Jody Feder.

Women in Combat

In its report on H.R. 1540, the House committee took a matter-of-fact approach to the sometimes contentious issue of military women being placed in combat situations. The committee noted that it had heard from a number of service women who had been deployed in Iraq and Afghanistan that they found body armor which had been designed for male soldiers to be restrictive and uncomfortable.

The committee notes that the current counterinsurgency and dismounted operations in [Iraq and Afghanistan] place service women in direct combat action with the enemy. The committee believes there is merit in conducting an evaluation as to whether there is an operations need to tailor interceptor body armor systems...specifically for the physical requirements of women....The committee commends the Army for acknowledging this issue and encourages the acceleration of these efforts to help determine the most effective organizational clothing and individual equipment, to include body armor and associated components, for military service women.³²

Readiness

The Senate committee version of the authorization bill would cut \$2.1 billion from the \$170.8 billion requested for operations and maintenance (O&M) accounts. Most of that overall reduction resulted from denying \$684 million in new budget authority for which DOD could substitute unobligated balances left over from prior budgets and from cutting \$1.1 billion from the \$70.5 billion requested for service contractors. The Senate committee bill also included a provision (Section 823) that would hold spending on service contractors in the base budget to the amount DOD spent on contractors in FY2010, which – the committee said – would be the result of its proposed \$1.1 billion reduction.³³

The House-passed bill, on the other hand, would authorize a net increase of \$361.2 million to the O&M accounts. The major components of this increase included additions totaling more than \$2 billion to improve the readiness of U.S. forces, including:

- \$1.31 billion for maintenance, repair and upgrades to facilities;

³² H.Rept. 112-78, pp. 48-49.

³³ S.Rept. 112-26, pp. 86-87.

- \$439.7 million for ship and aircraft overhauls;
- \$230.0 million for Army base operations; and
- \$88.0 million to reverse the budget's plan to reduce in FY2012 flying hours for the Air Force Reserve and Air National Guard.

In its report on H.R. 1540, the House Armed Services Committee noted that units about to deploy for operations in Afghanistan and Iraq were fully manned, equipped, and trained. But it contended that the armed services were pumping up the readiness of next-to-deploy units at the expense of “just-returned” units which often were short-changed for personnel, equipment and training.

The House committee directed the Government Accountability Office (GAO) to submit four reports addressing significant aspects of the force's combat readiness:

- An assessment of whether the Army's readiness is handicapped by shortages in the number of experienced specialists with certain skills, and by the number of soldiers who cannot be deployed for medical and other reasons.³⁴
- An analysis of whether recent changes in Navy policy regarding ship maintenance have corrected a decline in the material condition of the fleet that was documented by routine Navy inspections.³⁵
- A review of the services' plans for using a mix of live exercises and simulators to train combat units to include an assessment of the services' basis for deciding on the appropriate mix of live and simulated training and a report on the metrics that would be used to analyze the effectiveness of the training mix chosen.³⁶
- An examination of the “modified tables of equipment” (MTOE)—the officially sanctioned inventory of equipment issued to each Army and Marine Corps unit—to consider (1) whether new items acquired for novel missions in Iraq and Afghanistan should be added to the regular list and (2) whether some of the equipment acquired for those missions should be disposed of.³⁷

Acquisition Policy

The versions of the defense authorization bill passed by the House and reported by the Senate Armed Services Committee both included provisions intended to promote greater use of competitive procedures in DOD contracting for the acquisition and maintenance of weapons systems.

House-Passed Competition Provisions

In its report on H.R. 1540, the House committee contended that DOD should try to get lower prices and higher quality from its suppliers by making more extensive use of competition in

³⁴ H.Rept. 112-78, pp. 107-08.

³⁵ H.Rept. 112-78, p. 110.

³⁶ H.Rept. 112-78, pp. 111-12.

³⁷ H.Rept. 112-78, p. 111.

acquiring and maintaining not only complex weapons but also their principal components. Noting that the Weapons System Acquisition Reform Act (WSARA) of 2009 (P.L. 111-23) requires the use of competitive procedures in maintaining a weapons system, the committee faulted DOD for relying unnecessarily on sole-source maintenance contracts. For example, the committee estimated that DOD could reduce its annual maintenance costs by \$2 billion if it awarded competitively the maintenance contracts for the large number of its jet engines that are variants of commercial engines for which there are many suppliers and maintenance contractors.

The committee added to the bill a provision (Section 236) requiring that DOD consider using competitive procedures in awarding maintenance contracts for components and subsystems of major weapons. The House bill also would:

- Require the Air Force conduct a competition to select the engines to be used in a new long-range bomber the service is trying to develop (Section 220).
- Require the Navy to designate as a “major subprogram” an electro-magnetic catapult intended to launch planes from the Navy’s next class of aircraft carriers, with the aim of ensuring high-level oversight of the catapult program (Section 221).
- Shift the authorization of \$142.2 million for the development of improved communication satellites out of the budget line that funds improvements in the existing satellites, into a new budget line, in hopes that companies not associated with the current program will have a better chance of competing for the funds.

Joint Strike Fighter Alternate Engine

Although the House Armed Services Committee has been a staunch supporter of an effort to develop the F-136 jet engine, built by General Electric (GE) and Rolls-Royce, as an alternative to the Pratt & Whitney F-135 jet as the powerplant for the F-35 Joint Strike Fighter, it did not attempt to add to the budget request DOD funds for the second engine. GE and Rolls-Royce have announced plans to continue work on the engine through FY2012 using their own funds.³⁸

By a vote of 55-5, the committee added to H.R. 1540 a provision that could facilitate the companies’ efforts to keep the program alive with their own money by requiring DOD to preserve intact and to make available to the contractors (at no cost to the government) any items associated with the alternate engine program (Section 252). Another provision (Section 15) would bar DOD from spending any funds to improve the power of the Joint Strike Fighter’s current engine (the F-135) unless it conducts a competition that would allow GE and Rolls-Royce to offer their engine as an alternative.

Senate Committee Competition Provisions

In its report on S. 1253, the Senate committee justified its funding recommendations regarding several acquisition programs as efforts to foster competition.

³⁸ For background, see CRS Report R41131, *F-35 Alternate Engine Program: Background and Issues for Congress*, by Jeremiah Gertler.

The Senate committee bill includes a provision (Section 153) that would require DOD to report on how it plans to implement, as part of the F-35 Joint Strike Fighter Program, provisions of WSARA that require major weapons programs to allow for the possibility of periodic re-competition for the prime contract and for major subcontracts.³⁹

Another section of S. 1253 (Section 213) is intended to encourage the Navy to incorporate “open architecture standards” into its program to develop a long-range, unmanned, carrier-based bomber. An open architecture is a computer or software system based on specifications that are publicly known and thus relatively easy to modify with products of a manufacturer other than the original contractor – a characteristic intended to encourage competition designing and building the system and its components. The bill would prohibit the Navy from spending more than 50 percent of the amount authorized for the Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS) system until DOD certifies to Congress that the program incorporates “open architecture standards.”

The committee bill also would require the GAO to review non-competitive contracts awarded by DOD in FY2012 and the following two years.

Other Acquisition-related Provisions

Political Contribution Reporting Ban

Both Section 847 of H.R. 1540 and Section 845 of S. 1253 as reported would prohibit the government from requiring, as a condition of bidding on a government contract, that the bidder disclose any political contributions, except to the extent that the collection and disclosure of such information is allowed by the Federal Election Campaign Act of 1971 (P.L. 92-225). A widely-reported (but never issued) draft executive order would have required the bidders to disclose political contributions to any candidate or party competing for a federal office in the two years preceding the bid.

Allowable Cost Limits on Contractor Salaries

Both versions of the authorization bill would expand the scope of an existing limitation on the amount of total compensation for certain employees which a contractor could claim as a reimbursable cost under certain types of contracts. Under current law (10 U.S.C. 2324 e.1), no contractor could claim as an allowable expense on a federal contract more than \$693,951.00 in total annual compensation for any of its five most senior executives.⁴⁰

Section 803 of the House-passed bill would extend that cap on allowable compensation costs to cover all employees. Section 842 of the Senate committee-reported bill would extend it to cover all executives of a firm, but not other employees.

³⁹ See CRS Report RL34026, *Defense Acquisitions: How DOD Acquires Weapon Systems and Recent Efforts to Reform the Process*, by Moshe Schwartz, pp. 19-20.

⁴⁰ The amount of that cap is calculated by the Office of Federal Procurement Policy (OFPP) using a methodology prescribed in 41 U.S.C. 435.

Nunn-McCurdy Triggers

Senate committee included in S. 1253 a provision (Section 801) that would modify the so-called Nunn-McCurdy rules which require various high-level reviews of any acquisition program that exceeds its baseline cost estimate by more than a specified percentage.⁴¹ The provision would exempt programs for which a sharp rise in the projected unit-cost was the result of a decision to reduce the number of units that would be purchased.

Hedging Against Technical Risk

Section 212 of S. 1253 as reported would bar any funding for development of a new satellite communication system for the B-2 stealth bomber until the Air Force sends Congress a detailed report on the projected cost and schedule of the effort. At issue is the effort to develop an antenna that would allow the plane to send and receive information over the Pentagon's satellite-based global information grid 100 times as fast as the bomber's current communication system. The committee said it wanted more detailed analysis of the technical risks of developing a novel type of antenna the bomber would need, including the risk that the antenna would compromise the plane's stealthiness.

The Senate committee bill also sliced funds from the amounts requested for some high-profile weapons development programs which it deemed technically promising, but risky and, in any case, lower priorities than other projects that could produce usable weaponry sooner. The bill would cut:

- \$30.0 million to terminate work on the so-called "free electron" laser, one of several types of lasers the Navy is considering to protect ships against cruise missiles and swarms of small speedboats;
- \$26.9 million to terminate efforts to develop an electromagnetic "rail gun" – a Navy project intended to use magnetic energy rather than gunpowder to propel bullets and artillery shells for ships' self-defense and to strike distant surface targets; and
- \$60.0 million to terminate experimentation with a large laser in a modified Boeing 747 as an anti-missile weapon.

Ground Combat Systems

M-1 Tanks and Bradley Troop Carriers

The House and Senate Armed Services Committees both challenged DOD's plan to shut down—for at least a couple of years—the production lines that originally manufactured new M-1 tanks and, for more than a decade, have rebuilt existing tanks with improved communications equipment and sensors. As a cost-saving measure, DOD plans to shut down the line in FY2013 and then to restart them for a new tank modification in FY2016.

⁴¹ See CRS Report R41293, *The Nunn-McCurdy Act: Background, Analysis, and Issues for Congress*, by Moshe Schwartz.

The committees objected that closing the lines and then reopening them could cost more than continuing to operate them at a low rate, partly because some component suppliers and assembly-line technicians familiar with these programs could move on to other work, forcing the prime contractors to train new suppliers and workers before they could resume production. Accordingly, the House-passed bill would authorize an additional \$272 million and Senate committee version an additional \$322 million to sustain the Abrams production line.

The budget request assumed a similar hiatus in the production line that upgrades Bradley armored troop carriers and the House committee challenged that decision for the same reasons it objected to the tank plan. For that reason, the House version of the authorization bill also would add to the budget request \$153 million to continue Bradley upgrades.

Ground Combat Vehicle (GCV)

The House and Senate Armed Services Committees both approved the request for \$884 million to continue development of a new armored troop carrier for the Army designated the Ground Combat Vehicle (GCV). However, the House committee added to H.R. 1540 a provision (Section 211) that would bar the use of 30% of those funds until the Army provides Congress with a report comparing the proposed new vehicle with alternatives, including the most recently upgraded version of the Bradley troop carrier.

The committee continues to support the Army's goal of pursuing a modernized combat vehicle. However, before the Army starts another major development program that could cost over \$30.0 billion, the committee must be convinced that the GCV will be significantly more capable than an upgraded version of current fielded platforms.⁴²

The House committee noted that the Army wants a troop carrier that could carry three more soldiers than the six carried by the Bradley (in addition to a vehicle crew of three), but said that should not be "the primary attribute" that determines whether to proceed with a new vehicle.

Expeditionary Fighting Vehicle (EFV)

The House and Senate Armed Services Committees both objected to DOD's stated rationale for cancelling development of the Expeditionary Fighting Vehicle (EFV), an amphibious armored troop carrier intended to replace the Marine Corps' current amphibious tractor, designated the AAV-7, which dates from the early 1970s. Former Defense Secretary Gates had cited as grounds for the cancellation EFV's cost and technical complexity, much of which was due to the design goal of enabling the new vehicle to carry Marines ashore at speeds of nearly 30 mph—about four times the speed of its predecessor. The speed specification – which required the EFV to "plane" over the surface of the water like a speedboat -- had been justified by the argument that, in future conflicts, transport ships would have to launch the troop carriers from 25 miles offshore (to avoid enemy defenses) and Marines would lose their fighting edge if they were cooped up inside their troop carriers for more than an hour.⁴³

⁴² H.Rept. 112-78, p. 88. For background, see CRS Report R41597, *The Army's Ground Combat Vehicle (GCV) and Early Infantry Brigade Combat Team (E-IBCT) Programs: Background and Issues for Congress*, by Andrew Feickert.

⁴³ For background, see CRS Report RS22947, *The Marines' Expeditionary Fighting Vehicle (EFV): Background and Issues for Congress*, by Andrew Feickert.

In drawing up the specifications for a cheaper substitute for EFV, designated the Armored Combat Vehicle (ACV), the Marines have assumed that a troop carrier with more ergonomically sound seating and environmental control would allow troops to tolerate a longer ride to the beach. Moreover, the Navy now assumes it can protect ships closer to shore than 25 miles. In combination, those assumptions allow the Marines to require that the ACV plow through the water at about 12 miles per hour, allowing a simpler (and thus cheaper) design. The Marines also plan to acquire a heavily armored, non-amphibious armored troop carrier called the Marine Personnel Carrier (MPC).

House-passed Bill

The House bill would authorize the amounts requested to upgrade the amphibious troop carriers currently in service and slightly increase their speed (\$60.8 million) and to develop both the new amphibious ACV (\$12.0 million) -- which would be designed to travel at about half the speed for which the EFV had been designed -- and the non-amphibious MPC (\$34.9 million).

