

Defense: FY2015 Authorization and Appropriations

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Summary

In contrast with the debate over the FY2014 defense budget, congressional action on the FY2015 Department of Defense (DOD) “base budget” (that is, the part of the budget not associated with operations in Afghanistan or other situations designated by the President as emergencies) was not complicated by disputes over the total amount at issue. For both the FY2015 National Defense Authorization Act (NDAA) and the FY2015 Defense Appropriations Act, President Obama’s request, and versions of the legislation that were passed by the House, approved by the relevant Senate committees, and finally enacted, varied by amounts that amounted to a small fraction of 1%. The narrow range of disagreements reflected the fact that, in each case, the request and all versions of the legislation were consistent with the binding cap on defense spending in FY2015 that had been established by the Balanced Budget Act of 2013 (P.L. 113-67).

For the FY2015 NDAA, the President requested base budget authorizations for DOD totaling \$495.5 billion. The version of that bill passed by the House (H.R. 4435) would have authorized \$495.8 billion, the version reported by the Senate Armed Services Committee would have authorized \$496.0 billion, and the enacted bill (H.R. 3979/P.L. 113-291) authorizes \$495.9 billion. (See **Table 11.**)

For base budget programs covered by the FY2015 Defense DOD Appropriations Act (which does not cover the military construction budget), the Administration requested \$484.3 billion. The version of the bill (H.R. 4870) passed by the House would have added \$166.3 million to that total while the version of H.R. 4870 reported by the Senate Appropriations Committee would have cut \$1.1 billion. The final version of the Defense Appropriations Act (Division C of H.R. 83/P.L. 113-235) provides \$483.7 billion. (See **Table 19.**)

Within those similar gross totals, however, the Administration’s budget request and the enacted DOD funding legislation have some significant differences. Both bills either reject outright or defers a decision on several cost reduction initiatives proposed by the Administration. At the same time, both add to the budget billions of dollars for weapons programs and “readiness” improvements that were not included in the budget request. Those added costs, are offset, in part, by reductions which, according to the congressional defense committees, will have no adverse impact on DOD programs. The cost of the congressional additions (in the base budget) is further offset by the fact that some other costs are shifted into the part of the bill that funds war costs (or Overseas Contingency Operations – OCO), and thus are exempt from the statutory cap on discretionary spending. (See “**NDAA Highlights**” and “**DOD Appropriations Overview**”, below.)

The Administration amended its FY2015 budget request for Overseas Contingency Operations (OCO) three times in the course of 2014, each time expanding its scope to fund other emergent DOD activities in addition to combat and post-combat operations in Afghanistan and Iraq.

The final version of the NDAA (H.R. 3979/P.L. 113-291) addressed an OCO request totaling \$63.7 billion from which it cut \$1.5 million. Additions, including \$1.25 billion to fund equipment for the National Guard and reserve components and \$351.0 million for the Iron Dome anti-rocket system were offset by a cut to the amended request for the Counterterrorism Partnership Fund (CTPF) for which the act authorizes \$1.3 billion of the \$4.0 billion requested.

The final version of the FY2015 Defense Appropriations Act (H.R. 83, Division C/P.L. 113-265) adds \$1.54 billion to a \$63.7 billion OCO request (which included \$112.0 million in emergency appropriations for DOD activities to combat the Ebola virus).

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Introduction

Fiscal year 2015 (FY2015) is the fourth consecutive year for which discretionary appropriations for the Department of Defense (DOD) are subject to a legally binding cap on national defense-related spending, initially codified by P.L. 112-25, the Budget Control Act of 2011 (or BCA) and subsequently modified, most recently by P.L. 113-67, the Bipartisan Budget Act (BBA) of 2013.¹ President Obama's FY2015 DOD budget request complied with the applicable cap as did the versions of the FY2015 National Defense Authorization Act (NDAA) that were passed by the House (H.R. 4435), reported by the Senate Armed Services Committee (S. 2410), and enacted into law (H.R. 3979).

Similarly, the versions of the FY2015 Defense Appropriations Act passed by the House and reported by the Senate Appropriations Committee (H.R. 4870) and the version enacted as part of the Consolidated and Further Continuing Appropriations Act of 2015 (H.R. 83, Division C) all were consistent with the defense spending cap then in force (i.e., BBA's cap for FY2015).

By contrast, congressional action on the FY2014 DOD budget had been prolonged by the fact that the Administration's DOD budget request for that year exceeded the spending cap then in force, as did the FY2014 defense funding bills reported by the Armed Services and Appropriations Committees of both the House and Senate.²

For DOD's FY2015 "base budget"—that is, the annual budget exclusive of war-related costs—the Administration requested \$495.6 billion in discretionary budget authority. Combined with the amounts requested for national defense-related activities carried out by other agencies, including the FBI and the Department of Energy, the Administration requested a total of \$522.6 billion for national defense related spending—a total that complies with the FY2015 cap on national defense discretionary budget authority set by the BBA.³

¹ Enacted in 2011 to resolve the crisis that summer about raising the debt limit, P.L. 112-25, the Budget Control Act of 2011 (BCA) required annual reductions in discretionary spending (compared with a projected spending baseline) totaling about \$2.1 trillion thru FY2021, in return for raising the debt limit by the same amount. For each year in the decade FY2012-FY2021, the BCA caps require roughly equal reductions (from the projected baseline) in appropriations for defense agencies and non-defense agencies. For any year for which appropriations for either category exceed the BCA cap, appropriations are reduced to the level of the cap by a process of sequestration.

² President Obama's DOD budget request for FY2014, as well as the initial actions on the request by Armed Services and Appropriations Committees of the House and Senate, all would have resulted in FY2014 defense appropriations that were substantially higher than the BCA spending cap in force at the time. Final action on FY2014 DOD appropriations occurred in mid-January 2014—more than three months after the start of the fiscal year—after Congress enacted P.L. 113-67, the Bipartisan Budget Act of 2013 (BBA), which raised the FY2014 defense spending cap by more than \$20 billion, decreasing to that extent the amount Congress had to cut from the budget request in order to avoid sequestration. For background on the FY2014 DOD spending debate, see CRS Report R43323, *Defense: FY2014 Authorization and Appropriations*, by (name redacted) and (name redacted).

³ The spending limits set by BCA and later modified by BBA apply to the "national defense budget function" (or Budget Function 050), which encompasses funding for all defense-related activities of the federal government, no matter which agency conducts them. In this report, references to the BCA or BBA spending cap relating to DOD are based on CRS analysis of DOD's share of discretionary funding in the broader Function 050 category, which has averaged about 95.4% in recent years. For further elaboration, see the text box on pp. 13-14.

The statutory spending caps are binding on appropriation bills, not authorization bills. However, the Armed Services Committees of the House and Senate typically have tried to authorize in the annual NDAA a level of appropriations that would be consistent with any relevant, mandatory ceilings on defense spending.

Although the President's FY2015 budget request for DOD complied with the FY2015 cap, he also requested an additional \$27.7 billion in defense-related spending (including \$26.4 billion for DOD) as part of package called the Opportunity, Growth, and Security Initiative (OGSI). If those additional funds were appropriated, the current FY2015 defense cap would be exceeded. In that case, unless current law was amended, appropriations would be reduced to the level of the cap by a process of across-the-board reductions called "sequestration."⁴ Moreover, for each year from FY2016 through FY2019, the Administration's projected DOD budget requests would exceed the statutory defense spending cap for that year by an average of nearly \$31 billion annually (see Table 7).

Table 1. FY2015 National Defense Authorization Act (H.R. 4435; S. 2410; H.R. 3979)

Subcommittee Markup		House Report	House Passage	Senate Report	Final Bill H.R. 3979			Public Law
House	Senate	H.R. 4435	H.R. 4435	S. 2410	Report	House	Senate	
4/30/14 and 5/1/14	5/20/14 and 5/21/14	H.Rept. 113-446 5/13/14	5/25/14 325-98	S.Rept. 113-176 6/2/14	see Note	12/4/14 300-119	12/12/14 89-11	P.L. 113- 291

Note: House and Senate negotiators drafted a compromise NDAA based on H.R. 4435 as passed by the House and S. 2410 as reported by committee. This final version was incorporated into H.R. 3979, an unrelated bill, which then was passed by both chambers. A "Joint Explanatory Statement" on the compromise bill (equivalent to a conference report) is available on the House Armed Services Committee website at http://armedservices.house.gov/index.cfm/files/serve?File_id=78ED7A79-9066-43FD-AA75-1D8F14B4B4A2.