In its report on the bill, the House Armed Services Committee said DOD had provided no explanation for its decision to reduce the speed requirement for the new troop carrier. It added to the House bill a provision (Section 214) barring the use of any funds authorized by the bill to work on either improvements to the existing AAV-7 or development of the new ACV until the Secretary of the Navy submits to the committee a written certification of the Marines' requirements, including the distance offshore from which an amphibious assault would be launched and the speed at which an amphibious troop carrier should be able to travel. The Navy Secretary also would be required to submit an analysis of alternative vehicles the Marines might acquire, including an improved version of the AAV-7, the cancelled EFV, and the proposed new, slower ACV.

Senate Committee Bill

The Senate committee bill also would authorize the amounts requested to upgrade the existing AAV-7 and to develop the MPC. But it would direct DOD to increase the ACV funding to \$30 million, requiring the department to reallocate \$18 million within the requested FY2012 budget.

In its report, the Senate committee expressed dissatisfaction with the Marine Corps' plan to develop both the amphibious ACV and the non-amphibious MPC in wake of the cancellation of the EFV. The committee added to S. 1253 a provision (Section 241) that would slow down the Marines' timetable, requiring:

- A thorough analysis of alternatives before proceeding with the new amphibious vehicle (the ACV); and
- A assessment by DOD of the life-cycle cost of the Marines entire planned fleet of combat vehicles.

The committee insisted that the Navy and Marine Corps substantiate -- by tests and exercises, if possible -- the more sanguine assumptions that undergird the less demanding specifications for the ACV. The panel also said that, since the ACV was designed to plow through the water rather than skim over it, it could be more heavily armored than the EFV would have been and, thus, might obviate the for the separate fleet of non-amphibious troop carriers (the MPCs).

Joint Light Tactical Vehicle (JLTV)

The House and Senate Armed Services Committees took different approaches to the budget request for \$243.9 million to continue developing a replacement for the 1980s-vintage Humvee, designated the Joint Light Tactical Vehicle (JLTV). The new vehicle, intended to replace an as yet undetermined number of DOD's 160,000 Humvees, is intended to be better protected against the sort of roadside bombs (or IEDs -- improvised explosive devices) that have emerged as a major threat to U.S. forces in Iraq and Afghanistan. The FY2012 budget request included \$172.1 million for the Army and \$71.8 million for the Marine Corps to develop the new vehicle.

The Senate Armed Services Committee approved the request. But the House committee expressed concern over the program's cost and slippage in its schedule. The House-passed bill would cut a total of \$50 million from the JLTV request, taking \$25 million apiece from the Army and Marine Corps accounts.⁴⁴

Shipbuilding

The House-passed authorization bill and the Senate committee version each would authorize funds to build 12 ships, as requested: two *Virginia*-class submarines, a destroyer equipped with the Aegis anti-missile system, four Littoral Combat Ships (LCSs), a transport for amphibious landing troops, two high-speed cargo ships, an oceanographic research vessel and a Mobile Loading Platform (MLP)—a modified tanker intended to serve as a floating pier used to transfer combat vehicles and other equipment from cargo ships to landing barges. Each bill also would authorize, as requested, partial funding for four ships that are being funded incrementally, over two or more years: an aircraft carrier, a helicopter carrier (designated an LHA), and the last two of three destroyers of the DDG-1000 class. (See **Table A-5**)

As requested, the Senate committee bill would authorize \$14.9 billion for the Navy's shipbuilding account for 10 of the fully-funded ships and the four for which incremental funding is provided. The committee bill also would authorize \$223.8 million for one of the high-speed cargo ships which is funded in the Army budget and \$425.9 million for the MLP funded through a separate sealift account. The House-passed bill would authorize the same amounts except that for the FY2012 increment of funding to build the \$3.3 billion helicopter carrier (or LHA), it would authorize \$2.0 billion—\$50 million less than was requested.⁴⁵ The House bill also included a provision that would allow DOD to include funding for this ship, currently spread over the budgets for FY2011 and FY2012, into the FY2013 budget (Section 121).

House Shipbuilding Issues

In its report on H.R. 1540 the House Armed Services Committee directed the Secretary of the Navy to report to the congressional defense committees on how the Administration's plan to rely

⁴⁴ For more detailed analysis, see CRS Report RS22942, *Joint Light Tactical Vehicle (JLTV): Background and Issues for Congress*, by Andrew Feickert.

⁴⁵ In separate actions, the committee cut \$200 million from the LHA request, because of delays, and then added \$150 million to the reduced program, yielding a net reduction of \$50 million. A floor amendment to eliminate the \$150 million add-back was rejected. (**Table 4**)

on Aegis-equipped ships for anti-missile defense missions would affect the Navy's ability to perform other missions currently performed by those same ships.⁴⁶

Aircraft Carrier Numbers

As requested, both versions of the bill would authorize a \$555 million increment toward the \$12.3 billion total cost of nuclear-powered aircraft carrier, a much larger share of which is slated for inclusion in the FY2013 budget. Because of carriers' cost, funding for them is spread over several budgets, contrary to Congress's general policy of requiring "full-funding" for any procurement in a single appropriation. In 2010, then-Defense Secretary Gates announced a plan to space the construction of new carriers five years apart. Given the ships' planned service life, this would cause the number of carriers in service to drop from 11 ships to 10 by about the year 2040. Although the House committee had criticized Gates' proposal at the time he announced it, in its report on H.R. 1540 the committee did not repeat its objection but, rather, urged DOD not to let the interval between carriers grow longer than five years.⁴⁷

Carrier-based Unmanned Aerial Vehicles (UAVs)

The House-passed and Senate committee-reported versions of the bill both authorized, as requested, \$198 million for the Unmanned Carrier-based Aircraft System (UCAS) project to test the feasibility of basing long-range stealthy drone aircraft on aircraft carriers and an additional \$121 million to begin work on an operational unmanned aerial vehicle (UAV) that could be deployed on carriers by 2018. In its report on H.R. 1540, the House Armed Services Committee said the Navy might be trying to move too quickly, since the ability of a drone to land on a carrier would not be tested until 2013 and the ability of a drone to refuel in mid-air from an unmanned tanker plane would not be tested until 2014.

Accordingly, the committee added to the House bill a provision (Section 223) that would allow the Navy to spend no more than 15% of the funds authorized to develop the operational, carrier-based UAV until DOD officials certify to Congress (1) what the specifications are that the system is intended to meet, (2) that the Navy conducted an analysis of alternative ways of performing the intended mission, and (3) that the lessons learned from the UCAS project had been incorporated into the effort to develop an operational system.

Aircraft

The House-passed and Senate committee reported versions of the bill authorized the amounts requested for most types of aircraft except that the Senate bill denied authorization in the FY2012 budget for nine Navy F/A-18E/F strike fighters (\$495.0 million) and two Air Force V-22 Ospreys (\$70.0 million). The Senate committee said the FY2012 funding was not needed for those 11 aircraft, since they had been funded in the FY2011 DOD appropriations bill, a part of the FY2011 full-year appropriations bill (P.L. 112-10) that was enacted on April 15, two months after the FY2012 budget request was published. (See **Table A-7**)

⁴⁶ H.Rept. 112-78, p. 107. See CRS Report RL33745, *Navy Aegis Ballistic Missile Defense (BMD) Program: Background and Issues for Congress*, by Ronald O'Rourke.

⁴⁷ H.Rept. 112-78, p. 33.

The House rejected by a vote of 88-334 an amendment to H.R. 1540 that would have eliminated all funds requested for V-22 procurement.

Mid-Air Refueling Tanker

The Senate committee bill would authorize \$750 million—\$127.1 million less than was requested— for the Air Force to develop a new mid-air refueling tanker designated the KC-46A, which is based on the Boeing 767 jetliner. The House-passed bill would cut the tanker request by \$27.2 million, to \$849.9 million but includes a provision (Section 241) that would require the GAO to give Congress an annual review of the program.

In its report on H.R. 1540, the House Armed Services Committee directed the undersecretary of defense in charge of weapons procurement to notify the defense committees on a quarterly basis of any changes by Boeing in the design or engineering of the plane, compared with the design that was selected by DOD over a competing design submitted by the European consortium that manufactures Airbus jetliners.⁴⁸

F-35 Joint Strike Fighter

The House –passed and Senate committee-approved versions of the bill both would authorize the budget request for the tri-service (Navy, Air Force, Marine Corps) F-35 Joint Strike Fighter: a total of \$2.78 billion to continue development of the three versions of the plane⁴⁹ and \$6.64 billion to buy 32 airplanes.

But the Senate Armed Services Committee added to S. 1253 a provision (Section 152) requiring that the next production batch⁵⁰ of F-35s be purchased under a fixed-price contract that would exempt the government from paying any cost increase above the “target price” set by the contract. The committee added this provision to the bill after rejecting, on a tie vote (13-13) an amendment by Senator John McCain that would have killed the F-35 program on December 31, 2012 if the program’s cost continued to exceed the target price by more than 10 percent (as it currently does).

F-35 Alternate Engine

Over the objections of the Bush and Obama Administrations, the House Armed Services Committee has added to several annual authorization bills funds to support development by General Electric of an alternate engine for the F-35, which currently is powered by a Pratt & Whitney engine. The House committee did not authorize additional funds for the second engine in H.R. 1540, but in its report on the bill the committee reiterated its position that development of the second engine would be wise. It also included in the House-passed bill a provision (Section 252) that would require DOD to preserve any equipment it has acquired from contractors in the course of the alternate engine development effort and would require DOD to support, at no cost to

⁴⁸ For background, see CRS Report RL34398, *Air Force KC-46A Tanker Aircraft Program: Background and Issues for Congress*, by Jeremiah Gertler.

⁴⁹ The Senate committee version of S. 1253 would add \$1 million to the Air Force R&D request for the F-35.

⁵⁰ The section would govern the contract for the fifth batch of planes designated as “low-rate initial production” (LRIP) lots. These are relatively small batches of planes built to allow realistic testing before contracts are signed for large production runs.

the government, efforts by General Electric to continue the alternate engine development effort using its own funds. Another provision of the House bill (Section 215) would bar the use of any funds to develop improvements in the current F-35 engine unless improvements to the plane's powerplant were developed and produced on a competitive basis.

The Senate Armed Services Committee included in S. 1253 a provision (Section 211) that would prohibit the use of any funds authorized by the bill to continue development of the alternate engine. The provision also would bar the use of funds to support efforts by General Electric to continue work on the engine using its own funds.

Light Armed Reconnaissance Aircraft

The Senate committee approved bill would not authorize the \$159 million requested to buy nine relatively inexpensive ground attack planes (designated Light Armed Reconnaissance Aircraft or LARA) to train U.S. pilots who, in turn, would train pilots of allied governments facing local insurgencies. The committee said procurement of the planes would be premature, though the bill would authorize the \$24 million requested for development of the program.

Next Generation Bomber and Prompt Global Strike

The House-passed and Senate committee-approved versions of the bill each would authorize the requested \$197 million to develop a new, long-range bomber. In its report on H.R. 1540, the House Armed Services Committee faulted the Air Force for not performing a formal life-cycle cost analysis to determine whether the service should develop a single long-range aircraft for bomber and reconnaissance and other missions rather than developing a family of aircraft, each optimized for a different mission.⁵¹

The Senate committee's version of the bill would authorize \$205 million, as requested, to continue development of a so-called Prompt Global Strike (PGS) missile intended to carry a precision-guided conventional warhead thousands of miles at 20 times the speed of sound (about 14,000 mph.). The House bill cut \$25 million from that request. In its report, the House committee said DOD was moving too quickly in trying to incorporate promising but unproven technologies into an operational weapon. It encouraged DOD to explore less risky technologies for the PGS mission.

Airlift

The House-passed and Senate committee-reported versions of the defense bill each would authorize (the House bill with minor changes) the amounts requested to upgrade the Pentagon's fleet of cargo planes. However, each bill also would block, at least temporarily, any DOD effort to reduce the size of its airlift fleet.

⁵¹ H.Rept. 112-78, pp. 65-66. For background, see CRS Report RL34406, *Air Force Next-Generation Bomber: Background and Issues for Congress*, by Jeremiah Gertler. As noted above, the committee also added to the bill a provision (Section 220) requiring the Air Force to select the engines for the new bomber by a competitive process.

Strategic Airlift (C-5, C-17)

For long-range (or “strategic”), wide-body airlift, S. 1253 would authorize a total of \$1.0 billion, as requested, to improve the C-5 and \$519 million for modifications to the newer C-17, (counting procurement and R&D funding, in each case). H.R. 1540 would cut \$6 million from each of those amounts. The House and Senate Armed Services Committees each rejected a DOD request to include in the authorization bill a provision that would repeal existing law (10 U.S. C. 8062g) that requires the Air Force to maintain a fleet of at least 316 long-range, wide-body cargo jets. The provision had been enacted in 2010 as part of the Ike Skelton National Defense Authorization Act for FY 2011 (383).

In its report on S. 1253, the Senate committee said it wanted more information before accepting the Air Force’s contention that a force of 299 C-17s and C-5s – excluding 17 older C-5s currently in service, which would be retired – would suffice for both wartime missions and normal, peacetime operations.

Tactical Airlift

For shorter-range (or “tactical”) airlift, each version of the bill would approve, as requested, \$1.08 billion for 11 C-130 Hercules aircraft, equipped for various missions, and \$479.9 million for nine smaller C-27 planes, designated Joint Cargo Aircraft. In the reports on their respective versions of the bill, the two Armed Services Committees each challenged DOD plans to: (1) retire its fleet of 42 smaller C-23 cargo planes, which are used by National Guard units in both their federal role as combat units and in their state role, responding to natural disasters; (2) cut the C-130 fleet from 395 planes to 335; and (3) buy 38 C-27s rather than the 78 initially planned, using larger C-130 cargo planes already in inventory for missions that would have been flown with the 40 cancelled C-27s.

In its report on S. 1253, the Senate committee directed the Secretary of the Air Force to analyze the possible benefits of buying additional C-27s, which are cheaper to operate than the larger C-130s. The House added to H.R. 1540 a provision (Section 111) barring the retirement of any C-23s until a year after certain senior military and civilian officials give the congressional defense committees a report on the requirement for short-range cargo planes to perform both military and domestic emergency missions.

B-1 and U-2 Retirements

The House-passed and Senate committee-reported versions of the authorization bill would allow the Air Force to retire six of its 66 B-1B bombers, as requested, but only with strings attached.

H.R. 1540 includes a provision (Section 131) that would allow the Air Force to retire six planes but would require it to keep 36 B-1B in combat-ready units and also to retain in service enough additional B-1Bs for training and maintenance service to support the 36 front-line aircraft.

S. 1253 includes a provision (Section 134) that would allow the Air Force to retire six of the planes only after the Secretary of the Air Force sends Congress a plan indentifying the specific planes that would be mothballed, the amount of money that would be saved by the retirements, the amount of those savings that would be invested in modernizing the remaining B-1s and a plan for keeping the B-1 fleet updated through FY2022.

The Senate committee bill also included a provision (Section 135) that would bar the retirement of any U-2 reconnaissance planes until DOD certifies to Congress that Global Hawk long-range drones are cheaper to operate than the U-2s they are slated to replace.

Strategic Missile Subs, Missile Defense, and Arms Control

The House-passed and Senate committee-reported versions of the bill would authorize, as requested, \$1.1 billion to begin development of a new class of ballistic missile-launching submarines that would replace the current *Ohio*-class subs starting in 2019. Although the Navy has reduced the projected cost of the new ships from an initial estimate of \$7 billion apiece to \$4.9 billion each, senior Navy officials have warned that the cost of a planned force of 12 subs could dramatically reduce for many years the funding available to build other types of ships.⁵²

The House committee added to H.R. 1540 a provision (Section 213) requiring the Navy to justify its decision to reduce the number of missile launching tubes on each of the new submarines from 20 to 16. The committee said that the new ships' contribution to the U.S. nuclear deterrent, "must not be compromised solely on the basis of the promise of potential cost savings," resulting from a reduction in the number of missile tubes.⁵³

START Arms Reduction Treaty

H.R. 1540 includes several provisions intended to ensure (1) that the Administration follows through with a commitment it made in 2010 to modernize the Energy Department's nuclear weapons production complex and (2) that it not reduce the U.S. nuclear arsenal or change DOD's nuclear war plans except as required by the Strategic Arms Reduction Treaty with Russia (dubbed START). During the 2010 debate leading up to Senate approval of the treaty, several senators had announced that their support for the treaty was conditional on modernization of the nuclear weapons complex.⁵⁴

Among the provisions of H.R. 1540 relating to U.S. nuclear weapons and arms control policy were:

- A requirement for an annual report by the President on the status of plans to modernize the nuclear weapons stockpile, the nuclear weapons production complex, and the U.S. force of missiles, planes and subs equipped to launch nuclear weapons, as well as plans to retire any nuclear weapons (Section 1053).
- A prohibition on retiring any nuclear weapons pursuant to the START treaty until the Secretaries of Defense and Energy inform Congress, in writing, that the nuclear weapons complex modernization plan is being carried out and a further prohibition on any reduction in nuclear arms beyond those required by START unless they are mandated by law or by another treaty (Section 1055).

⁵² See CRS Report R41129, *Navy Ohio Replacement (SSBN[X]) Ballistic Missile Submarine Program: Background and Issues for Congress*, by Ronald O'Rourke.

⁵³ H.Rept. 112-78, p. 89.

⁵⁴ The House Armed Services Committee summarizes the current state of the nuclear complex modernization plan in its report on H.R. 1540, H.Rept. 112-78, at pp. 304-06. For background on the New START Treaty, see CRS Report R41219, *The New START Treaty: Central Limits and Key Provisions*, by Amy F. Woolf.

- A requirement that the President notify Congress before changing U.S. nuclear strategy for using nuclear weapons in case of war (Section 1056).
- A requirement that the GAO provide Congress with a critical assessment of the process by which DOD established policies, strategies and acquisition requirements regarding nuclear weapons (Section 1057).
- A prohibition on any international agreement affecting U.S. missile defenses that is not incorporated in either a Senate-approved treaty or legislation (Section 1229).⁵⁵

The Senate Armed Services Committee included in S. 1253 a provision (Section 1047) requiring the President to send Congress a detailed analysis of the impact on U.S. strategy of any decision to reduce U.S. nuclear forces below the levels set by the Strategic Arms Reduction Treaty with Russia (referred to as START). Specifically, the required report would be a “net assessment” comparing current and proposed U.S. nuclear forces with those of other countries to determine whether the proposed smaller U.S. force would be sufficient to deter potential adversaries and reassure U.S. allies.

The Senate committee’s bill also would require several reports on aspects of the U.S. nuclear force, including:

- A biennial DOD assessment of the safety, reliability, and military effectiveness of each type of U.S. nuclear weapons delivery vehicle and of the associated command and control network (Section 1073);
- An annual DOD report on the nuclear weapons stockpile (Section 1074); and
- A report by the President within 30 days of any change in U.S. strategy for using nuclear weapons (Section 1075).

Anti-Ballistic Missile Defenses

The Senate committee-reported bill would authorize the same amount for the Missile Defense Agency (MDA) as was requested (\$8.63 billion) but would make several adjustments to the amounts authorized for individual programs. The House-passed bill would add a total of \$264.2 million to the MDA request, authorizing a total of \$8.89 billion for the agency. (See **Table A-1**)

Ground-Based Anti-Missile Defense

While basically approving the Administration’s funding request for the ground-based missile defense system deployed in Alaska and California, the House and Senate Armed Services Committees each told DOD to determine what caused the system to fail in its two most recent tests and tell Congress how it planned to fix the problem. S. 1253 would authorize \$1.16 billion for the system, as requested. But the Senate committee bill also includes a provision (Section 232) expressing deep concern that the system had failed to intercept the target in each of its two most recent tests. The provision directs the Secretary of Defense to send the congressional defense committees detailed reports assessing the cause of the failures, outlining DOD’s proposed

⁵⁵ See CRS Report R41251, *Ballistic Missile Defense and Offensive Arms Reductions: A Review of the Historical Record*, by Steven A. Hildreth and Amy F. Woolf.

remedy, and describing the current state of the remediation effort, with an initial report due 120 days after enactment of the bill, and a second report due one year later.

H.R. 1540 would authorize \$1.26 billion for the system, which is \$100 million more than the request.⁵⁶ The House committee said MDA should use the additional funds to accelerate efforts to learn the cause of the test and it added to the bill a provision (Section 234) requiring DOD to apprise Congress of its strategy for identifying and correcting the problem.

The H.R. 1540 also includes two provisions that would promote consideration of an expanded missile defense for U.S. territory:

- Section 233 declares it to be national policy to pursue a “hedging strategy,” that would provide an alternative missile defense for U.S. territory in case the threat of long-range missile attack materializes sooner than current plans assume or in case the currently planned defenses run into technical problems or delays.
- Section 235 requires the Secretary of Defense to spend \$8 million on a report analyzing the technical feasibility, cost and effectiveness of a limited network of space-based anti-missile interceptors.

The Senate committee-reported bill includes a provision (Section 233) expressing the sense of Congress in support of the Administration’s efforts to pursue, in cooperation with Russia, missile defense programs that would protect the Russia and the United States as well as other NATO members against ballistic missiles launched from Iran.

Medium Extended Air Defense System (MEADS)

S. 1253 would deny the entire \$406.6 million requested to continue development of the Medium Extended Air Defense System (MEADS), a mobile anti-aircraft and anti-missile system funded jointly with Germany and Italy. DOD had decided against producing the system, but planned to use it as a test-bed for improved missile defenses. In its report, the Senate committee urged DOD to negotiate with the other two countries a plan to pull out of the program at the lowest possible cost.

H.R. 1540 would authorize \$257.1 million for MEADS, a reduction of \$149.5 million from the request. In its report, the House Armed Services Committee urged DOD to use promising technologies developed by the MEADS program to improve the existing Patriot air and missile defense system.

Other Missile Defense Programs

H.R. 1540 would add \$50 million to the amounts requested for procurement of each of two other anti-missile interceptors intended to protect U.S. forces and allies overseas: the Standard 3 missile, to be carried by warships equipped with the powerful Aegis radar, and the ground-based THAAD missile.

⁵⁶ An amendment to drop the added \$100 million was rejected by a vote of 184-234. (See **Table 4**)

The House-passed bill would deny authorization for the \$161 million requested to develop an infra-red detection satellite (designated Precision Tracking Space System or PTSS) intended to precisely track incoming missiles. The House Armed Services Committee said the PTSS would duplicate the role of another infra-red sensor system that would be carried by a UAV. The committee added \$20 million to the \$47 million requested for this Air-Borne Infra-Red system.

Military Construction: Homeports and Headquarters

The House-passed and Senate committee-reported versions of the bill each would cut several hundred million dollars from DOD's request for military construction funds by authorizing for certain large projects only the amounts that would be spent during FY2012.

From six construction projects which the House Armed Services Committee said it fully supported, H.R. 1540 would cut a total of \$300 million the committee said would not be needed in that fiscal year. On the same grounds, the Senate Armed Services Committee cut in S. 1253 a total of \$574.2 million from eight projects.

House Military Construction Highlights

The only major construction project the House bill would cut on policy grounds is the request for \$30 million for planning and road construction to support the movement of a nuclear-powered aircraft carrier from Norfolk, Virginia to Mayport, Florida. The committee said the proposed move was too expensive.⁵⁷

The House Armed Services Committee directed the Secretary of Defense to report to Congress on two options involving a shift in the location of significant DOD assets:

- Homeporting in Europe warships equipped with the Aegis anti-missile defense system, which is a central component of the Administration's plan for defending U.S. forces and allies in Europe.⁵⁸
- Moving to a domestic site the headquarters for U.S. Africa Command (AFRICOM), currently located in Stuttgart, Germany.⁵⁹

Senate Military Construction Highlights/Global Deployments

As reported, S. 1253 would require DOD to incorporate more comprehensive and detailed information into its assessments of the cost of stationing U.S. forces abroad, on the basis of which the Department has contended that little or nothing would be saved by relocating to bases in the United States units currently stationed in Europe or Asia. In its report, the committee directed the GAO to critique the assumptions and methodology that underpin DOD's cost-estimates for

⁵⁷ See CRS Report R40248, *Navy Nuclear Aircraft Carrier (CVN) Homeporting at Mayport: Background and Issues for Congress*, by Ronald O'Rourke.

⁵⁸ See CRS Report RL34051, *Long-Range Ballistic Missile Defense in Europe*, by Steven A. Hildreth and Carl Ek.

⁵⁹ See CRS Report RL34003, *Africa Command: U.S. Strategic Interests and the Role of the U.S. Military in Africa*, by Lauren Ploch.

overseas basing. In particular, it told GAO to review the cost estimates associated with DOD's decisions (1) to leave in Europe three Army brigade combat teams that had been slated for withdrawal and (2) to increase the number of troops in South Korea that could be accompanied by family members.

NATO

The Senate committee also expressed concern about the growing disparity between the United States and most members of NATO in terms of the percentage of GDP spent on defense. According to a NATO report released on March 10, 2011, European members of the alliance spent, on average, 1.7 percent of GDP on defense, which compares with NATO's agreement that members would spend 2 percent of GDP on defense and with U.S. defense spending that amounted to 5.4 percent of its GDP. The committee warned that, "a continued decline in defense investment by many of the NATO members may have far reaching implications on the durability of the Alliance and its capability to effectively respond to future security challenges."

Asia-Pacific Region

DOD has announced plans to shift the focus of U.S. forces in the Pacific, oriented for decades toward Northeast Asia, to focus instead on South and Southeast Asia. In its report on S. 1253, the Senate committee expressed concern that the long-term strategic and budgetary implications of that change had not been adequately considered. It directed the Secretary of Defense to develop a 20-year plan outlining the planned changes with estimates from each service of the annual cost of projected deployments including associated construction costs. The report also directed the Secretary to provide, "an independent assessment of America's security interests in Asia, current force deployment plans, and likely future needs." The assessment, to be conducted by experts "drawn widely from throughout the country and the Asia-Pacific region," is to include DOD plans relating to South and Southeast Asia as well as plans to increase the number of U.S. troops in South Korea who could be accompanied by family, plans to shift Marines from Okinawa to Guam, and additional plans to increase the forces deployed on Guam.

In addition to that report language, the Senate committee's bill includes a provision (Section 1079) directing the Secretary to commission a study by a private think-tank, "that has broad credibility in national security," that is to cover essentially the same ground as the study ordered by the committee report.

Redeployments in South Korea

The Senate committee directed the Secretary of Defense to give Congress a detailed justification for far-reaching plans to redeploy U.S. forces stationed in South Korea that could require military construction costs of \$18.1 billion by 2020. DOD plans to move 10,000 U.S. troops currently stationed near the Demilitarized Zone (DMZ) bordering North Korea and 9,000 troops stationed in Seoul (plus their families) to one of two U.S. force "hubs" south of Seoul.

In addition, the number of families authorized to accompany U.S. troops to Korea is expected to rise from about 1,700 to about 12,000 as the result of a DOD decision in 2010. Prior to that decision, most U.S. personnel stationed in South Korea served there for one year unaccompanied by family. The new policy, called "Tour Normalization," would greatly increase the number of U.S. troops authorized to bring their families to Korea, in which case they would serve there for

three years -- the same period as U.S. service members stationed in Europe, who routinely are authorized to serve an “accompanied” tour. U.S. soldiers not accompanied to South Korea by family would serve a two year assignment.

A GAO report⁶⁰ predicted that the construction of family housing and other family support facilities together with other costs of Tour Normalization would cost \$5.1 billion through FY2020 and \$22.0 billion through FY2050. The report also noted that DOD had not examined the cost and benefit of alternative policies, nor had it demonstrated that service members and their families would consider an accompanied three-year stint in South Korea to be an improvement to their quality of life.

The DOD report on the planned changes relating to U.S. forces in South Korea, ordered by the Senate committee, is to cover – among other subjects – the basis for the Department’s assumption that allowing accompanied tours in Korea would improve servicemembers’ quality of life, the strategic rationale for massing most U.S. forces in the country at two major hubs, and the projected list of military construction projects the changes would require (with cost estimates).

The committee also added to the bill a provision (Section 2113) directing the Secretary of the Army to present a master plan for implementing the Tour Normalization policy in Korea and directing DOD’s director of Cost Assessment and Program Evaluation to do an analysis of alternatives to that plan.