Table 2. FY2015 DOD Appropriations Bill (H.R. 4870; H.R. 83, Division C)

Subcommittee Markup		House Report	House Passage	Senate Report	Final Bill H.R. 83, Division C			Public Law
House	Senate	House Report	House Passage	Senate Report	Report	House	Senate	
5/29/14	7/15/14	H.Rept. 113-473 6/10/14	6/20/14 340-73	S.Rept. 113-211 7/17/2014	see Note	12/11/14 219-206	12/13/14 56-40	P.L. 113- 235

Note: House and Senate negotiators drafted a compromise defense appropriations bill based on H.R. 4870 as passed by the House and reported by the Senate Appropriations Committee. This final version was incorporated into H.R. 83, the Omnibus and Further Continuing Appropriations Act for FY2015, of which Division C is the defense appropriations bill. A "Joint Explanatory Statement" on the compromise bill (equivalent to a conference report) is printed in Book II of the *Congressional Record* for December 11, 2014 (pp. H9364-H9647).

⁴ For additional information on the sequestration process see CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*, by (name redacted).

FY2015 Defense Budget Overview

Excluding war-related costs, President Obama's FY2015 budget request for national defense-related activities (comprising Budget Function 050) amounts to \$522.6 billion in discretionary budget authority. This so-called "base budget" (i.e., non-war cost) amount is consistent with the defense spending cap established by P.L. 113-67, the Bipartisan Budget Act (BBA) of 2013, which raised the BCA spending caps for FY2014 and FY2015 (see **Table 3**).

Table 3. National Defense Base Budget Discretionary Funding, FY2015 Request

(amounts in billions of dollars; totals may not add due to rounding)

	Discretionary Spending	Mandatory Spending	Total
Department of Defense	495.6	6.2 ^a	501.8
Atomic Energy Defense-Related Activities	18.0	1.4 ^b	19.3
Defense-Related Activities	8.3	0.6	8.9
Total, Base Budget	521.9^c	8.2	530.0
Opportunity, Growth, and Security Initiative (OGSI)	27.7	0.0	27.7
	<i>DOD share = 26.4</i>		

Source: CRS analysis of data in DOD Comptroller, *National Defense Budget Estimates for FY2015 [The Green Book]* (http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/FY15_Green_Book.pdf), Table I-9 "National Defense Budget Authority—Discretionary and Mandatory," pp. 14-15.

Notes:

- a. This net amount, which reflects \$1.5 billion in offsetting receipts, also includes \$6.6 billion for concurrent receipt accrual payments to the military retirement trust fund. For additional information, see CRS Report RL33449, *Military Retirement, Concurrent Receipt, and Related Major Legislative Issues*, by (name redacted).
- b. The largest element of this amount is the Energy Department's occupational illness compensation program.
- c. This total includes certain amounts that are not subject to BBA's statutory cap on defense spending for FY2015, which is \$521.3 billion.

Within the overall FY2015 national defense budget request for discretionary spending, the base budget for DOD military activities⁵ is \$495.6 billion. (**Table 4**)

Table 4. DOD Base Budget Discretionary Budget Authority

(amounts in billions of dollars)

	FY2014 Enacted ^a	FY2015 Request
Military Personnel	135.9	135.2
Operation and Maintenance (O&M)	192.8 ^b	198.7

⁵ Certain civil functions performed by DOD components—the dredging of rivers and harbors and other civil works operations of the Army Corps of Engineers, for example—are not included in the "national defense" budget function.

	FY2014 Enacted ^a	FY2015 Request
Procurement	92.4	90.4
Research, Development, Test & Engineering (RDT&E)	62.8	63.5
Revolving and Management Funds	2.2	1.2
Military Construction	8.4	5.4
Family Housing	1.4	1.2
Total, DOD Base Budget (Discretionary)	495.9	495.6

Source: CRS analysis of data in DOD Comptroller, *National Defense Budget Estimates for FY2015 [The Green Book]* (http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/FY15_Green_Book.pdf), Table I-9 “National Defense Budget Authority—Discretionary and Mandatory,” p. 14.

Notes:

- a. Because of details in the financing of certain DOD activities, and in the organization of the annual DOD funding bills, data in this table are not comparable to summary data regarding the annual authorization and appropriations bills. For example, in this table, the Military Personnel total includes an accrual payment for the so-called “TRICARE for Life” program (\$7.3 billion for FY2014 and \$6.2 billion for FY2015) that is scored as “discretionary” funding, but which occurs automatically each year through a permanent provision of law (10 U.S.C. 1116). Similarly, the totals in this table for O&M, Procurement, and RDT&E include amounts that Congress authorizes and appropriates as part of the Defense Health Program, a program to eliminate chemical weapons, and DOD’s drug interdiction and counter-drug program.
- b. The enacted FY2014 total for Operation and Maintenance (O&M) does not include \$9.15 billion for activities that DOD requested in its base budget, but which Congress funded as war costs in P.L. 113-76, the Consolidated Appropriations Act for 2014. In its FY2015 budget request, DOD again includes those activities in the base budget. If those funds are not counted as part of the FY2014 base budget O&M appropriation, then the FY2015 base budget O&M request amounts to an increase of 3.1% above the prior year. But if the \$9.15 billion is counted as part of the base budget O&M appropriation, then the FY2015 O&M request shows a decrease of 1.6%.

Consistent with national defense budgets in recent years, the DOD request thus amounts to roughly 95% of the discretionary national defense-related base budget for FY2015.

In addition to funding for DOD, the FY2015 discretionary base budget request for function 050 also includes \$18.0 billion for defense-related nuclear energy activities conducted by the Department of Energy, the largest share of which is \$8.3 billion for activities related to nuclear weapons. Other major components of the defense-related nuclear energy budget include \$4.9 billion for environmental cleanup at defense nuclear sites, \$1.6 billion for nuclear non-proliferation work, and \$1.4 billion for work on nuclear reactors that power Navy ships.

The remaining \$8.0 billion of the FY2015 base budget request for function 050 is for defense-related activities conducted by other agencies. Of this amount, the largest single component—\$4.9 billion—would go to the FBI for counterintelligence operations.

Opportunity, Growth, and Security Initiative (OGSI)

In addition to its base budget request, the Administration has requested for FY2015 an additional \$27.7 billion as the national defense component of the so-called Opportunity, Growth, and Security Initiative (OGSI), a \$56 billion spending package split evenly between defense and non-defense programs. If Congress were to appropriate these funds in addition to the Administration's total base budget request, it would exceed the FY2015 discretionary spending cap, thus triggering sequestration.

The OGSI package also included proposed changes in existing federal programs that would have cut spending by \$28 billion and proposed tax increases that would have boosted revenue by \$28 billion, thus offsetting the cost of the proposed new spending. Even if the proposed taxes were enacted, however, sequestration would occur because the spending caps apply to the amounts appropriated for defense and non-defense discretionary spending. Unless current law was amended, offsetting revenue increases would not eliminate the required sequestration.

Neither the Armed Services nor Appropriations Committees of the Senate or House has taken any action on the OGSI request in their respective FY2015 funding bills.

FY2015 OCO Budget Request Highlights

The Administration amended its FY2015 budget request for Overseas Contingency Operations (OCO) three times, expanding that category's scope to include funding for DOD activities other than operations relating to combat and post-combat activities in Afghanistan and Iraq.

The Initial Placeholder

At the time the FY2015 budget request was submitted to Congress in March 2014, the Administration said it had not yet settled on an OCO budget for the upcoming year because of ongoing negotiations with the Afghan government that would affect the number of U.S. troops remaining in that country during FY2015. Accordingly, the budget request included, as a "placeholder" for the OCO request, \$79.4 billion—essentially the amount appropriated for OCO in FY2014. When the House Appropriations Committee marked up its version of H.R. 4870, the FY2015 defense appropriations bill, it incorporated this amount with few modifications.

June 2014 OCO Request

On June 27, 2014, DOD released an amended OCO budget request that included \$53.8 million for activities in (and in the region around) Afghanistan and Iraq. (See **Table 5**.)

The budget amendment also included funds for two newly proposed DOD programs:⁶

- \$4.0 billion for a new Counterterrorism Partnerships Fund (CTPF), intended to support the counterterrorism efforts of partner states (with \$1.0 billion of this amount directed to support states bordering on Syria and to train and equip "properly vetted elements of the Syrian armed opposition").⁷

⁶ This budget amendment also included increased OCO funding for the Department of State and other federal agencies including \$1.0 billion for CTPF activities, \$75 million for ERI, and \$278 million for the U.S. share of UN peacekeeping operations in the Central African Republic.

⁷ DOD Comptroller, *United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations*, June 2014, pp. 7-10.

- \$925 million for a new European Reassurance Initiative (ERI), which is intended to reassure NATO allies and bolster the defenses of NATO and non-NATO partners “that feel most threatened by Russia’s actions against Ukraine.”⁸
- To partly offset these costs, the budget amendment also included a rescission of \$117.0 million appropriated in FY2014 to modernize Army helicopters that now are slated for retirement.