Deployments in Okinawa and Guam

In its report on S. 1253, the Senate committee challenged a planned relocation of Marine Corps aircraft based on Okinawa, saying it had become impractical because of its cost and local political opposition. Under a 2006 agreement with the Government of Japan, the Marine Corps flying units currently based at Futenma, in a densely populated part of Okinawa, would be moved to another U.S. base in a more remote part of the island where new runways would be built on several hundred acres of ocean landfill, at an estimated cost to the Japanese government of \$5 billion to \$10 billion.

The committee directed the Secretary of Defense to report to the House and Senate Armed Services Committees by December 1, 2011 on the feasibility of moving the Marine units currently at Futenma instead to Anderson Air Force Base in central Okinawa, making room for them at Anderson by moving to Guam or elsewhere in the Pacific some of the Air Force units currently at Anderson.

The committee also denied authorization requested for \$155.9 million worth of construction projects on Guam and \$33.0 million in impact assistance associated with plans to move 8,000 Marines from Okinawa to Guam on grounds that DOD had not shown Congress a master plan governing what types of Marine units would make the move and where on Guam each would be stationed. The committee also added to the bill a provision (Section 2208) directing the Commandant of the Marine Corps to report to Congress how he would prefer the Marine units to be redeployed and directing the Secretary of Defense to prepare a plan to implement that deployment.

⁶⁰ U.S. Government Accountability Office, *Defense Management: Comprehensive Cost Information and Analysis of Alternatives Needed to Assess Military Posture in Asia*, GAO-11-316, 2011.

Military Construction Authorization Issues

For analysis of other Military Construction issues raised by the FY2012 defense authorization bill, see CRS Report R41939, *Military Construction, Veterans Affairs, and Related Agencies: FY2012 Appropriations*, coordinated by Daniel H. Else.

Issues Related to Operations in Afghanistan and Iraq

Provisions Relating to Overseas Contingency Operations

The House bill includes a provision (Section 1034) that would “affirm” that

- The United States is engaged in an armed conflict with al-Qaeda, the Taliban and associated forces.
- Those entities pose a threat to the United States and its citizens.
- The President has the authority to use “all necessary and appropriate force during the current armed conflict...pursuant to the Authorization for the Use of Military Force [AUMF],” which was enacted on September 18, 2001 (P.L. 107-40).
- Belligerents in this conflict include nations, organizations and persons who (1) are part of or “are substantially supporting” al-Qaeda, the Taliban, or associated forces engaged in hostilities against the United States or its coalition partners or (2) have engaged in hostilities, or “directly supported” hostilities, in aid of those entities.
- The President’s authority pursuant to the 2001 AUMF includes the authority to detain belligerents “until the termination of hostilities.”

This would broaden the scope of the authorization embodied in the 2001 legislation, which authorized the use of military force against nations, organizations or persons who the President determines to have:

...planned, authorized, committed, or aided the terrorist attacks that occurred on September 11, 2001, or harbored such organizations or persons, in order to prevent any future acts of international terrorism against the United States by such nations, organizations or persons.⁶¹

An amendment to strike Section 1034 was rejected by a vote of 187-234 (see **Table 4**).

In its report on H.R. 1540, the House committee expressed concern that the scheduled departure of U.S. combat units from Iraq by December 31, 2011, “will leave Iraqi Security Forces with several critical capabilities gaps that may render it unable to achieve minimum combat readiness, thereby jeopardizing Iraq’s stability and the United States’ hard-fought gains in the region.”⁶²

⁶¹ P.L. 107-40, Section 2. See CRS Report RS22357, *Authorization for Use of Military Force in Response to the 9/11 Attacks (P.L. 107-40): Legislative History*, by Richard F. Grimmett.

⁶² H.Rept. 112-78, p. 3.

The House bill included a provision (Section 1215) requiring the Secretary of Defense to report to Congress on how DOD would help Iraq make up for deficiencies in its security forces, if the Government of Iraq should request such assistance.

As reported by the Senate Armed Services Committee, S. 1253 would authorize \$117.3 billion for operations in Afghanistan and Iraq and supporting activities, a reduction of \$537.0 million from the request. The bulk of the individual reductions proposed by the committee fell into three categories:

- A net reduction of \$175 million to the Marine Corps procurement account because, after the budget request was sent to Congress, the service reduced the number of medium trucks it planned to buy in FY2012;⁶³
- A reduction of \$150.8 million requested to buy various aircraft that had been funded in the FY2011 defense appropriations bill (P.L. 112-10), enacted after the FY2012 budget request was sent to Capitol Hill; and
- A total of \$100 million from two accounts used to pay for economic development projects intended to help stabilize Iraq and Afghanistan, including a cut of \$75 million from the \$475 million requested for the Afghanistan Infrastructure fund and a cut of \$25 million from the \$425 million requested for the Commanders Emergency Response Program (CERP).

Provisions Relating to Guantanamo Bay Detainees

H.R. 1540 includes several provisions relating to detainees held at the U.S. Naval Station at Guantanamo Bay, Cuba, including a requirement that DOD provide the congressional defense committees with specific rules governing what sort of contact with the outside each Guantanamo detainee would be allowed (Section 209). Other detainee-related provisions would ban:

- The use of any funds authorized by the bill to construct or modify facilities in the United States to house detainees currently at Guantanamo (Section 1037).
- Visits to detainees by family members (Section 1038).
- The transfer to U.S. territory of any detainee (Section 1039).
- The transfer of detainees to any foreign country unless the Secretary of Defense has certified to Congress that the destination country (1) is not a designated state sponsor of terrorism, (2) maintains effective control over the detention facility to which a detainee would be assigned, (3) has taken steps to prevent the detainee from engaging in terrorist activity, and (4) has agreed to share with the U.S. government any information about the detainee or his associates that could affect U.S. security (Section 1040).

The House rejected an amendment that would have allowed Guantanamo detainees to be brought to U.S. territory to testify in court (rejected 165-253) and agreed to an amendment requiring that any foreign terrorist accused of attacking a U.S. target be tried in a military tribunal rather than a civilian court (agreed to 246-173; see **Table 4**).

⁶³ At the Marine Corps' request, the committee also reallocated an additional \$125 million, originally requested for the trucks, to purchase other equipment.

S. 1253, as reported by the Senate Armed Services Committee, includes several provisions (Sections 1031-37) that reaffirm – or, in the view of some observers expand -- the detention authority that Congress implicitly granted the President via the Authorization for Use of Military Force (AUMF) enacted in the aftermath of the terrorist attacks of September 11, 2001 (P.L. 107-40). The committee bill would:

- authorize the detention of certain categories of persons and require the military detention of a subset of them;
- regulate status determinations for persons held pursuant to the AUMF, regardless of location; regulate periodic review proceedings concerning the continued detention of Guantanamo detainees; and
- make permanent the current funding restrictions that relate to Guantanamo detainee transfers to foreign countries.

Unlike the House-passed version of the FY2012 authorization bill (H.R. 1540), the Senate committee bill would permit the transfer of detainees into the United States for trial and perhaps for other purposes.

Detainee Issues in the FY2012 Defense Authorization Act

For more detailed analysis of the provisions of S. 1253 relating to detainees, see CRS Report R41920, *Detainee Provisions in the National Defense Authorization Bills*, by Jennifer K. Elsea and Michael John Garcia.

House Floor Amendments

Following are selected amendments on which the House took action during consideration of H.R. 1540:

**Table 4. Selected House Floor Amendments to
FY2012 National Defense Authorization Act (H.R. 1540)**

Principal Sponsor	Number	Summary	Disposition
McGovern	344	Require President to submit a timetable for accelerated transfer of military operations in Afghanistan from U.S. forces to Afghan forces;	Rejected 204-215
Chaffetz	330	Require withdrawal from Afghanistan of U.S. ground troops except those involved in small, targeted counter-terrorism operations	Rejected 123-294
Conyers	333	Bar use of funds authorized by the bill to deploy U.S. armed forces or contractors on ground in Libya , except for rescue operations	Agreed 416-5
Amash	327	Strike Section 1034 which affirms an Authorization of the Use of Military Force (AUMF) against Al Qaeda, the Taliban or associated entities	Rejected 187-234
Mica	318	Require that rules of engagement allow U.S. personnel to proactively defend themselves from hostile action	Agreed 260-160
S. Davis	348 <i>en bloc 6</i>	Withhold 25% of Afghanistan Infrastructure Fund until Secretary of Defense determines women are integral part of Afghan reconciliation process	Agreed voice vote
Carnahan	345 <i>en bloc 3</i>	Withhold 25% of Afghanistan Security Forces Fund until Secretary of Defense certifies program has adequate management and oversight provisions	Agreed voice vote

Principal Sponsor	Number	Summary	Disposition
Smith, A	322	Allow detainees to testify in courts on U.S. territory	Rejected 165-253
Buchanan	323	Require foreign terrorists who attack U.S. targets to be tried by military tribunals	Agreed 246-173
Flake	334	Strike the Mission Force Enhancement Fund	Agreed 269-151
Flake	345 <i>en bloc 3</i>	Require DOD. to make public any written communication from a Member of Congress recommending that funds authorized for specified purposes (rather than for specific projects) be directed toward a particular project	Agreed voice vote
Flake <i>en bloc 3</i>	345	Require DOD report to Congress the process by which it allocated funds authorized in excess of the amounts requested by the President for any research and development activity (or “program element”)	Agreed voice vote
Ellison	335	Strike Section 1604 which would add \$150 million to the amount requested for an LHA-class helicopter carrier	Rejected 176-241
Cravaack	343	Repeal authorization for the United States Institute of Peace	Agreed 226-194
Campbell	329	Reduce number of DOD civilian employees by 1% per year in each of the next 5 years	Rejected 98-321
Campbell	328	Terminate Human, Social, and Culture Behavior Modeling program	Rejected 63-354
Campbell	307 <i>en bloc 2</i>	Terminate Joint Safety Climate Assessment program	Agreed voice vote
Flake	320	Repeal authorization for National Drug Intelligence Center	Agreed 246-172
Schakowsky	321	Freeze DOD budget at the current level (except for war costs, personnel costs and wounded warrior programs) until DOD can pass an audit	Rejected voice vote
Polis	332	Reduce number of U.S. troops stationed in Europe by 30,000 and reduce end-strength by 50,000	Rejected 96-323-1
Loretta Sanchez	336	Reduce by \$100 million the amount authorized for ground-based mid-course ballistic missile defense	Rejected 184-234
Garamendi	311	Require prime contractors working at military bases to set aside 40% of the dollar value of its subcontracts for local, qualified subcontractors	Rejected 168-256
Cole	310	Bar any requirement that companies disclose their political contributions as a condition of bidding on a federal contract	Agreed 261-163
Carter	303 <i>en bloc 1</i>	Deem casualties of 2009 Ft. Hood terrorist shootings to be eligible for combat-related benefits, compensations and awards	Agreed voice vote
Woolsey	302	Strike funding for the procurement of V-22 Ospreys	Rejected 83-334
Boustany	345 <i>en bloc 3</i>	Require a “whole of government” plan to better integrate the activities of multiple federal agencies addressing an issue	Agreed voice vote
Miller	303 <i>en bloc 1</i>	Make the Chief of the National Guard Bureau a member of the Joint Chiefs of Staff	Agreed voice vote
McCollum	346 <i>en bloc 4</i>	Limit the amount spent on DOD musical groups in FY 2012 to \$200 million	Agreed voice vote

Source: *Congressional Record*, May 25 and May 26, 2011.

Notes: “Number” is the number assigned to an amendment by the House Clerk, by which the amendment can be traced through CRS’s Legislative Information System. It is not the same as the number assigned to the amendment by the House Rules Committee in H.Rept. 112-88, its report on the rule that governed most of the floor action on H.R. 1540 (H.Res. 276).

During floor action on the bill, several dozen amendments were aggregated into six *en bloc* amendments, each of which was agreed to by voice vote. Individual amendments in the table that were agreed to as a component of one of those *en bloc* amendments are so identified.

FY2012 DOD Appropriations Act (H.R. 2219)

Defense Appropriations Bills Overview

House-Passed Bill

On July 8, 2011, the House passed H.R. 2219 which would appropriate \$638.3 billion for DOD’s discretionary spending in FY2012, a reduction of \$8.1 billion from the President’s request.⁶⁴ That net reduction reflected cuts in the base budget request totaling \$8.9 billion that were partly offset by a net increase of \$842 million in funds for war costs, compared with the President’s request.

The largest component of that net increase in war costs is \$1.5 billion added to the bill for unspecified equipment for National Guard and reserve units.

The House Appropriations Committee had reported the bill on June 16, 2011 (H.Rept. 112-110).

Two-thirds of the House bill’s net reduction to the President’s request—\$5.4 billion—would come from changes which, according to the Appropriations Committee, would have no adverse impact on DOD operations. Among these were reductions of:

- \$1.7 billion in new budget authority that would be offset by rescissions totaling that amount of unspent funds appropriated in prior budgets;
- \$1.3 billion on the basis of more optimistic assumptions about inflation and other economic factors than had been incorporated into the budget request;
- \$959 million from delays in two acquisition programs;
- \$899 million accounts which, the committee says, historically have had large “unexpended balances” at the end of the fiscal year; and
- \$500 million from “unjustified supply increases,” in the Army’s budget request.

The House-passed bill also would cut \$1.2 billion from the amounts requested for classified procurement and research and development programs.

⁶⁴ This is based on the Administration’s request for \$646.4 billion for FY2012 discretionary spending by DOD. The Administration also requested that the bill provide \$3.2 billion to be spend in FY2013-17 on an Air Force AEHF communications satellite. This request for so-called advance appropriations was rejected by the Appropriations Committees of both the House and Senate.

OCO Transfer Fund

In its report, the House committee said the Army's budget request for operations in Afghanistan and Iraq was overstated because of certain erroneous assumptions. For example, the budget assumed that all supplies shipped to Afghanistan would be moved by air, whereas 80 percent of them are moved by cheaper surface transport, the committee said. Based on this analysis, the committee cut a total of \$5 billion from the amounts requested in various Army O&M accounts in the Overseas Contingency Operations (OCO) part of the bill (Title IX) and transferred that sum to a so-called Overseas Contingency Operation Transfer Fund from which the Secretary of Defense could draw funds to cover unforeseen expenses in Afghanistan and Iraq.

During House debate on the bill, an amendment that would have eliminated the OCO Transfer Fund was rejected by a vote of 118-295.