This version of the OCO budget request, which amounted for \$58.6 billion for DOD, was the one the Senate Appropriations Committee had acted on when it reported to the Senate its version of H.R. 4870 on July 17, 2014.

Ebola-related Funding Addition

On November 5, 2014, after the House had passed the FY2015 DOD appropriations bill and the Senate Appropriations Committee had reported its version of the measure to the Senate, the President requested \$6.18 billion in emergency appropriations to deal with the outbreak of Ebola in Africa and to beef up domestic public health systems to deal with such threats. That package included \$112 million for the Defense Advanced Research Projects Agency (DARPA) to speed development of medical technologies that would be useful in developing vaccines and other defenses against Ebola and other infectious diseases. The Office of Management and Budget categorized this request as an addition to DOD’s FY2015 OCO budget.

FY2015 DOD Funding Regarding Ebola and the Islamic State

For additional detail on the \$5.1 billion in OCO funding requested to support DOD activities to combat the Ebola virus and the Islamic State, see CRS Report R43807, *FY2015 Budget Requests to Counter Ebola and the Islamic State (IS)*, coordinated by (name redacted).

Increase to Counter Islamic State (IS)

On November 10, 2014, the President requested an additional \$5.0 billion in DOD budget authority for OCO in FY2015 to cover the cost of Operation Inherent Resolve, the operations conducted by U.S. forces against the Islamic State. The Islamic State is a transnational Sunni Islamist insurgent and terrorist group that has expanded its control over areas of parts of Iraq and Syria since 2013.

The major components of that request include

- \$1.62 billion to create an Iraq Train and Equip Fund through which the Iraqi military and Kurdish and tribal security forces would be provided equipment, supplies, training, services, and stipends to support their role in the fight against the Islamic State;

⁸ Ibid., pp. 10-11.

- \$2.46 billion to cover the military personnel and Operation and Maintenance (O&M) costs of U.S. forces engaged in Operation Inherent Resolve, aimed at eliminating the Islamic State; and
- \$972.5 million for procurement and development of equipment, including \$141.3 million to replenish missiles and other munitions expended in the operation and \$673.6 million for classified purposes.

In sum, the November 2014 adjustments brought the Administration's FY2015 OCO request to \$63.7 billion,⁹ which was the amount considered by congressional negotiators drafting the final version of the FY2015 appropriations legislation.

**Table 5. FY2015 DOD Discretionary OCO Budget Request
(including CTPF, ERI, Ebola, and operations against the Islamic State)**
(amounts in millions of dollars)

	FY2014 Enacted (P.L. 113-76)	FY2015 Request
OCO Related to Afghanistan and Iraq (as defined in previous budgets)		
Military Personnel	7,972	5,395
Operation and Maintenance <i>[O&M minus \$9,151 million congressional transfer in FY2014]</i>	68,397 <i>[59,246]</i>	41,570
Procurement	6,233	5,599
RDT&E	135	80
Military Construction	0	46
Revolving and Management Funds and Other DOD	2,165	926
Subtotal: Afghanistan and Iraq	85,344	53,765
<i>[minus \$9,151 million congressional transfer to O&M in FY2014]</i>	<i>[76,193]</i>	
Counterterrorism Partnerships Funds (CTPF)	0	4,000
European Reassurance Initiative (ERI)	0	925
Total (before additional funding requests related to Ebola and ISIL)	85,344	58,690
offset from prior-year cancellation	0	-117
DOD share of November 5, 2014, Ebola-related budget amendment	0	112
DOD share of November 10, 2014, ISIL-related budget amendment	0	5,000
Total, DOD	85,344	63,685

⁹ That total includes \$46 million for military construction. Of that total, \$63.5 billion of the OCO request was dealt with in the FY2015 Defense Appropriations Bill, which was Division C of H.R. 83 (the Consolidated and Further Continuing Appropriations Act of FY2015). The military construction request was dealt with in the FY2015 Military Construction Veterans Affairs and Related Agencies Appropriations Bill, which was Division I of H.R. 83.

Source: DOD Comptroller, *United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations*, June 2014, Table I, p. 12.

Notes: The enacted FY2014 total for Operation and Maintenance (O&M) includes \$9.15 billion for activities that DOD requested in its base budget but which Congress funded as war costs in P.L. 113-76, the Consolidated Appropriations Act for 2014. In its FY2015 budget request, DOD again included those activities in the base budget.

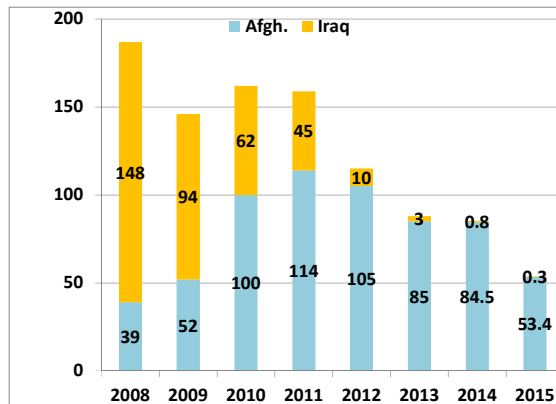
Counterterrorism Partnerships Fund and European Reassurance Initiative

For more detailed analysis of the Administration's request for FY2015 funding for the Counterterrorism Partnerships Fund (CTPF), see CRS Report IN10103, *The Counterterrorism Partnerships Fund (CTPF) Proposal: Questions for Congress*, coordinated by (name redacted). For a more detailed analysis of the Administration's request for FY2015 funding for the European Reassurance Initiative (ERI), see CRS Report R43478, *NATO: Response to the Crisis in Ukraine and Security Concerns in Central and Eastern Europe*, coordinated by (name redacted).

The revised OCO request assumes that, between FY2014 and FY2015, the average number of U.S. troops in Afghanistan would drop by more than two-thirds while OCO funding would decline by slightly more than one-third. (See **Figure 1** and **Figure 2**.)

Figure 1. OCO Funding for Operations in Iraq and Afghanistan

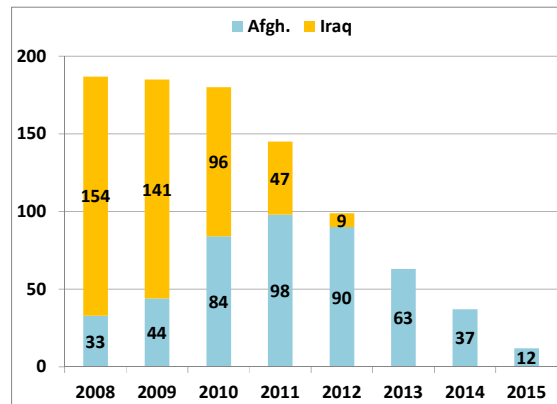
(amounts in billions of dollars)



Notes: The FY2015 column omits additional funds requested for the Counterterrorism Partnerships Fund (\$4.0 billion) and for the European Reassurance Initiative (\$0.9 billion). That column also assumes that the proposed new OCO budget authority is partly offset by the cancellation of \$117 million appropriated for Army helicopters in the FY2014 DOD appropriations bill. The FY2015 column does not reflect the November 10, 2014, request for an additional \$5 billion to combat the Islamic State.

Figure 2. OCO Troops in Iraq and Afghanistan

(numbers in thousands of personnel)



Notes: Data represent the average number of U.S. personnel in each country during a given fiscal year. The chart reports only personnel in each of the two countries. DOD estimates that operations in Afghanistan during FY2015 will be directly supported by—on average—63,309 U.S. military personnel stationed elsewhere in the region.

The November 10, 2014, budget amendment assumes the average number of U.S. troops in Iraq associated with operations against the Islamic State during FY2015 would average 2,904. It assumes that the number of supporting personnel in the region would rise to 64,482.

Source: DOD Comptroller, *United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations*, June 2014, Figure 6, p. 6.

According to DOD, OCO funding is slated to decline more slowly than the number of troops on the ground for several reasons. These include

- the continued “forward presence” of substantial U.S. forces in the Middle East, outside of Afghanistan, to support the OCO mission;
- the cost of base closure, unexploded ordnance disposal, and return of equipment to the United States; and
- the costs of replacing munitions expended in the operation and of replacing or repairing equipment destroyed, worn out, or damaged in OCO.¹⁰

That contention is consistent with DOD’s functional breakdown of the FY2015 OCO request (see **Table 6**). On the one hand, the \$11.0 billion requested for the operation of U.S. forces in Afghanistan would decline by 60%, compared with the corresponding amount in the FY2014 budget. On the other hand, the request for funding in two categories that account for more half the spending related to Afghanistan would decline by less than 10% compared with the amounts appropriated in FY2014, namely:

- the \$18.1 billion requested for activities outside Afghanistan to support operations in that country would amount to 91% of the corresponding expenditure in FY2014; and
- the \$9.2 billion requested for replacement or refurbishing of equipment and munitions would amount to a nearly 5% increase over the FY2014 amount.

Table 6. OCO Funding Related to Afghanistan and Iraq by Mission Category
(amounts in billions of dollars; totals may not add due to rounding)

	FY2014 Enacted (P.L. 113-76)	FY2015 Request (June 2014)	Additions to FY2015 Request (November 2014)	Amended FY2015 Request
Operations and Force Protection in Afghanistan	26.2	11.0	-	11.0
In-Theater Support (outside Afghanistan)	19.9	18.1	2.0	20.1
Joint Improvised Explosive Defense (IED) Defeat	0.9	0.4	-	0.4
Afghanistan Security Forces Fund	4.7	4.1	-	4.1
Afghanistan Infrastructure Fund	0.2	0.0	-	0.0
Coalition Support Funds	1.7	1.7	-	1.7
Procurement and Equipment Reset	8.8	9.2	0.3	9.5
Temporary End-Strength	4.7	2.4	-	2.4
Unexploded Ordnance Removal	0.0	0.3	-	0.3

¹⁰ DOD Comptroller, *United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations*, June 2014, p. 2.

	FY2014 Enacted (P.L. 113-76)	FY2015 Request (June 2014)	Additions to FY2015 Request (November 2014)	Amended FY2015 Request
Iraq Train and Equip Fund	0.0	0.0	1.6	1.6
Non-DOD, Classified, and Other DOD	18.1	6.6	1.2	7.7
subtotal: Afghanistan and Iraq- related	85.3	53.8	5.0	58.8
Counterterrorism Partnerships Fund (CTPF)	0.0	4.0	-	4.0
European Reassurance Initiative (ERI)	0.0	0.9	-	0.9
Total Budget Authority	85.3	58.7	5.0	63.7
offset from prior-year cancellation	0	-0.117	-	-0.117
Total, New Budget Authority	85.3	58.6	5.0	63.6

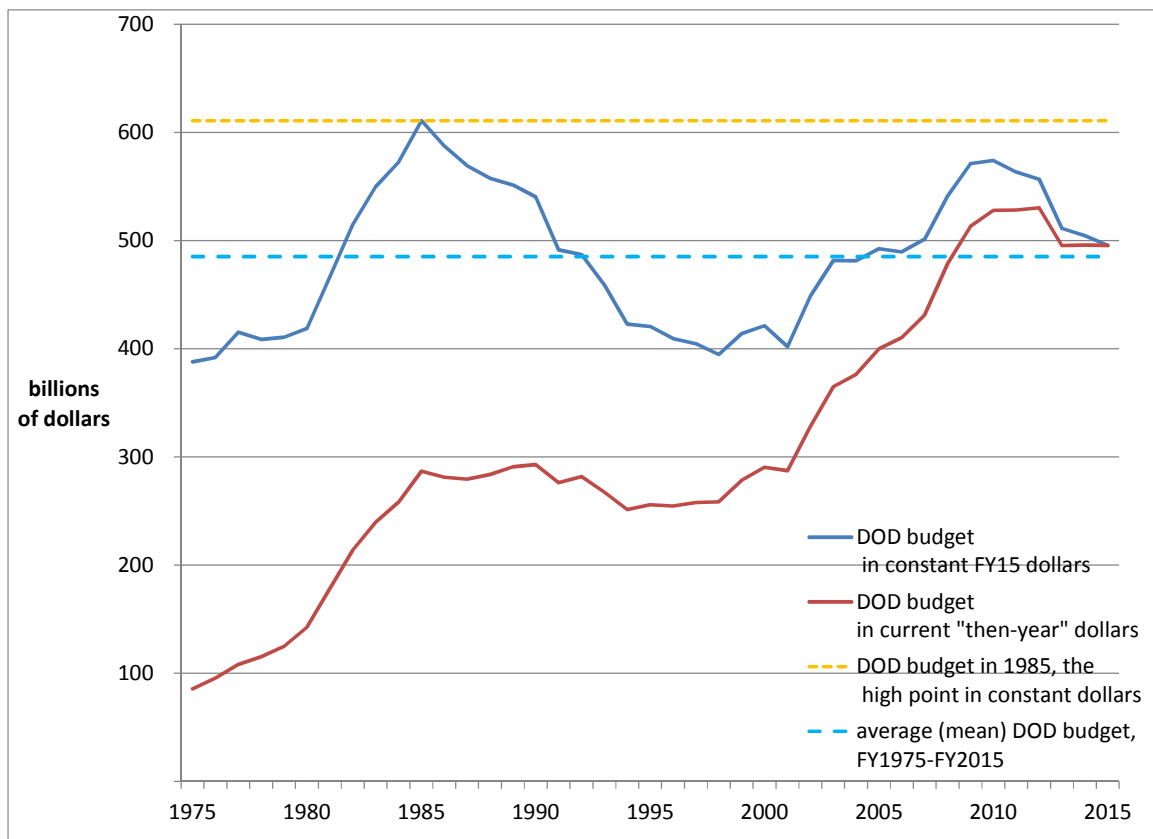
Source: DOD Comptroller, *United States Department of Defense Fiscal Year 2015 Budget Amendment: Overview, Overseas Contingency Operations Budget Amendment*, November 2014. Figure 3, p. 3.

Notes: The enacted FY2014 total for Operation and Maintenance (O&M) includes \$9.15 billion for activities that DOD requested in its base budget but which Congress funded as war costs in P.L. 113-76, the Consolidated Appropriations Act for 2014. This table treats those funds as part of the FY2014 OCO appropriation. The table does not reflect the November 5, 2014, budget amendment requesting \$112 million for DOD research on dealing with Ebola and other infectious diseases.

Historical Context

The President's FY2015 request of \$495.6 billion in discretionary budget authority for DOD's base budget is lower than the corresponding FY2014 appropriation by less than \$400 million. If Congress were to approve funding at that level, FY2015 would be the third consecutive year in which DOD's base budget hovered at between \$495 billion and \$496 billion after having dropped between FY2012 and FY2013 by \$35 billion, in nominal terms (that is, without taking account of inflation). The 7% reduction in DOD's base budget in FY2013 was part of the government-wide spending reduction program initiated by the 2011 BCA. (See **Figure 3**.)

Figure 3. DOD Budget Authority (excluding post-9/11 war costs), FY1975-FY2015



Source: DOD Comptroller, *National Defense Budget Estimates for FY2015* ("The Green Book"), Table 6-10, pp. 143-149, except that, for 2001-2015, DOD budget in constant FY2015 dollars, is determined by CRS analysis of data in "The Green Book," Table 2-1, pp. 31-33 and Table 5-6, pp. 58-59.

Based on DOD's method of adjusting for the cost of inflation, the FY2015 base budget request is 1.8% below the FY2014 appropriation in real terms. It is about 19% lower, adjusting for inflation, than DOD's budget in 1985, which marked the peak year (in real terms) of the Reagan-era Cold War buildup. But it is slightly more than 1% higher in real terms than the average (mean) DOD

budget since the end of the Vietnam War (1975-2015) and 23% higher than the FY2000 budget, the last one enacted before the attacks of September 11, 2001.¹¹