DOD 'Efficiencies' Challenged

The House bill would add to the bill \$884.7 million to restore funds DOD had cut on the basis of "efficiency" but which the committee, in its report on the bill (H.Rept. 112-110), dubbed "valid requirements" many of which involved funding for maintenance and repair of facilities. On the other hand the committee made some reductions of its own reductions to the President's request on the basis of anticipated efficiencies. As passed, the House bill would cut:

- \$400.0 million from the amount requested for contractor-provided logistic support of weapons, such as the performance of overhauls on aircraft and engines and the management of supply chains;
- \$124.0 million (from the \$300.6 million requested) for "information operations" which activities, the committee said, were not traditional or appropriate for the military services;
- \$30.0 million from the budget for telecommunications services; and
- \$315.0 million from the amounts requested for overhead costs at three of the Navy's shipyards (at Pearl Harbor, Hawaii; Bremerton, Washington; and Portsmouth, New Hampshire), in order to bring those costs in line with the less expensive Navy yard at Norfolk, Va.

Senate Committee-Reported Bill

The Senate Appropriations Committee reported on September 15, 2011 an amended version of H.R. 2219 that would cut a total of \$26.2 billion from the FY2012 DOD budget request, a reduction large enough to meet the FY2012 spending caps set by the Budget Control Act of 2011 (P.L. 111-25), enacted August 2, 2011.

Funds Transferred from Base Budget to OCO

In summary terms, the Senate committee's version of H.R. 2219 would cut a total of \$25.9 billion from the \$528.7 billion requested for DOD's FY2012 base budget and an additional \$268 million from the \$117.7 billion requested for war costs in Title IX of the bill. But nearly 40 percent of the amount cut from the base budget -- \$9.9 billion -- is transferred to Title IX, where it supplants most of the \$10.2 billion the committee would cut from that part of the bill.

The largest part of the funds the Senate committee shifted from the base budget to war costs (\$6.2 billion) comes from the O&M accounts, including \$4.3 billion for major overhauls of ships, planes, combat vehicles and other weapons. Also shifted into Title IX is a total of \$2.9 billion from procurement and R&D accounts, 60 percent of which is for three unmanned aerial vehicle programs.

Most of that \$10.2 billion the bill would cut from the Title IX request (and which would be back-filled by the \$9.9 billion moved from other parts of the budget) would have no adverse impact on DOD operations, according to the Senate committee. This includes reductions of:

- \$5 billion to take account of President Obama’s decision in June to reduce the number of troops in Afghanistan; and
- \$2 billion from the Army’s O&M request which, the committee said, the service had identified as unnecessary.

Other Major Senate Committee Reductions

The Senate Appropriations Committee also maintains that an additional \$8.6 billion that its version of the defense bill would cut from the budget request would have no adverse impact on DOD. This includes reductions totaling \$5.6 billion from programs the committee said did not need the funds during FY2012 for reasons such as contract delays and the availability of funds left over from prior budgets to cover some FY2012 costs. The Senate committee bill also would rescind \$2.7 billion appropriated in prior budgets, allowing those funds to be used instead of new budget authority to cover a share of FY2012 costs.

The Senate committee bill also would cut \$1.57 billion from the \$12.8 billion requested to assist the military and police forces of Afghanistan.

Table 5. FY2012 DOD Appropriations Bill, discretionary spending (H.R. 2219)

amounts in millions of dollars

	FY2011 Enacted	FY2012 Request	House-passed			Senate Committee-reported		
			Base/OCO Transfers	Net other House changes	House net total	Base/OCO Transfers	Net other Senate changes	Senate net total
Military Personnel	126,740	132,097	+283	-287	132,092	-529	-567	131,001
O&M	165,560	170,759	+26	-810	169,975	-6,197	-2,012	162,550
Procurement	102,122	111,153	+7	-3,579	107,581	-2,843	-6,192	102,118
(FY2013-17 procurement) ^a	n/a	(3,212)	0	-3,212	0	0	(-3,212)	0
R&D	74,957	75,325	0	-2,342	72,983	-105	-4,186	71,034
Revolving & Mgmt. Funds	2,909	2,701	0	-26	2,676	0	-438	2,263

Defense: FY2012 Budget Request, Authorization and Appropriations

	FY2011 Enacted	FY2012 Request	House-passed			Senate Committee-reported		
			Base/OCO Transfers	Net other House changes	House net total	Base/OCO Transfers	Net other Senate changes	Senate net total
Defense Health and Other DOD Programs	34,313	35,520	0	+158	35,678	-221	+329	35,628
Related Agencies	942	1,106	0	-134	972	0	+2	1,107
General Provisions	-5,117	29	0	-2,154	-2,183	0	-2,955	-2,926
FY2012 Base Budget Subtotal	<u>502,426</u>	<u>528,688</u>	<u>+316</u>	<u>-9,229</u>	<u>519,775</u>	<u>-9,895</u>	<u>-16,018</u>	<u>502,775</u>
Military Personnel	16,251	11,111	-283	-14	10,814	+529	+17	11,657
O&M	110,127	89,035	-26	+806	89,815	+6,197	-4,685	90,547
Procurement	25,194	12,344	-7	+1,038	13,375	+2,843	+322	15,519
R&D	955	397	0	+40	437	+105	+80	582
Revolving & Mgmt. Funds	485	435	0	0	435	0	-38	397
Defense Health and Other DOD Programs	4,667	4,403	0	-117	4,286	+221	-479	4,145
Title IX General Provisions	0	0	0	-595	-595	0	-5,380	-5,380
OCO Subtotal	<u>157,680</u>	<u>117,726</u>	<u>-316</u>	<u>+1,158</u>	<u>118,567</u>	<u>+9,895</u>	<u>-10,163</u>	<u>117,466</u>
FY2012 TOTAL								
(new discretionary budget authority)	<u>660,106</u>	<u>646,416</u>	<u>0</u>	<u>-8,071</u>	<u>638,342</u>	<u>0</u>	<u>-26,181</u>	<u>620,241</u>

Source: S.Rept. 112-77, Senate Appropriations Committee, Report to Accompany H.R. 2219, Department of Defense Appropriations Bill, 2012, "Comparative Statement of New Budget (Obligational) Authority for Fiscal Year 2011 and Budget Estimates and Amounts Recommended in the Bill for Fiscal Year 2012," pp. 282-89.

- a. The President's budget request also included \$3.21 billion in "advance appropriations" for procurement of Air Force's Advanced Extremely High Frequency (AEHF) communications satellites, with the funds slated for expenditure in FY2013-FY2017. Under congressional scorekeeping rules, these funds would have been "scored" in the fiscal year for which they were provided, rather than as FY2012 appropriations. However, the House Appropriations Committee rejected the request for advance appropriations.

Following are further highlights of the House-passed and Senate committee-reported versions of H.R. 2219:

Defense Health Program

The House-passed bill would provide \$32.3 billion—\$118.7 million more than requested—for the Defense Health Program, which serves 9.6 million beneficiaries, including service members and military retirees, their survivors and their dependents. The committee cut \$394 million from the request for operating accounts that, historically, have not spent their entire annual allocation. But it also added to the budget request \$523.5 million for research and development programs focused on specific diseases and treatments.

Both versions of the bill would add \$120 million for research on breast cancer and \$64.0 million for research on prostate cancer. The House bill would add \$125.0 million and the Senate committee bill \$60.0 million for research on Traumatic Brain Injury and psychological health.

Ground Combat Systems

Funding that would be provided by the House-passed and Senate committee-reported versions of H.R. 2219 for selected major Army and Marine Corps weapons programs is summarized in the Appendix (**Table A-4**). Following are some highlights:

M-1 Tank Upgrade

Both versions of the bill would add funds to the budget to continue upgrading most of the Army's M-1 tanks with the so-called System Enhancement Package (SEP), which includes improved night vision equipment, digital communication links, and armor. DOD plans to install the SEP upgrades in 1,547 tanks – about two-thirds of the M-1 fleet -- and then to shut down the tank production line in mid-2013 and restart it three years later for a new round of tank modifications. Meanwhile, most National Guard combat units would be equipped with the one-third of the tank fleet that would not have the SEP improvements.

To the \$181.3 million requested for SEP upgrades in FY2012, the House-passed bill would add \$272.0 million and the Senate committee will would add \$240.0 million. Citing in its report the frequency with which National Guard units have been deployed in recent years, the House Appropriations Committee urged DOD to consider the advantages of having all combat units equipped with the same model tank.

Ground Combat Vehicle

In its report on the bill, the Senate committee questioned the cost of the Army's plan to develop a new armored troop carrier and then purchase 1,874 of those vehicles to replace half its current fleet of Bradley fighting vehicles. Noting that the program currently is behind schedule and in a state of flux, the Senate committee cut \$644.0 million from the \$884.4 million requested. The House-passed bill would provide \$768.1 million for the program.

JLTV

The Senate committee's version of the bill would deny the \$243.9 million requested for the Joint Light Tactical Vehicle (JLTV), thus terminating the program which was intended to develop a replacement for some of the roughly 170,000 Humvees used by the Army and Marine Corps. The committee said that, although the new vehicle had been intended as a replacement for the entire Humvee fleet, the planned purchase had been greatly cut back because of the growing cost of the program. The committee added to its version of the bill \$20 million for the Army to use in finding a cheaper alternative to replace existing Humvees.

The House-passed bill cut \$25 million from the JLTV request, citing delays in the program as the reason. It also added \$25 million to the budget to develop improved armor for Humvees.

Aviation Programs

Funding that would be provided by the House-passed and Senate committee-reported versions of H.R. 2219 for selected aircraft programs is summarized in the Appendix in **Table A-8**. Following are some highlights.

F-35 Joint Strike Fighter

The Senate Appropriations Committee cited experience with the F-22 fighter program as grounds for slicing \$695.1 million from the \$9.51 billion requested for procurement of F-35 Joint Strike Fighters. The committee argued that, because so many F-22s had been manufactured while the plane still was undergoing flight tests, the Air Force had to budget hundreds of millions of dollars to retrofit modifications to deal with problems that surfaced later in the test program. Noting that the F-35, which is being produced in three versions, had completed only about 10 percent of its flight test program, the committee recommended deferring DOD's plan to accelerate the F-35 production rate. Accordingly its bill would cut from the request:

- \$190.0 million (one aircraft) from the \$1.50 billion requested to buy 7 F-35Cs designed to operate from Navy carriers;
- \$108.6 million to buy long lead-time components to be used in carrier-variant F-35s slated for funding in future budgets;
- \$302.0 million (two aircraft) from the \$3.34 billion requested to buy 19 F-35s for the Air Force; and
- \$94.5 million to buy long lead-time components for use in "A" model planes that would be funded in future years.

The Senate committee approved without change the requests for \$1.14 billion to buy for the Marine Corps six F-35Bs equipped for vertical takeoffs and landings, and \$117.2 million for long lead-time components for that version of the plane.

The House-passed bill would trim \$55 million from the F-35 procurement request to reduce the amount spent on various overhead costs.

C-17 Long-range Cargo Plane

Although the Administration requested no additional C-17 cargo planes, the House-passed bill includes \$225 million to buy one plane as a replacement for a C-17 that crashed during a demonstration flight.

The Senate committee bill would deny the \$108.6 million requested to shut down the C-17 production line on grounds that recent sales of the plane to other countries will extend production into mid-2014.

Army Electronic Reconnaissance (EMARSS)

Neither version of the bill would fund production of from an Army reconnaissance system designated the Enhanced, Medium-Altitude Reconnaissance and Surveillance System (EMARSS), a package of cameras and electronic eavesdropping gear installed in a small, twin-engine Beechcraft airplane. Noting that the contract that would obligate the funds is scheduled to be awarded in the fourth quarter of the fiscal year and that program has experienced delays, the House committee approved in its version of the bill \$15.7 million of the \$539.6 million requested for the program. The Senate committee denied the entire request.

Ships

The House-passed version of the bill essentially funded the Administration's shipbuilding request, making relatively minor reductions to several individual programs in an effort to reduce costs. (See **Table A-6** for House-passed and Senate committee-recommended funding levels for individual ship building programs).

For the Navy's main shipbuilding account, the House bill would provide \$14.7 billion -- all but \$203.4 million of the amount requested -- for purchases including two submarines, a destroyer, four Littoral Combat Ships (LCSs), and LPD-17-class amphibious landing transport, a small, high-speed ship (designated a JHSV) to carry troops or cargo, and an oceanographic research vessel. The House bill also would provide, as requested, \$223.8 million for a second JHSV funded in the Army budget as well as \$400.0 million of the \$425.9 million requested for a ship (designated an MLP) designed to serve as a floating pier over which large combat vehicles can be transferred from large cargo ships to amphibious landing craft.

The Senate committee-reported version of the bill would deny the entire amount requested for the MLP (\$425.9 million). It also would cut \$38.7 million from the \$223.8 million requested for the Army-funded JHSV and would transfer that ship to the Navy's shipbuilding account, pursuant to an agreement between the Army and Navy. Otherwise, the Senate committee bill would make no change in the Navy's \$14.7 billion shipbuilding account.

Missile Defense

Funding that would be provided by the House-passed and Senate committee-reported versions of H.R. 2219 for selected missile defense programs is summarized in the Appendix (**Table A-2**) Following are some highlights:

Medium Extended Air Defense System (MEADS)

The Senate committee-reported bill would provide the \$406.6 million requested to continue developing the Medium Extended Air Defense System (MEADS), a mobile anti-aircraft and anti-missile system, originally planned as a replacement for the Patriot system that was being jointly funded by the United States, Germany and Italy. Because of budget limits, DOD has decided not to procure MEADS as a system, but to continue development work for two years to allow the Army to use some of the system’s technical innovations to upgrade the Patriot system and to allow the two partner countries to purchase the system if they wish.

In its report, the Senate committee noted that, by terms of the tri-lateral agreement governing the program, if the United States unilaterally pulled out of the program, it would be liable for cancellation penalties almost as expensive as the cost of continuing the revised, two-year program.

The House-passed bill would provide \$257.1 million for MEADS.

House Appropriations Floor Debate

During two days of floor debate on H.R. 2219, the House rejected several amendments that would have reduced the amount of budget authority provided by the bill. Following is a summary of House action on selected amendments to the bill:

**Table 6. Selected House Floor Amendments to
FY2012 Defense Appropriations Act (H.R. 2219)**

Principal Sponsor	Number	Summary	Disposition
Deficit Reduction			
Broun	507	Cut 10 percent (\$217. million) from the amount requested for Operation and Maintenance funding for the Office of the Secretary of Defense	Rejected 87-328
Broun	512	Cut all funds (\$25.8 million) requested for Army environmental research	Rejected voice vote
Broun	513	Cut all funds (\$22.8 million) requested for HIV research	Rejected voice vote
Broun	514	Cut all funds (\$21.7 million) requested for Navy environmental research	Rejected voice vote
Welch	516	Cut from the Air Force R&D account J\$297.0 million, the amount the bill would appropriate for development of a new bomber , and move those funds to the “spending reduction account”	Rejected 98-322
Lee	530	Cut all funds (\$5 billion) in the Overseas Contingency Operations Transfer Fund	Rejected 114-314
Mulvaney	550	Cut funding for Base Budget by \$17 billion (to the FY2011 level)	Rejected 135-290
Frank	563	Cut funding for Base Budget (excluding military personnel accounts and the Defense Health Program) by \$8.5 billion	Rejected 181-244
Flake	566	Cut \$250 million for aid to local school districts for schools on military bases	Rejected 39-380

Principal Sponsor	Number	Summary	Disposition
Flake	567	Cut \$3.5 billion of the \$5 billion provided for the Overseas Contingency Operation Transfer Fund	Rejected 118-295
Flake	569	Reduce all R&D accounts by 1 percent	Rejected 100-321
Medical Care Funding			
Kucinich	509	Increase funding for Gulf War Illness Program by \$3.6 million offset by a reduction in funds for the Pentagon Channel on Armed Forces Network Television	Agreed 253-167
Jackson Lee	510	Increase funding for research on Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD) by \$500,000 offset by a reduction in DOD O&M funding	Agreed voice vote
Stearns	518	Increase funding for Prostate Cancer research by \$16 million offset by a reduction in appropriations for defense-wide agencies	Agreed voice vote
Sessions	519	Increase funding for defense health programs by \$10 million for a pilot program to support private sector treatment of TBI victims offset by a reduction in R&D funding	Agreed voice vote
Holt	535	Increase funding for suicide prevention outreach by \$20 million offset by a reduction of \$35 million in funding for Afghanistan Security Forces	Agreed voice vote
Afghanistan			
Lee	525	Cut \$33.0 billion for combat operations in Afghanistan	Rejected 97-322
Garamendi	526	Cut \$20.9 billion to reduce the number of U.S. combat troops in Afghanistan to 25,000 by December 31, 2012.	Rejected 133-295
Cohen	531	Cut \$200 million from Afghanistan Infrastructure Fund	Rejected 210-217
Cicilline	532	Cut \$475 million (entire amount requested) from Afghanistan Infrastructure Fund	Rejected 145-283
Cohen	534	Cut \$4 billion from the \$12.8 billion requested for Afghanistan Security Forces	Rejected 119-306
McCollum	540	Prohibit the use of funds to operate the Task Force for Business and Stability Operations	Agreed voice vote
Welch	559	Cut \$200 million from Commander's Emergency Response Program	Rejected 169-257
Pakistan			
Poe	529	Reduce Coalition Support Fund by \$1 billion (intended to eliminate reimbursements to Pakistan)	Rejected 131-297
Poe	537	Reduce Pakistan Counterinsurgency Fund by \$1 billion	Rejected 140-285
Rohrbacher	554	Prohibit the use of funds to provided assistance to Pakistan	Rejected 88-338
Libya			
Cole	542	Prohibit the use of funds to assist any group or individual not part of a country's armed forces in carrying out military activities against Libya	Agreed 225-201
Amash	543	Prohibit the use of funds for the use of military force against Libya	Rejected 199-229

Principal Sponsor	Number	Summary	Disposition
Scott	544	Prohibit the use of funds to support Operation Odyssey Dawn or Operation Unified Protector (UN-sanctioned, NATO-led operations against Libyan government)	Rejected 176-247
Sherman	552	Prohibit the use of funds in contravention of the War Powers Resolution	Agreed 316-111
Gohmert	555	Prohibit the use of funds to support military operations against Libya	Rejected 162-265
Conyers	568	Prohibit the use of funds to deploy U.S. forces (or private security contractors) on the ground in Libya , except to rescue U.S. military personnel	Agreed voice vote
Kucinich	579	Prohibit the use of funds for military operations against Libya except pursuant to a declaration of war	Rejected 169-251
Contracting-out			
Amash	520	Delete Section 8015 of the bill as reported which would have prohibited DOD from contracting out any function currently performed by federal employees, unless the proposed outsourcing would save at least \$10 million or 10 percent of the cost (whichever is smaller)	Agreed 212-208
Sessions	522	Delete Section 8101 of the bill as reported which would have barred the outsourcing of any DOD function pursuant to an A-76 competition, until the Executive Branch has completed studies and certifications regarding the A-76 process as required by Section 325 of the FY2010 National Defense Authorization Act (P.L. 111-84)	Agreed 217-204
Military Bands and Race Car Sponsorships			
Carter	523	Delete Section 8127 of the bill as reported which would have limited funding for military bands to \$200 million	Agreed voice vote
McCollum	538	Reduce funding in the bill by \$124.8 million, which is the amount by which the budget request for military bands exceeds \$200 million	Agreed 226-201
McCollum	539	Limit funding for motorsport racing sponsorships to no more than \$20 million	Rejected 167-260
Airline Baggage Fees for Troops			
Kissell	548	Prohibit the use of funds to contract with any U.S. airline that charges baggage fees to any member of the U.S. armed forces travelling on military orders.	Agreed voice vote
Runyan	552	Prohibit the use of funds to pay any airline that charges baggage fees to a service member deploying to or from an overseas contingency operation except in the case of bags weighing more than 80 pounds and individuals checking more than 4 bags	Agreed voice vote
Other			
Cole	562	Prohibit the use of funds to enforce an executive order requiring companies bidding on federal contracts to disclose all federal campaign contributions	Agreed 256-170
Huelskamp	573	Prohibit the use of funds to enforce a directive allowing Navy chaplains to perform same-sex marriages on Navy bases regardless of applicable state law	Agreed 236-184
Polis	575	Reduce the number of U.S. troops stationed in Europe to no more than 30,000 and reduce the total end-strength of the force by the corresponding number of troops	Rejected 113-307

Source: *Congressional Record*, July 6 and July 7, 2011.

Notes: "Number" is the number assigned to an amendment by the House Clerk, by which the amendment can be traced through CRS's Legislative Information System.

Appendix. Selected Program Funding Tables

Table A-1. Congressional Action on Selected FY2012 Missile Defense Funding: Authorization
(amounts in millions of dollars)

PE Number (for R&D projects only)	Program Element Title	FY2012 Administration Request	House- Passed H.R. 1540	Senate Committee Reported	Conference Report	Comments
0603175C	BMD Technology	75.0	75.0	75.0		
0603274C	Special Programs	61.5	61.5	61.5		
0603881C	BMD Terminal Defense Segment	290.5	290.5	310.5		
0603882C	BMD Midcourse Defense Segment	1,161.0	1,261.0	1,161.0		System currently deployed in Alaska and California to defend U.S. territory. HASC added \$100 million to make up for delays resulting from test failures
0603884C	BMD Sensors	222.4	222.4	222.4		
0603888C	BMD Test & Targets	1,071.0	1,071.0	1,031.0		
0603890C	BMD Enabling Programs	373.6	373.6	373.6		
0603891C	Special Programs	296.6	296.6	296.6		
0603892C	AEGIS BMD	960.3	965.3	990.3		
0603893C	Space Tracking & Surveillance System	96.4	96.4	96.4		
0603895C	BMD System Space Programs	8.0	8.0	8.0		
0603896C	BMD Command and Control, Battle Management and Communications	364.1	364.1	364.1		
0603898C	BMD Joint Warfighter Support	41.2	41.2	41.2		

PE Number (for R&D projects only)	Program Element Title	FY2012 Administration Request	House- Passed H.R. 1540	Senate Committee Reported	Conference Report	Comments
0603901C	Directed Energy Research	96.3	146.3	36.3		HASC added funds for scheduled projects including an anti-missile laser carried by a modified jetliner; SASC cut funds requested for the airborne laser.
0603902C	Aegis SM-3 Block IIB	123.5	123.5	123.5		Upgraded Aegis missile designed to intercept ICBMs.
0603904C	Missile Defense Integration & Operations Center (MDIOC)	69.3	69.3	69.3		
0603906C	Regarding Trench	15.8	15.8	15.8		
0603907C	Sea-Based X-Band Radar (SBX)	177.1	177.1	157.1		
H.R. 1540	Israeli Cooperative Programs	106.1	216.1	156.1		Israeli systems to defend against medium and short range missiles and artillery shells
0604880C	Land-based SM-3	306.6	306.6	306.6		Basis of Obama Administration plan for missile defense in Europe
0604881C	Aegis SM-3 Block IIA Co-Development	424.5	464.5	444.5		Collaboration with Japan
0604883C	Precision Tracking Space System (PTSS)	160.8	0	160.8		House said PTSS would duplicate role of less technologically risky airborne system
0604884C	Airborne Infrared	46.9	66.9	46.9		
0901598C	Management HQ - MDA	28.9	28.9	28.9		
Subtotal, Missile Defense Agency RDT&E,		6,577.1	6,691.3	6,577.1		
	THAAD, Fielding	833.2	883.2	833.2		Request is for 68 missiles
	Aegis BMD	565.4	615.4	565.4		Request is for 46 missiles
	AN/TPY-2 radar	380.2	380.2	380.2		Request is for two relocatable radars

PE Number (for R&D projects only)	Program Element Title	FY2012 Administration Request	House- Passed H.R. 1540	Senate Committee Reported	Conference Report	Comments
Subtotal, Missile Defense Agency Procurement		1,778.7	1,878.7	1,778.7		
	THAAD, Operations and Maintenance	50.8	50.8	50.8		
	Ballistic Missile Defense Radars	151.9	151.9	151.9		
	MDA, Military Construction	67.2	67.2	67.2		
Total, Missile Defense Agency		8,625.7	8,839.9	8,625.7		
0604869A	Medium Extended Air Defense System (MEADS)	406.6	257.1	0.0		
0102419A	Aerostat Joint Project Office	344.7	344.7	344.7		Developing balloon-borne radars to detect low-flying cruise missiles and tactical ballistic missiles.
Selected Army R&D missile defense		751.3	601.8	344.7		
TOTAL, Selected Missile Defense Programs						

Sources: House Armed Services Committee, H. Rept. 112-78, Report to accompany H.R. 1540, the National Defense Authorization Act for FY2012; Senate Armed Services Committee, S. Rept. 112-26, Report to accompany S. 1253, the National Defense Authorization Act for FY2012.

Notes: The defense authorization act generally does not determine the final amount provided for a program or project. The authorization bill authorizes the appropriation of funds, but the amount available is determined by the appropriations. An appropriations bill may provide more than or less than the amount authorized, may provide funds for a program for which no funds are authorized, and may provide funds for a “new start” for which funding has never been authorized.

Table A-2. Congressional Action on Selected FY2012 Missile Defense Funding: Appropriations

(amounts in millions of dollars)

PE Number (for R&D projects only)	Program Element Title	FY2012 Administration Request	House- Passed H.R. 2219	Senate Committee Reported H.R. 2219	Conference Report	Comments
0603175C	BMD Technology	75.0	75.0	75.0		
0603274C	Special Programs	61.5	61.5	61.5		
0603881C	BMD Terminal Defense Segment	290.5	290.5	310.5		
0603882C	BMD Midcourse Defense Segment	1,161.0	1,161.0	1,161.0		System currently deployed in Alaska and California to defend U.S. territory.
0603884C	BMD Sensors	222.4	222.4	222.4		
0603888C	BMD Test & Targets	1,071.0	1,071.0	0.0		SAC cut \$85.7 million and split the balance among three other lines
	BMD Tests			488.4		SAC shifts money from 060388C
	BMD Targets			455.0		SAC shifts money from 060388C
0603890C	BMD Enabling Programs	373.6	373.6	415.5		SAC shifts money from 060388C
0603891C	Special Programs	296.6	296.6	296.6		
0603892C	AEGIS BMD	960.3	960.3	1,027.0		
0603893C	Space Tracking & Surveillance System	96.4	96.4	96.4		
0603895C	BMD System Space Programs	8.0	8.0	8.0		
0603896C	BMD Command and Control, Battle Management and Communications	364.1	364.1	364.1		
0603898C	BMD Joint Warfighter Support	41.2	41.2	41.2		

PE Number (for R&D projects only)	Program Element Title	FY2012 Administration Request	House- Passed H.R. 2219	Senate Committee Reported H.R. 2219	Conference Report	Comments
0603901C	Directed Energy Research	96.3	96.3	36.3		SAC reduction tracks Senate authorization
0603902C	Aegis SM-3 Block IIB	123.5	123.5	0.0		SAC shifted the money requested for the Block IIB version of the Standard missile to less complex versions slated for earlier deployment
0603904C	Missile Defense Integration & Operations Center (MDIOC)	69.3	69.3	69.3		
0603906C	Regarding Trench	15.8	15.8	15.8		
0603907C	Sea-Based X-Band Radar (SBX)	177.1	177.1	157.1		
H.R. 1540	Israeli Cooperative Programs	106.1	235.7	235.7		Israeli systems to defend against medium and short range missiles and artillery shells
0604880C	Land-based SM-3	306.6	306.6	306.6		Slated for deployment in Europe
0604881C	Aegis SM-3 Block IIA Co-Development	424.5	424.5	474.5		Collaboration with Japan
0604883C	Precision Tracking Space System (PTSS)	160.8	0	160.8		PTSS would use satellites to track attacking missiles by their heat signature; ABIR would use drone planes for the same mission. HAC denied funding for PTSS, SAC for ABIR.
0604884C	Airborne Infrared (ABIR)	46.9	46.9	0		
0901598C	Management HQ - MDA	28.9	28.9	28.9		
Subtotal, Missile Defense Agency RDT&E,		6,577.1	6,645.9			
	THAAD, Fielding	833.2	883.2	671.2		Request is for 68 missiles
	Aegis BMD	565.4	565.4	565.4		Request is for 46 missiles
	AN/TPY-2 radar	380.2	380.2	380.2		Request is for two relocatable radars

PE Number (for R&D projects only)	Program Element Title	FY2012 Administration Request	House- Passed H.R. 2219	Senate Committee Reported H.R. 2219	Conference Report	Comments
Subtotal, Missile Defense Agency Procurement		1,778.7	1,878.7			
	THAAD, Operations and Maintenance	50.8	50.8	50.8		
	Ballistic Missile Defense Radars	151.9	151.9	151.9		
TOTAL, Missile Defense Agency						
0604609A	Medium Extended Air Defense System (MEADS)	406.6	257.1	406.6		
0102419A	Aerostat Joint Project Office	344.7	327.9	344.7		
TOTAL, ARMY RDT&E						
GRAND TOTAL: MISSILE DEFENSE						

Sources: House Appropriations Committee, H. Rept. 112-110, Report to accompany H.R. 2219, Department of Defense Appropriations Bill, 2012; Senate Appropriations Committee, S Rept 112-77, Report to accompany H.R. 2219, Department of Defense Appropriations Bill, 2012.