Mandatory Spending Caps

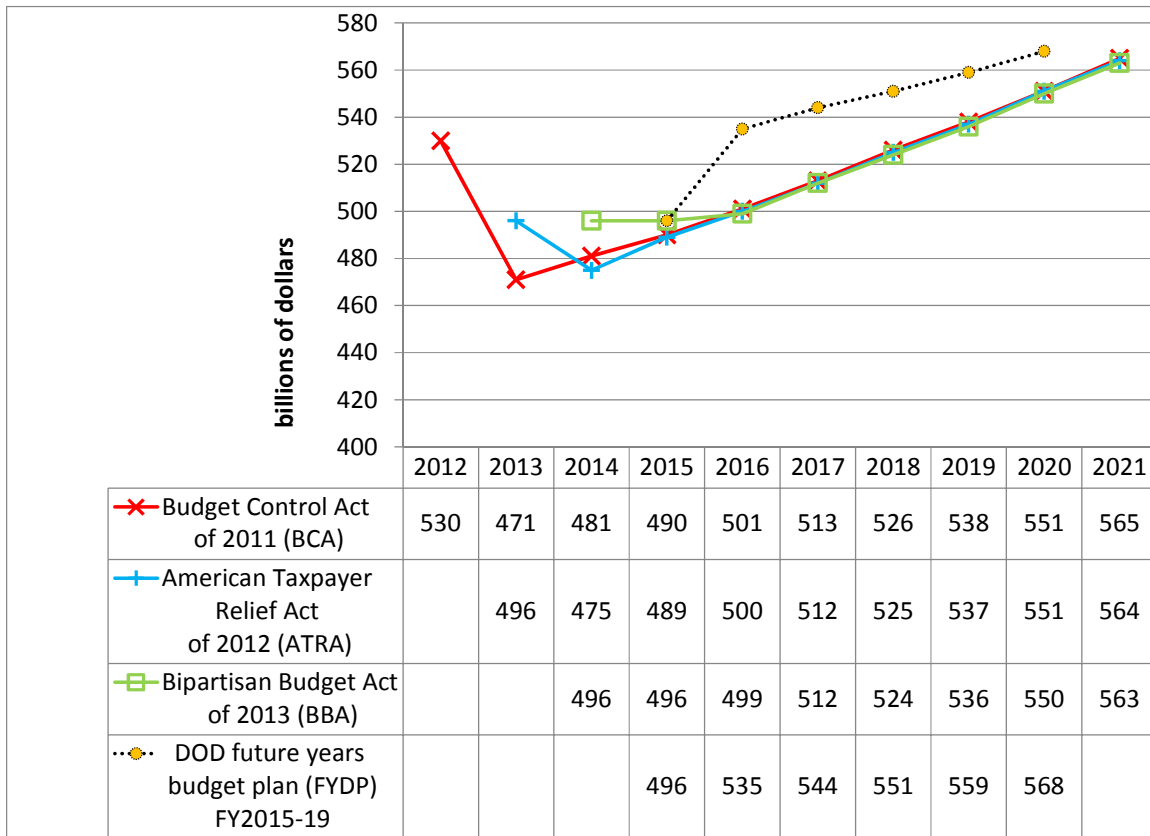
Since 2011, the mandatory spending caps enacted as part of the BCA have been a significant factor in restraining the rate at which DOD spending has increased (as measured in current dollars). The BCA required annual reductions in projected discretionary spending for FY2012-FY2021 totaling \$2.1 trillion, with the cuts falling equally on defense and non-defense programs.

Compared with the Administration's 10-year projection of discretionary DOD funding published in March 2011, the amount provided for FY2012 was reduced by terms of the BCA and the amount provided for FY2013 was reduced by sequestration, but only after the spending caps for that year were raised by terms of P.L. 112-240, the American Taxpayer Relief Act (ATRA) of 2012. The DOD budget request for FY2014 exceeded that modified cap and final action on FY2014 appropriations came only after Congress enacted P.L. 113-67, the Bipartisan Budget Act of 2014, which further raised the spending caps for FY2014 and 2015. (See **Figure 4**.)

Based on projections by the Office of Management and Budget (OMB), the adjusted caps would increase at or slightly below the rate of inflation, thus keeping future DOD budgets flat in real terms.

¹¹ These data exclude war-related costs in FY2001-FY2015.

Figure 4. Successive Changes to the 2011 Defense Spending Caps
(amounts in billions of dollars)



Source: CRS analysis based on the relevant statutes as shown above and the table entitled, “Policy Budget Authority and Outlays by Function, Category, and Program,” in the OMB publications entitled *Analytical Perspectives* accompanying the President’s annual budget requests for FY2012 through FY2015. The table is labelled Table 32-I in the volumes for FY2012 and FY2013, Table 31-I in the volume for FY2014, and Table 28-I in the volume for FY2015.

Thus, one aspect of the interaction between DOD’s long-term budget projections and the spending reduction effort embodied in BCA is that, after their initial year in effect (2012, when the FY2013 budget was at issue), Congress has twice modified the spending caps so as to reduce (but not eliminate) their impact on the then-pending budget request. (See **Table 7.**)

Defense Spending “Caps” in Effect for FY2012-FY2021

On August 2, 2011, the Budget Control Act of 2011 became law, setting annual spending limits for National Defense (budget function 050) and Non-Defense (all other) for FY2012-FY2021. If Congress does not enact appropriations that meet the annual limit, the President is required to order a sequestration that reduces spending by applying across-the-board cuts to each program, project or activity to ensure compliance. In this report, “sequester caps” is used to refer to spending limits that must be met to avoid a sequester. In FY2012, the BCA limit was met.

On January 2, 2013, Congress adjusted the original BCA annual limits in the American Taxpayer Relief Act (ATRA)(H.R. 8/P.L. 112-240). The FY2013 limit was raised by \$26 billion and the FY2013 limit was lowered by \$4 billion. The adjusted FY2013 limit was met.

On December 23, 2013, the Bipartisan Budget Act of 2013 (H.J. Res 59/P.L. 113-67) raised the FY2014 limit by \$22 billion and the FY2015 limit by \$9 billion. The adjusted FY2014 limit was met. Adjustments to “sequester” caps are

highlighted in the table below.

BCA limits are set for the National Defense budget function (050). CRS estimated the DOD share (generally about \$95.4%) for the original BCA and ATRA using the shares shown in the table entitled “Policy Budget Authority and Outlay by Function, Category, and Program” in OMB’s annual budget volume, *Analytical Perspectives* for FY2012, FY2013, FY2014, and FY2015.

Table 7. Evolution of BCA “Sequester” Caps: FY2011-FY2014

(in billions of dollars of discretionary budget authority)

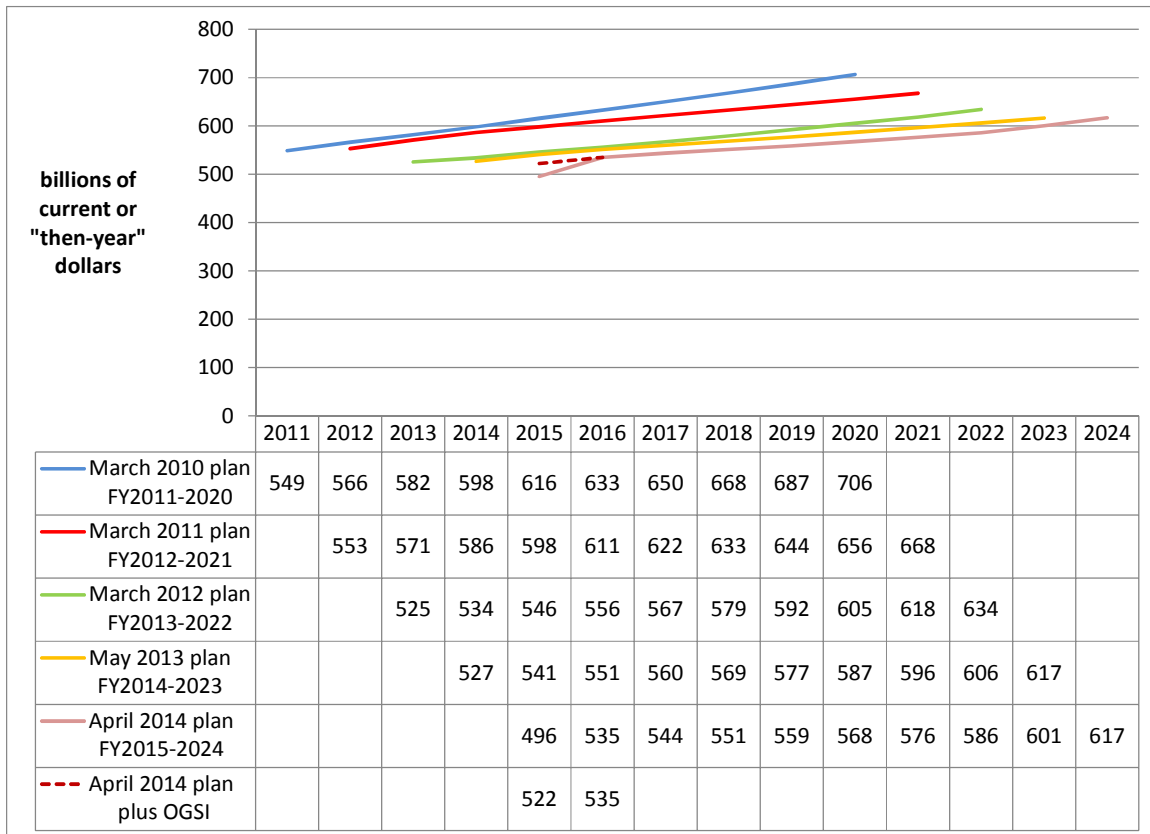
Budget Control Act of 2011 (BCA): S. 365/P.L. 112-75											
Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total: 12-21
National Defense	555	492	502	512	523	536	549	562	576	590	5,397
DOD Estimate	530	471	481	490	501	513	526	538	551	565	5,167
The American Taxpayer Relief Act of 2012 (ATRA): H.R. 8/P.L. 112-240											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total: 12-21
National Defense	555	518	498	512	523	536	549	562	576	590	5,419
DOD Estimate	530	496	475	489	500	512	525	537	551	564	5,179
Bipartisan Budget Act of 2013: H.J. Res 569/P.L. 113-67											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total: 12-21
National Defense	555	518	520	521	523	536	549	562	576	590	5,451
DOD Estimate	530	495	496	496	499	512	524	536	550	563	5,201

Sources: Relevant laws as shown above. OMB Table 32-1 in FY2012 and FY2013 *Analytical Perspectives*, Table 31-1 in FY2014 and Table 28-1 in FY2015 volume. For OMB annual estimates, see OMB, *Sequestration Preview Report to the President and Congress for Fiscal Year 2015*, March 10, 2014; http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/sequestration_preview_report_march2014.pdf.