Table A-3. Congressional Action on Selected FY2012 Ground Combat and Communications Programs: Authorization

(amounts in millions of dollars)

	FY2012 Request			House-passed H.R. 1540			Senate Committee reported S. 1253			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
M-2 Bradley Mods	n/a	250.7	12.3		403.7	12.3		250.7	12.3	DOD plans to end modification of existing Bradleys and Abrams and begin a new round of improvements a few years later, leaving many tanks without the most sophisticated upgrades. HASC and SASC both added funds avoid to upgrade more of the tanks. HASC also would continue Bradley mods.
M-1 Abrams tank Mods		160.6	9.7		160.6	9.7		160.6	9.7	
M-1 Abrams tank Upgrade	21	181.3		21	453.3		70	503.3		
Stryker Armored Vehicle	100	633.0	101.4	100	633.0	101.4	100	633.0	101.4	
Army Ground Combat Vehicle (GCV)	-	0.0	884.4	-	0.0	884.4	-	0.0	884.4	Replacement for the cancelled manned combat vehicle component of Future Combat Systems
Joint Light Tactical Vehicle (JLTV)	-	0.0	243.9	-	0.0	193.9	-	0.0	243.9	New vehicle being developed to replace one-third of Army and Marine HMMWVs beginning in 2016
Army Family of Medium Tactical Vehicles and USMC Medium Trucks (incl. OCO)	-	842.2	4.0	-	792.2	4.0	-	542.2	4.0	Several thousand trucks of various models with a cargo capacity of 2.5-5.0 tons. HASC cut \$50 million from the \$392 million requested for Marine Corps vehicles in OCO funding. SASC cut \$300 million at Marines' request and moved the money to other USMC programs with OCO funds.
Family of Heavy Tactical Vehicles and USMC Logistics Vehicle System (LVS) Replacement (incl. OCO)	-	1,122.3	5.5	-	1,122.3	5.5	-	1,122.3	5.5	Several thousand truck tractors and trailer of various models, with a cargo capacity of 15 tons. Slightly more than one-fourth of the money is to rebuild existing vehicles.
Early Infantry Brigade Combat Team (EIBCT)	-	243.1	528.2	-	140.1	528.2	-	50.8	528.2	Effort to use some parts of cancelled Future Combat Systems (FCS) to modernize Army brigades with digital communications links. EIBCT was, itself, cancelled in February 2011, but some of the digital network and a robot ground vehicle

	FY2012 Request			House-passed H.R. 1540			Senate Committee reported S. 1253			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
										remain under development
Warfighter Information Network – Tactical (WIN-T)	-	974.7	298.0	-	974.7	298.0	-	974.7	298.0	Wide-area digital communication network that would retain connectivity “on-the-move” in its later versions
Joint Tactical Radio System (JTRS)	-	776.3	688.1	-	716.5	688.1	-	576.3	688.1	Programmable, digital radios for vehicles and individuals.

Source: House Armed Services Committee, H.Rept. 112-78, Report to accompany H.R. 1540, the National Defense Authorization Act for FY2012; Senate Armed Services Committee, S. Rept. 112-26, Report to accompany S. 1253, the National Defense Authorization Act for FY2012.

Note: The defense authorization act generally does not determine the final amount provided for a program or project. The authorization bill authorizes the appropriation of funds, but the amount available is determined by the appropriations. An appropriations bill may provide more than or less than the amount authorized, may provide funds for a program for which no funds are authorized, and may provide funds for a “new start” for which funding has never been authorized.

Table A-4. Congressional Action on Selected FY2012 Ground Combat and Communications Programs: Appropriations

(amounts in millions of dollars; base budget funding in plain type, *OCO funding in italics*)

	FY2012 Request			House Passed H.R. 2219			Senate Committee reported H.R. 2219			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
M-2 Bradley Mods	-	250.7	12.3	250.7	12.3		-	250.7	12.3	
M-1 Abrams tank Mods	-	160.6	9.7	-	160.6	9.7	-	131.2		DOD plans to end modification of existing tanks and begin a new round of improvements a few years later, leaving many tanks without the most sophisticated upgrades. HAC and SAC both added funds avoid to upgrade more of the tanks.
M-1 Abrams tank upgrade	21	181.3	0.0	54	453.3	0.0	70	421.3	0.0	
Stryker Armored Vehicle	100	633.0	101.4	100	633.0	64.4	100	606.9	101.4	
Army Ground Combat Vehicle (GCV)	-	0.0	884.4	-	0.0	768.1	-	0.0	240.4	SAC cut nearly three-quarters of the request on grounds that it was premature, pending completion of analysis of alternatives for performing the mission.
Joint Light Tactical Vehicle (JLTV)	-	0.0	243.9	-	0.0	193.9	-	0.0	5.0	SAC would cancel effort to develop a new vehicle intended to replace one-third of Army and Marine HMMWVs beginning in 2016; shifted \$20.0 million to program to upgrade HMMWV design.
Army Family of Medium Tactical Vehicles and USMC Medium Trucks (incl. OCO)	-	849.3	4.0	-	499.3	4.0	-	539.3	4.0	Several thousand trucks of various models with a cargo capacity of 2.5-5.0 tons. After budget submitted, Marine Corps requested that \$300 million requested in OCO funds be reallocated to other Marine Corps OCO programs, including \$148.0 million moved to LVS.
Family of Heavy Tactical Vehicles and USMC Logistics Vehicle System (LVS) Replacement (incl. OCO)	-	1,122.3	5.5	-	1,270.3	5.5	-	1,240.2	5.5	Several thousand truck tractors and trailer of various models, with a cargo capacity of 15 tons. Slightly more than one-fourth of the money is to rebuild existing vehicles. SAC adds \$148.0 million from Marine-requested cut to medium truck replacement program

	<u>FY2012 Request</u>			<u>House Passed H.R. 2219</u>			<u>Senate Committee reported H.R. 2219</u>			Comments
	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	
	#	\$	\$	#	\$	\$	#	\$	\$	
Early Infantry Brigade Combat Team (EIBCT)	-	243.1	528.2	-	86.8	508.9	-	50.8	310.7	Effort to use some parts of cancelled Future Combat Systems (FCS) to modernize Army brigades with digital communications links. EIBCT was, itself, cancelled in February 2011, but some the digital network and a robot ground vehicle remain under development
Warfighter Information Network – Tactical (WIN-T)	-	974.7	298.0	-	974.7	298.0	-	865.2	183.0	Wide-area digital communication network that would retain connectivity “on-the-move” in its later versions
Joint Tactical Radio System (JTRS)	-	776.3	688.1	-	716.5	688.1	-	576.3	619.1	Programmable, digital radios for vehicles and individuals.

Source: House Appropriations Committee, H. Rept. 112-110, Report to accompany H.R. 2219, Department of Defense Appropriations Bill, 2012; Senate Appropriations Committee, S Rept 112-77, Report to accompany H.R. 2219, Department of Defense Appropriations Bill, 2012.

Table A-5. Congressional Action on Selected FY2012 Shipbuilding Programs: Authorization

(amounts in millions of dollars)

	Request			House-Passed H.R. 1540			Senate Committee			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
CVN-21 Carrier	-	554.8	54.1	-	554.8	54.1	-	554.8	54.1	Sixth year of long lead-time funding for a <i>Ford</i> -class carrier; Remaining two-thirds of the \$10.3 billion est. cost will be funded incrementally in FY2013-16.
Carrier Refueling Overhaul	-	529.7	n/a	-	529.7	n/a	-	529.7	n/a	All but \$15 million is the third year of long lead-time funding for modernizing and refueling reactor of a <i>Nimitz</i> -class carrier; Remaining three-quarters of the \$4.6 billion est. cost will be funded in FY2013-14.
<i>Virginia</i> -class submarine	2	4,757.0	97.2	2	4,757.0	107.2	2	4,757.0	107.2	
SSBN(X)	-	0	781.6	-	0	781.6	-	0	781.6	Developing a replacement for <i>Ohio</i> -class Trident missile subs.
DDG-1000 Destroyer	-	453.7	261.6	-	453.7	261.6	-	453.7	261.6	Procurement amount is an increment toward estimated \$3.5 billion cost of last of three ships
DDG-51 Destroyer	1	2,081.4	0	1	2,081.4	0	1	2,081.4	0	Includes \$100.7 million for components to be used in future ships of this class
Cruiser modernization	3	590.3	0	3	590.3	0	3	590.3	0	Upgrades the electronics, weaponry and powerplant of ships built in the '80s and '90s.
Destroyer modernization	3	119.5	0	3	119.5	0	3	119.5	0	
LCS Littoral Combat Ship	4	1,802.1	286.8	4	1,802.1	286.8	4	1,802.1	286.8	
LHA Helicopter Carrier	-	2,018.7	0	-	1,968.7	0	-	1,968.7	0	Second annual increment of funding for \$3.3 billion ship
LPD-17 Amphibious Force Transport	1	1,847.4	.9	1	1,847.4	.9	1	1,847.4	.9	Funds 11 th and final ship of the class.

	Request			House-Passed H.R. 1540			Senate Committee			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
Joint High-Speed Vessel	2	408.9	7.1	2	408.9	7.1	2	408.9	7.1	Army budget funds one ship for \$223.8 million.
Mobile Landing Platform	1	425.9	0	1	425.9	0	1	425.9	0	Based on the design of a commercial tanker, this ship is intended to function as a floating pier on which large ships can transfer combat equipment to smaller landing craft.

Sources: House Armed Services Committee, H.Rept. 112-78, Report to accompany H.R. 1540, the National Defense Authorization Act for FY2012; Senate Armed Services Committee, S. Rept. 112-26, Report to accompany S. 1253, the National Defense Authorization Act for FY2012.

Notes: The defense authorization act generally does not determine the final amount provided for a program or project. The authorization bill authorizes the appropriation of funds, but the amount available is determined by the appropriations. An appropriations bill may provide more than or less than the amount authorized, may provide funds for a program for which no funds are authorized, and may provide funds for a “new start” for which funding has never been authorized.

Table A-6. Congressional Action on Selected FY2012 Shipbuilding Programs: Appropriations
(amounts in millions of dollars)

	Request			House-Passed			Senate Committee			Comments
	Procurement	R&D		Procurement	R&D		Procurement	R&D		
	#	\$	\$	#	\$	\$	#	\$	\$	
CVN-21 Carrier	-	554.8	54.1	-	554.8	54.1	-	554.8	54.1	Sixth year of long lead-time funding for a <i>Ford</i> -class carrier; Remaining two-thirds of the \$10.3 billion est. cost will be funded incrementally in FY2013-16.
Carrier Refueling Overhaul	-	529.7	0	-	529.7	0	-	529.7	0	All but \$15 million is the third year of long lead-time funding for modernizing and refueling reactor of a <i>Nimitz</i> -class carrier; Remaining three-quarters of the \$4.6 billion est. cost will be funded in FY2013-14.
<i>Virginia</i> -class submarine	2	4,757.0	97.2	2	4,682.7	112.2	2	4,757.0	97.2	
SSBN(X)	-	0	781.6	-	0	781.6	-	0	781.6	Developing a replacement for <i>Ohio</i> -class Trident missile subs.
DDG-1000 Destroyer	-	453.7	261.6	-	453.7	257.6	-	453.7	261.6	Procurement amount is an increment toward estimated \$3.5 billion cost of the last of three ships
DDG-51 Destroyer	1	2,081.4	0	1	2,079.0	0	1	2,081.4	0	Includes \$100.7 million for components to be used in future ships of this class
Cruiser modernization	3	590.3	0	3	566.9	0	3	585.3	0	Upgrades the electronics, weaponry and powerplant of ships built in the '80s and '90s.
Destroyer modernization	3	119.5	0	3	117.5	0	3	119.5	0	
LCS Littoral Combat Ship	4	1,802.1	286.8	4	1,755.1	296.8	4	1,802.1	282.8	
LHA Helicopter Carrier	-	2,018.7	0	-	1,999.2	0	-	2,018.7	0	Second annual increment of funding for \$3.3 billion ship
LPD-17 Amphibious Force Transport	1	1,847.4	.9	1	1,833.4	.9	1	1,847.4	.9	Funds 11 th and final ship of the class.

	Request			House-Passed			Senate Committee			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
Joint High-Speed Vessel	2	408.9	7.1	2	408.9	7.1	2	370.2	7.1	SAC moves one ship from Army budget to Navy budget and reduces funding for that vessel by \$38.7 million
Mobile Landing Platform	1	425.9	0	1	400.9	0	0	0	0	Based on the design of a commercial tanker, this ship is intended to function as a floating pier on which large ships can transfer combat equipment to smaller landing craft.

Source: House Appropriations Committee, H. Rept. 112-110, Report to accompany H.R. 2219, Department of Defense Appropriations Bill, 2012; Senate Appropriations Committee, S Rept 112-77, Report to accompany H.R. 2219, Department of Defense Appropriations Bill, 2012.

Table A-7. Congressional Action on Selected FY2012 Navy, Marine Corps and Air Force Aircraft Programs: Authorization

(amounts in millions of dollars; base budget funding in plain type, *OCO funding in italics*)

	Request			House –Passed H.R. 1540			Senate Committee reported S. 1253			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
COMBAT AIRCRAFT										
F-35A Joint Strike Fighter and Mods, AF (conventional takeoff version)	19	3,664.1	1,435.7	19	3,664.1	1,435.7	19	3,664.1	1,435.9	
F-35C Joint Strike Fighter, Marine Corps (STOVL version)	6	1,259.2	670.7	6	1,259.2	651.8	6	1,259.2	670.7	
F-35B Joint Strike Fighter, Navy (Carrier-based version)	7	1,720.8	677.5	7	1,720.8	658.5	7	1,720.8	677.5	
[F-35 Joint Strike Fighter, total]	32	6,644.1	2,784.1	32	6,644.1	2,784.1	32	6,644.1	2,784.1	
F-22 Fighter Mods	-	232.0	718.4	-	232.0	658.4	-	232.0	578.4	
F-15 Fighter Mods	-	222.4	207.5	-	222.4	207.5	-	222.4	207.5	
F-16 Fighter Mods	-	73.3	143.9	-	56.7	143.9	-	56.7	143.9	
EA-18G Aircraft, Navy	12	1,107.5	17.1	12	1,107.7	17.1	12	1,107.5	17.1	
F/A-18E/F Fighter, Navy	28	2,431.7	151.0	28	2,431.7	145.2	19	1,938.9	151.0	Senate bill drops 9 planes funded in the FY2011 appropriations bill
F/A-18 Fighter Mods	-	546.6	2.0	-	546.6	2.0	-	546.6	2.0	
A-10 Attack Plane Mods	-	153.1	11.1	-	158.1	11.1	-	153.1	11.1	
B-1B Bomber Mods	-	198.0	33.0	-	198.0	33.0	-	198.0	33.0	
B-2A Bomber Mods	-	41.3	340.8	-	41.3	362.8	-	41.3	340.8	
B-52 Bomber Mods	-	93.9	133.3	-	93.9	133.3	-	93.9	133.3	

	Request			House –Passed H.R. 1540			Senate Committee reported S. 1253			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
Light Attack Armed Reconnaissance Aircraft	9	158.5	23.7	9	158.5	23.7	0	0.0	23.7	Small, turboprop plane intended for use by U.S. allies that do not operate front-line combat jets.
FIXED-WING CARGO AND TRANSPORT AIRCRAFT										
C-5 Mods,	-	1,035.1	24.9	-	1,035.1	24.9	-	1,035.1	24.9	Includes \$964 million to rebuild the 52 newest C-5s with more powerful engines and digital cockpits.
C-17	-	0	0	1	225.0	0	-	0	0	
C-17 Mods		213.2	128.2		213.2	128.2	-	213.2	128.2	
C-27 Joint Cargo Aircraft	9	479.9	27.1	9	479.9	27.1	9	479.9	27.1	
KC-X Tanker Replacement,	-	-	877.1	-	-	877.1	-	-	750.0	
C-37A executive transport	3	77.8	-	3	77.8	-	3	77.8	-	Gulfstream V used for long-range transport of senior civilian and military officials.
ROTARY-WING AIRCRAFT										
MV-22 Osprey, Marine Corps and Mods	30	2,399.1	84.5	30	2,363.9	84.5	30	2,399.1	84.5	House-passed and Senate committee bills both rejected \$85 million request for two Ospreys modified for special operations, saying those aircraft had been paid for in the FY2011 DOD appropriations act (P.L. 112-10)
CV-22 Osprey, AF and Mods	6	577.6	31.5	5	483.6	26.5	5	483.6	26.5	
[V-22 Osprey Total]	36	2,976.7	116.0	35	2,831.4	116.0	35	2,882.7	111.0	
Light Utility Helicopter	39	250.4	0	39	250.4	0	39	250.4	0	

	Request			House –Passed H.R. 1540			Senate Committee reported S. 1253			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
UH-60 Blackhawk Helicopter and Mods, Army (incl. OCO)	75	1,678.2	21.5	75	1,678.2	21.5	74	1,660.7	21.5	Senate committee denied funding for one helo that had been paid for by FY2011 DOD appropriations act
CH-47 Chinook Helicopter and Mods (incl. OCO)	47	1,623.3	48.9	47	1,623.3	48.9	47	1,623.3	48.9	32 newly built helos; 15 existing helos upgraded with digital cockpit, more powerful engines
AH-64 Apache Helo Mods (incl. OCO)	20	1,074.3	92.8	19	1,039.3	92.8	19	1,039.3	92.9	Rebuilt helos with improved fire-control and digital electronics; HAC denied OCO funds for one helo

	Request			House –Passed H.R. 1540			Senate Committee reported S. 1253			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
CH-53K Helicopter	-	-	629.5	-	-	624.5	-	-	629.5	
Executive Helicopter	-	-	180.1	-	-	160.1	-	-	180.1	Funds are for development of a new helicopter to transport the President and other senior officials,, Previous effort (VH-71) was cancelled.
HH-60M search and rescue helicopter and Mods (with OCO)	5	178.4	94.1	5	203.0	11.1	3	163.1	11.0	Senate committee denied funds for two helos paid by by FY2011 appropriations bill but added \$54.6 million to the request for mods
UH-1Y/AH-1Z	26	798.6	72.6	26	766.1	67.6	26	798.6	72.6	
MH-60R/MH-60S Helicopter, Navy	42	1,483.4	48.3	42	1,463.8	48.3	42	1,483.4	48.3	
MANNED SURVEILLANCE AIRCRAFT										
P-8A Poseidon Multi-Mission Maritime Aircraft	11	2,275.5	622.7	11	2,253.7	632.7	11	2,275.5	622.7	
E-2D Hawkeye radar plane (with OCO)	6	1,236.3	111.0	5	1,064.8	111.0	6	1,236.3	111.0	
P-3/EP-3 Aircraft Mods (with OCO)	-	275.4	3.4	-	255.5	3.4	-	275.4	3.4	
E-8 JSTARS ground surveillance plane Mods	-	29.1	121.6	-	26.1	121.6	-	29.1	121.6	
Aerial Common Sensor	18	539.6	31.5	0	15.7	13.5	0	88.5	31.5	

Source: House Armed Services Committee, H.Rept. 112-78, Report to accompany H.R. 1540, the National Defense Authorization Act for FY2012; Senate Armed Services Committee, S. Rept. 112-26, Report to accompany S. 1253, the National Defense Authorization Act for FY2012.

Notes: The defense authorization act generally does not determine the final amount provided for a program or project. The authorization bill authorizes the appropriation of funds, but the amount available is determined by the appropriations. An appropriations bill may provide more than or less than the amount authorized, may provide funds for a program for which no funds are authorized, and may provide funds for a “new start” for which funding has never been authorized.

Table A-8. Congressional Action on Selected FY2012 Navy, Marine Corps and Air Force Aircraft Programs: Appropriations

(amounts in millions of dollars; base budget funding in plain type, *OCO funding in italics*)

	Request			House-Passed H.R. 2219			Senate Committee reported H.R. 2219			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
COMBAT AIRCRAFT										
F-35A Joint Strike Fighter and Mods, AF (conventional takeoff version)	19	3,664.1	1,435.9	19	3,664.1	1,397.9	17	2,967.6	1,387.9	
F-35C Joint Strike Fighter, Marine Corps (STOVL version)	6	1,259.2	670.7	6	1,259.2	651.8	6	1,259.2	651.8	
F-35B Joint Strike Fighter, Navy (Carrier-based version)	7	1,720.8	677.5	7	1,665.8	658.5	6	1,422.2	658.5	
[F-35 Joint Strike Fighter, total]	32	6,644.1	2,784.1	32	6,644.1	2,708.2	29	5,649.0	2,698.2	
F-22 Fighter Mods	-	232.0	718.4	-	232.0	658.4	-	232.0	511.4	
F-15 Fighter Mods	-	222.4	207.5	-	208.4	207.5	-	255.6	194.8	
F-16 Fighter Mods	-	73.3	143.9	-	56.7	143.9	-	56.7	131.1	
EA-18G Aircraft, Navy	12	1,107.5	17.1	12	1,029.7	17.1	12	1,100.5	17.1	
F/A-18E/F Fighter, Navy	28	2,431.7	151.0	28	2,368.2	145.2	28	2,330.3	151.1	

	Request			House-Passed H.R. 2219			Senate Committee reported H.R. 2219			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
F/A-18 Fighter Mods (with OCO)	-	546.6	2.0	-	483.8	2.0	-	492.6	2.0	
A-10 Attack Plane Mods	-	153.1	11.1	-	195.6	11.1	-	7.3	11.1	Senate committee said the effort to replace the planes' wings is behind schedule
B-1B Bomber Mods	-	198.0	33.0	-	198.0	33.0	-	198.0	33.0	
B-2A Bomber Mods	-	41.3	340.8	-	31.0	362.8	-	41.3	236.3	
B-52 Bomber Mods	-	93.9	133.3	-	93.9	133.3	-	93.9	88.0	
Light Attack Armed Reconnaissance Aircraft	9	158.5	23.7	9	158.5	23.7	0	0.0	0.0	Small, turboprop plane intended for use by U.S. allies that do not operate front- line combat jets.
FIXED-WING CARGO AND TRANSPORT AIRCRAFT										
C-5 Mods,	-	1,035.1	24.9	-	1,035.1	24.9	-	1,035.1	12.9	Includes \$964 million to rebuild the 52 newest C-5s with more powerful engines and digital cockpits.
C-17	-	0.0	0.0	1	225.0	0.0	-	0.0	0.0	
C-17 Mods	-	213.2	128.2	-	213.2	128.2	-	202.2	94.3	

	Request			House-Passed H.R. 2219			Senate Committee reported H.R. 2219			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
C-27 Joint Cargo Aircraft	9	479.9	27.1	9	479.9	27.1	9	479.9	27.1	
KC-X Tanker Replacement,	-	-	877.1	-	-	877.1			742.1	
C-37A executive transport	3	77.8	-	3	77.8	-	3	77.8	-	Gulfstream V used for long-range transport of senior civilian and military officials.
ROTARY-WING AIRCRAFT										
MV-22 Osprey, Marine Corps and Mods	30	2,399.1	84.5	30	2,363.8	84.5	30	2,382.4	84.5	
CV-22 Osprey, AF and Mods	6	577.6	31.5	5	483.6	26.5	5	507.6	21.5	
[V-22 Osprey Total]	36	2,976.7	116.0	35	2,847.4	116.0	35	2,890.0	106.0	
Light Utility Helicopter	39	250.4	0	39	250.4	0	39	250.4	0	
UH-60 Blackhawk Helicopter and Mods, Army (incl. OCO)	75	1,678.3	21.5	75	1,678.3	21.5	81	1,772.4	8.0	

	Request			House-Passed H.R. 2219			Senate Committee reported H.R. 2219			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
CH-47 Chinook Helicopter and Mods (incl. OCO)	47	1,623.3	48.9	47	1,623.3	48.9	47	1,550.6	48.9	32 newly built helos; 15 existing helos upgraded with digital cockpit, more powerful engines
AH-64 Apache Helo Mods (incl. OCO)	20	1,074.8	92.8	19	1,038.3	92.8	19	995.8	92.8	Rebuilt helos with improved fire-control and digital electronics; HAC and SAC both denied OCO funds for one helo

	Request			House-Passed H.R. 2219			Senate Committee reported H.R. 2219			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	
CH-53K Helicopter	-	-	629.5	-	-	624.5	-	-	629.5	
Executive Helicopter	-	-	180.1	-	-	160.1	-	-	60.8	
HH-60M search and rescue helicopter and Mods (with OCO)	4	178.4	94.1	4	203.0	11.1	1	108.5	8.0	
UH-1Y/AH-1Z	26	798.6	72.6	26	766.1	67.6	26	757.5	72.6	
MH-60R/MH-60S Helicopter, Navy	42	1,483.4	48.3	42	1,463.8	48.3	42	1479.2	48.3	
MANNED SURVEILLANCE AIRCRAFT										
P-8A Poseidon Multi-Mission Maritime Aircraft	11	2,275.5	622.7	11	2,253.7	632.7	11	2,275.5	608.7	
E-2D Hawkeye radar plane (with OCO)	6	1,236.3	111.0	5	1,064.8	111.0	5	1,059.8	131.0	
P-3/EP-3 Aircraft Mods (with OCO)	-	275.4	3.4	-	255.5	3.4	-	273.7	3.4	
E-8 JSTARS ground surveillance plane Mods	-	29.1	121.6	-	26.1	121.6	-	22.6	74.6	
Aerial Common Sensor	18	539.6	31.5	0	15.7	13.5	0	88.5	31.5	

Source: House Appropriations Committee, H. Rept. 112-110, Report to accompany H.R. 2219, Department of Defense Appropriations Bill, 2012; Senate Appropriations Committee, S Rept 112-77, Report to accompany H.R. 2219, Department of Defense Appropriations Bill, 2012.

Author Contact Information

Pat Towell
Specialist in U.S. Defense Policy and Budget
ptowell@crs.loc.gov, 7-2122

Key Policy Staff

Area of Expertise	Name	Phone	E-mail
War costs	Amy Belasco	7-7627	abelasco@crs.loc.gov
Intelligence	Richard Best	7-7607	rbest@crs.loc.gov
Military personnel social issues	David Burrelli	7-8033	dburrelli@crs.loc.gov
Force Structure and policy	Stephen Daggett	7-7642	sdaggett@crs.loc.gov
Acquisition workforce	Valerie Grasso	7-7617	vgrasso@crs.loc.gov
Military compensation	Charles Henning	7-8866	chenning@crs.loc.gov
Health care	Don Jansen	4-4769	djansen@crs.loc.gov
Reserve component issues	Lawrence Kapp	7-7609	lkapp@crs.loc.gov
Acquisition process	Moshe Schwartz	7-1463	mschwartz@crs.loc.gov
Current military operations	Catherine Dale	7-8983	cdale@crs.loc.gov
Ground combat systems	Andrew Feickert	7-7673	afeickert@crs.loc.gov
Military aviation systems	Jeremiah Gertler	7-5107	jgertler@crs.loc.gov
Missile defense systems	Steven Hildreth	7-7635	shildreth@crs.loc.gov
Nuclear weapons	Jonathan Medalia	7-7632	jmedalia@crs.loc.gov
Naval systems	Ronald O'Rourke	7-7610	rorourke@crs.loc.gov
Cyber-warfare	Catherine Theohary	7-0844	ctheohary@crs.loc.gov