On the other hand, since early 2011—months before the BCA was enacted—DOD’s long-range spending plans have been pared back each year as part of the spending reduction effort of which the BCA-created spending caps are the most prominent manifestation. As a result, the Administration’s FY2015 DOD request of \$496 billion in discretionary budget authority is lower by more than 18% than the \$616 billion request for FY2015 that was projected in March 2010. (See **Figure 5**.)

Even if Congress were to amend the current defense spending cap for FY2015 and provide the additional \$26.4 billion requested for DOD as part of the OGSII package, discretionary DOD base budget authority for FY2015 would be 15% lower than was projected in 2010.

Figure 5. 10-year DOD Discretionary Budget Plans, 2010-2014
(amounts in billions of dollars)



Source: OMB budget documentation for FY2011-FY2015, "Analytical Perspectives," Table 32-I in the volumes for FY2011, FY2012, and FY2013, Table 31-I in the volume for FY2014, and Table 28-I in the volume for FY2015.

DOD Estimate of Defense Spending Caps Impact in FY2016-FY2019

In April 2014, DOD projected the impact on readiness, force structure, and selected procurement programs if the defense spending caps for future budgets currently in force were not lifted. The report, *Estimated Impacts of Sequestration-Level Funding—FY 2015 Defense Budget*, can be accessed at http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/Sequestration_Impacts.pdf.

Internal Cost Pressures

Although DOD's FY2015 base budget request is 23% higher, in real terms, than the budget was in 2000 (the last full year before the terror attacks of 9/11), the department may face increasingly tough budget choices if there is no change in the current statutory caps restricting future defense budgets to increases that would match, or fall just short of, the rate of inflation.

The basic reason for this is that within major segments of the DOD budget—excluding war costs—the annual cost-per-active-duty-troop (in inflation-adjusted terms) has been steadily increasing for many years:

- Military personnel funding per capita (excluding most of the cost of medical care) has increased by nearly 27% since 2000. Major contributing factors included annual pay raises that frequently exceeded the average rate of pay hikes in the private sector, increased housing allowances intended to eliminate out-of-pocket costs for personnel not living in government-provided housing, and various policy changes that have increased pay and medical benefits for military retirees.
- Operation and Maintenance (O&M) funding, which covers deployments, training, operation of bases, repair and maintenance of equipment and facilities and most of DOD's civilian payroll and health care costs, has been growing for more than three decades, relative to the size of the force, at an average annual rate of 2.7% above the cost of inflation.
- Spending on acquisition (procurement plus R&D) per troop has increased in real terms as developments in technology make each new generation of weaponry more expensive (as well as more capable) than the generation it replaces. Moreover, combat in Iraq and Afghanistan has fostered new requirements for procurement associated with force protection, communications and transportation.¹²

If DOD discretionary spending (adjusted for inflation) remains essentially flat through the early 2020s as current law (i.e., the BBA spending caps) requires, and if the real per capita costs of personnel, O&M, and procurement continue to increase, some combination of reductions in the size and/or readiness of the force and reductions in the scope of planned modernization may have to occur.

FY2015 Base Budget Highlights

According to Administration officials, the \$495.6 billion request for discretionary budget authority in DOD's base budget was intended support the national strategy outlined in DOD's 2014 Quadrennial Defense Review (QDR) published concurrently with the funding request.¹³ In general terms, the request was presented as an effort to accommodate both changing security requirements and more constrained budgets by reducing the size of the force—particularly the Army and Marine Corps—while modernizing the force and keeping it trained for a broader range of missions.

Following are some major themes of the Administration's FY2015 base budget request.

¹² Acquisition spending-per-troop has shown particularly sharp increases during the two most recent periods of sustained defense budget increases: the so-called "Reagan buildup" of the early and mid-1980s and the post-9/11 buildup that peaked in 2010.

¹³ Department of Defense, *Quadrennial Defense Review, 2014*, at http://www.defense.gov/pubs/2014_Quadrennial_Defense_Review.pdf (hereinafter cited as "2014 QDR").

Implementing the 2014 Quadrennial Defense Review (QDR)

A QDR, mandated by law¹⁴ to be conducted during the first year of every four-year presidential term, is required to “delineate a national defense strategy”; to determine the force structure, modernization plans, and infrastructure required to implement that strategy; and to craft a budget plan that would fund it. The review is required by law to take a 20-year outlook, and to be fiscally unconstrained by the President’s budget request.

Some critics faulted the 2014 QDR for focusing on near-term security issues and accepting the limitations imposed by the Administration’s budget:

[T]he 2014 QDR focused largely on the planned force structure associated with the five-year Future Years Defense Program [covering 2015-2019], and it contained a strategy that assumes increased risk to the force, without specifying the resources required to execute the strategy at a low-to-moderate level of risk.¹⁵

The Administration, on the other hand, characterized the 2014 QDR as “strategy-driven and resource-informed.”¹⁶

The DOD priorities outlined in the 2014 QDR were based on the Defense Strategic Guidance¹⁷ (DSG) issued by the Administration in January 2012. That earlier document was written as a blueprint for reshaping by 2020 a U.S. defense establishment that had been focused for more than a decade on very specific types of operations in Iraq and Afghanistan. Among the shifts proposed by DSG that were echoed in the 2014 QDR are the following:

- DOD will “rebalance” its global posture to emphasize operations in the Asia-Pacific region and the Middle East.
- DOD will maintain a large enough force to win a major conventional war in one region while, concurrently, being able to inflict enough damage on a potential aggressor in a second region to deter that country from launching a second attack.
- DOD will not maintain an active-duty force large enough to conduct large-scale stability operations on a prolonged basis, such those conducted in Iraq and Afghanistan over the past decade.
- DOD will place more emphasis on being able to project military power in regions to which potential adversaries will try to deny them access with precision-guided missiles and other advanced weapons.
- In a departure from the practice in recent years of having forces concentrate on training for the types of missions being carried out in Iraq and Afghanistan,

¹⁴ 10 U.S.C. §118. For additional background, see CRS Report R43403, *The 2014 Quadrennial Defense Review (QDR) and Defense Strategy: Issues for Congress*, by (name redacted).

¹⁵ See U.S. Congress, House Armed Services, Howard P. “Buck” McKeon *National Defense Authorization Act for Fiscal Year 2015*, report to accompany H.R. 4435, 113th Cong., 2nd sess., May 13, 2014, H. Rept. 113-446 (Washington: GPO, 2014), p. 227.

¹⁶ 2014 QDR, p. 1.

¹⁷ For further analysis, see CRS Report R42146, *Assessing the January 2012 Defense Strategic Guidance (DSG): In Brief*, by (name redacted) and (name redacted).

forces will train for operating across the spectrum of conflict, from major conventional wars to peacekeeping and stability operations.

- DOD will invest in capabilities other than traditional combat forces, including Special Operations Forces, Intelligence, Surveillance, and Reconnaissance (ISR) capabilities, and cyberspace defenses.
- DOD will try to improve its ability to help other countries bolster their own security forces to partner more effectively with U.S. forces in missions of mutual interest.

Manpower Issues

Size of the Force

The Administration's FY2015 budget request projected continuation of the reduction in the number of active-component personnel begun in FY2013, with the Army and Marine Corps slated to absorb most of the reduction. Originally, the plan was that, by FY2017, the Army would drop to 490,000 active-duty soldiers, while the size of the Marine Corps would drop to 182,100. In effect, the two services thus would give up the 92,000 personnel that had been added to their strength in 2007, ending up slightly larger than they had been in 2001, the last budget year before the terrorist attacks of 9/11.

With the FY2014 budget request, the planned drawdown was accelerated, with the two services slated to reach their new, lower ceilings by FY2015. However, the FY2015 budget request projected that, even if the BCA spending caps were removed, by FY2019 the Army will be further reduced, stabilizing at between 440,000 and 450,000 active-duty personnel. If the BCA caps remain in force, the projection is for an Army of 420,000 and a Marine Corps of 175,000. (See **Table 8.**)

Table 8.Active Component End-Strength (Base Budget)

(numbers in thousands; totals may not add due to rounding)

	FY2001	FY2010	FY2014	FY2015 request	Projected FY2019 (w/o sequester)	Projected FY2019 (with sequester)
Army	481	566	520	490	440 to 450	420
Marine Corps	173	202	190	183	182	175
Navy	372	328	324	324	n/a	n/a
Air Force	354	334	328	311	n/a	n/a
Total	1,380	1,430	1,362	1,309	n/a	n/a

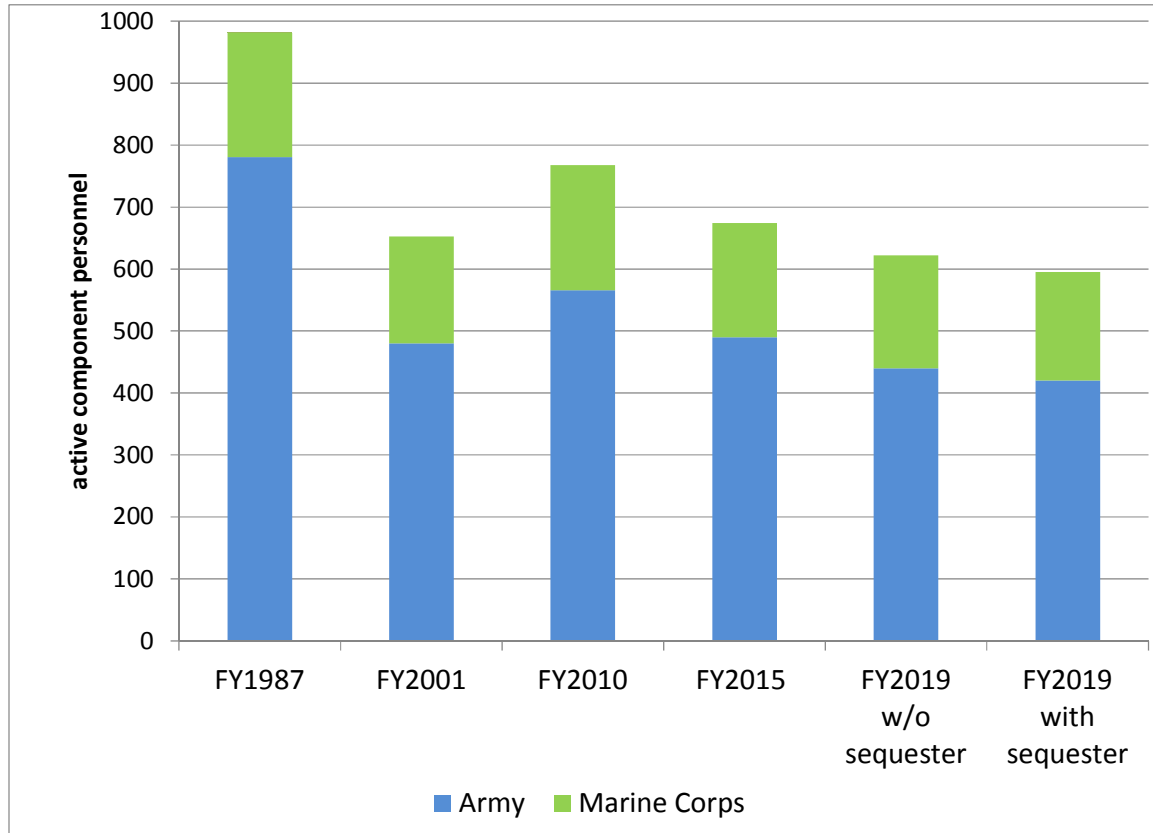
Source: Data for 2001 and 2010 from DOD Comptroller, *National Defense Budget Estimates for FY2015* ("The Green Book"), Table 7-5, pp. 254-256; Data for FY2014 and 2015 from House Armed Services Committee, H. Rept. 113-446, *Report on the Howard P. "Buck" McKeon National Defense Authorization Act for FY2015*, p. 136; Projected data for 2019 from DOD Comptroller, "Briefing on the FY2015 Budget Request," http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request.pdf.

Notes: The Administration request would fund in the base budget end strength of 182,700 for the Marine Corps, which is the level to which the Administration had planned to reduce that service prior to completion of the 2014 QDR. An additional 1,400 members of that service would be funded in the OCO budget.

In FY2001, the last budget year before the post-9/11 buildup of U.S. force, the combined end-strength of the active component Army and Marine Corps was about 653,000—roughly two-thirds of its FY1987 post-Vietnam, Cold War peak. Compared with their manpower in FY2001, the two services had grown by about 18% in FY2010, their peak year of their post-9/11 end-strength. Compared with that same baseline, the current plan would reduce their size by 5% if the spending caps were lifted and by 9% if the caps remained in force. (See **Figure 6**.)

Figure 6. Army and Marine Corps end-strength

(intervals on the horizontal axis are not equal)



Source: Data for 1987, 2001, 2010, and 2015 from DOD Comptroller, *National Defense Budget Estimates for FY2015* (“The Green Book”), Table 7-5, pp. 254-56; Projected data for 2019 from DOD Comptroller, “Briefing on the FY2015 Budget Request,” http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request.pdf.

Notes: The Administration estimates that the Army’s end-strength in FY2019 will be between 440,000 and 450,000, if the sequestration-level budget caps are lifted. In this figure, the “FY2019 w/o sequester” column reflects Army end-strength of 440,000.

FY1987 marked the peak level of active-component Army and Marine strength during the Reagan buildup of the Cold War. FY2010 was the peak level for the two services during the period of operations in Iraq and Afghanistan.

The Administration’s FY2015 request also assumed a reduction of 12,900 personnel in the reserve components. More than half that cut would be taken from the Army Reserve and Army National

Guard which—taken together—account for two-thirds of Selected Reserve personnel.¹⁸ As is the case with the Army’s active component, that service’s two reserve components would continue to shrink under the Administration’s budget plan. Compared with their FY2014 end-strength, the combined end-strength of the Army Reserve and Army National Guard would be reduced by 5% by FY2019 if DOD is granted relief from the current budget caps and by 10% if the caps remain in force. (See **Table 9**.)

Table 9. Selected Reserve Component End-Strength
(numbers in thousands; totals may not add due to rounding)

	FY2014 Authorized	FY2015 Request	Projected FY2019 w/o sequester	Projected FY2019 with sequester
Army Reserve	205	202	195	185
Army National Guard	354	350	335	315
Navy Reserve	59	57	n/a	n/a
Marine Corps Reserve	40	39	n/a	n/a
Air Force Reserve	70	67	n/a	n/a
Air National Guard	105	105	n/a	n/a
Total	834	821		

Source: Data for 2014 and 2015 from Senate Armed Services Committee, Report on the Carl Levin National Defense Authorization Act for FY2015, S. Rept. 113-176, p. 99; projected data for 2019 from DOD Comptroller, “Briefing on the FY2015 Budget Request,” http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request.pdf.

Compensation

By DOD’s accounting, more than one-third of the department’s annual budget funds pay and benefits for military personnel. Adding the cost of pay and benefits for DOD’s nearly 800,000 civilian employees—most of whose compensation is funded in the Operation and Maintenance accounts—brings the total cost of compensation to nearly one-half the annual DOD budget. (See **Table 10**.)

Table 10. DOD Pay and Benefits as a Share of Total Budget Authority
(amounts in billions of dollars)

	FY2001 enacted	% of 2001 DOD	FY2015 request	% of 2015 DOD
Military Personnel Appropriations	77.3		129.0	
TRICARE for Life accrual	—		6.2	
Defense Health Program	13.7	34.6%	32.5	35.6%

¹⁸ The Selected Reserve consists of personnel who are assigned to organized units that regularly assemble for training a certain number of times in the course of a year. It does not include members of the Individual Ready Reserve (IRR), who are not assigned to units that regularly assemble for training, but who can be mobilized as individuals.

	FY2001 enacted	% of 2001 DOD	FY2015 request	% of 2015 DOD
DOD dependents' schools	1.5		3.0	
Military Family Housing	3.7		1.2	
Commissary Subsidy	1.0		1.1	
Other Benefit Programs	2.4		3.6	
Subtotal: Military Pay and Benefits	99.5		176.6	
DOD civilian pay and benefits	39.8		69.8	
TOTAL: DOD Pay and Benefits	139.3	48.5%	246.4	49.7%

Source: DOD Comptroller, FY2015 DOD Budget Request, *Overview*, March 2014, p. 5-1, http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request_Overview_Book.pdf.

Note: The decline in spending for government-provided housing for military families reflects a policy of paying servicemembers a housing allowance to cover the cost of acquiring housing in the private sector near their duty stations. The total for housing allowances (which are included in "Military Personnel Appropriations") rose from \$6.4 billion in FY2001 to \$19.3 billion in the FY2015 request.

The FY2015 budget request proposed several changes in compensation policy which, the Administration maintains, would not reduce the compensation of any servicemember but would slow the rate at which compensation costs were rising year to year:

- Basic pay, which typically accounts for about two-thirds of the cash compensation of an active-duty servicemember, would be increased by 1% in FY2015 and FY2016. This is a lower rate than the expected increase in the Labor Department's Employment Cost Index (ECI), which tracks changes in private sector pay.
- Generals and admirals would receive no increase in basic pay in FY2015.
- Servicemembers' Basic Allowance for Housing (BAH)—a cash payment based on members' rank, number of dependents, and housing costs in the area where they are stationed—has been intended to cover 100% of housing rental expenses for personnel who are not provided with government-supplied housing. Under the Administration's plan, the allowance would increase more slowly than rental costs until the allowance covers 95% of rent and utility costs, requiring servicemembers to cover the remaining 5%.¹⁹
- The subsidy for commissaries—a worldwide chain of 284 supermarkets in which servicemembers, retirees, and their dependents buy items at cost-plus-5%—would be reduced by a total of \$1 billion over three years (FY2015-FY2017).²⁰
- As it had done in its budget requests for FY2013 and FY2014, the Administration included in its FY2015 DOD budget proposals to create some new fees and

¹⁹ The Administration's proposal also would eliminate renters' insurance from the costs to be covered by the housing allowance. In the 1990s, the housing allowance typically covered 82% of a servicemember's housing costs.

²⁰ DOD estimates that commissary prices are about 30% lower than those in nearby commercial supermarkets. See Defense Commissary Agency, "History of U.S. Military Commissaries," at <http://www.commissaries.com/history.cfm>.

copayment requirements and to increase some existing fees for beneficiaries of TRICARE, DOD's medical insurance program.

Defense Health Program

The FY2015 budget request included a total of \$47.4 billion for DOD's health care system, which serves more than 9,600,000 active and retired servicemembers, their dependents, and their survivors. Of that total, the Defense Health Program (DHP) was slated to receive \$32.0 billion, 97% of which is Operation and Maintenance funding that operates DOD's 56 hospitals and 608 medical and dental clinics in addition to funding private sector medical care purchased by the TRICARE system under contract.²¹ The DHP budget includes compensation for the health care system's 67,000 civilian employees.

The other major components of DOD's health care budget are

- \$8.6 billion (included in the services' Military Personnel accounts) to fund pay and benefits for the 85,000 uniformed medical personnel, many of who support the noncombat health care mission directly or indirectly; and
- \$6.2 billion in payments to the Medicare-Eligible Retiree Health Care Fund, created in 2003 to provide for the future cost of post-retirement health care of personnel currently on active duty (and their dependents) under the so-called TRICARE-for-Life program.²²

Like several previous DOD budget requests since 2005, the FY2015 request incorporated proposals intended to slow the rate of growth of DOD's health care costs. The health care system (including military personnel costs), which accounted for 6.0% of DOD's base budget in FY2001, accounted for 9.4% of the FY2015 base budget request.

Compared to what the FY2015 DOD health care budget would have been in the absence of the Administrations proposed TRICARE changes, the Administration request incorporated:

- an addition of \$88 million to cover the administrative cost of consolidating into a single TRICARE coverage plan the current menu of three TRICARE options;
- a reduction of \$180 million to reflect the higher copayment fees for pharmaceuticals that TRICARE beneficiaries would pay under one of the Administration's legislative proposals, which is intended to encourage the use of generic medications and mail-order refills; and
- a reduction of \$92 million in anticipation of savings that result from the consolidation and reorganization of some DOD health care facilities on the basis of a DOD study currently underway.

²¹ The DHP budget request also includes \$655 million for medical R&D, \$308 million for procurement, and \$161 million in an unallocated reduction. In addition, the FY2015 military construction budget request includes \$486 million for medical facilities.

²² Technically, DOD's annual accrual payment into the TRICARE-for-Life fund is discretionary (rather than mandatory) funding and thus is covered by the annual National Defense Authorization Act. However, by law (10 U.S.C. §1116), the payment is made automatically by a permanent appropriation on the basis of actuarial calculations, so it is not included in the annual DOD appropriations bill.

The Administration also proposed an enrollment fee for military retirees joining the TRICARE-for-Life program. Currently, there is no such fee.

Personnel Policy, Military Compensation, and TRICARE Issues

For more detailed analysis of congressional action on the Administration's proposed changes to military personnel policy and compensation (including proposed changes to TRICARE), see CRS Report R43647, *FY2015 National Defense Authorization Act: Selected Military Personnel Issues*, coordinated by (name redacted).

Force Structure

The Administration's FY2015 budget request and its projected requests through FY2019 assumed that reductions would be made in several components of the force in addition to some reorganizations. Moreover, the Administration said that deeper reductions would be necessary if the defense spending caps currently in force were not raised, officials said.

Army Force Reductions

In the Army's active component, the number of brigade combat teams (BCTs)—ground combat units of 4,000 to 5,000 soldiers—would drop from 36 to 32. The remaining BCTs each would be enlarged with the addition of a third combat battalion.

The Army also would reduce from 13 to 11 the number of combat aviation brigades—each of which fields upwards of 100 combat and transport helicopters as well as pilotless drones. To save an estimated \$1.1 billion in annual operating costs, the service would dispose of nearly 800 of its almost 4,600 helicopters. In the process, the service hoped to economize on its aviation training and maintenance overhead by eliminating entire fleets of several older types of aircraft. More controversially, the plan would transfer to active-component Army units all 192 of the Apache attack helicopters currently assigned to National Guard units, while transferring to Guard units 111 Blackhawk troop-carrying helicopters currently assigned to the active Army.

Navy Force Reductions

The FY2015 budget request for the Navy would have paid to remove spent nuclear fuel from the two reactors that power the 25-year-old aircraft carrier *U.S.S. George Washington*, for which the Navy long had planned a mid-life refueling and modernization to equip the ship for another 25 years of service. But Administration officials said that, if the defense spending caps currently in force were not removed, the Navy would retire the ship instead, reducing the carrier force to 10 ships.

To save money, the Navy's budget also would remove from service—but not scrap—half its fleet of 22 Aegis cruisers and 3 of its amphibious landing ships. The vessels would be modernized over several years and put back in service one-by-one to replace similar ships that had remained in service and had worn out.

Air Force Reductions

Contending that the Air Force could not sustain its current force under the reduced budgets now in prospect, Administration officials planned to retire entire fleets of certain types of aircraft so they could shut down the associated training and maintenance pipelines. They planned to retire the U-2 long-range reconnaissance plane which, they said, could be replaced by long-range drones. They also planned to retire the A-10 ground attack plane, contending that many other types of aircraft could perform its missions using precision-guided bombs and missiles.

If the future defense spending caps remained in force, they said, the Service would propose in future budgets retiring its force of KC-10 mid-air refueling tankers and one version of the Global Hawk long-range reconnaissance drone.

Modernization

According to the Administration, its FY2015 DOD budget request and plan for future DOD budgets would modernize the smaller force in prospect with an emphasis on systems that could prevail over a “near-peer competitor”—that is, another traditionally organized military force equipped with high-tech weaponry and communications. Compared with previously announced modernization plans, however, the request reflected tighter defense budgets both in reductions in the number of some items acquired and, in some cases, a shift to less technologically ambitious development efforts.

Strategic Nuclear Forces

The budget request would sustain the existing “triad” of strategic nuclear weapons launchers: manned bombers, land-based ICBMs, and ballistic missile launching submarines. It included \$913 million in FY2015 and an additional \$8.9 billion over the course of the following four years to develop a new long-range bomber to replace B-52s that have been in service since the early 1960s.²³ The request also included \$1.22 billion to continue developing a new missile-launching sub (and its associated nuclear power plant) to replace the ten *Ohio*-class ships currently in service, which are slated to begin retiring in 2025.²⁴

Ground Combat Systems

Both the Army and the Marine Corps sidetracked efforts to push the technology envelope in developing a new generation of armored combat vehicles, putting emphasis, instead, on less complex programs. The Army’s highest-priced R&D program, the Ground Combat Vehicle (GCV) program (intended as a successor to the Bradley armored troop carrier) was cancelled weeks before the FY2015 DOD budget was made public.²⁵ According to DOD, this single move will reduce by a total of \$3.7 billion the budgets requested in FY2015-FY2019.

²³ For additional information and analysis, see CRS Report RL34406, *Air Force Next-Generation Bomber: Background and Issues for Congress*, by (name redacted).

²⁴ For additional information and analysis, see CRS Report R41129, *Navy Ohio Replacement (SSBN[X]) Ballistic Missile Submarine Program: Background and Issues for Congress*, by (name redacted).

²⁵ FY2014 budget documents, published in April 2013, projected that DOD would request \$953.1 billion to continue the GCV program in FY2015. For additional information and analysis, see CRS Report R41597, *The Army’s Ground* (continued...)

The budget request included \$92.4 million to continue development of an Advanced Multi-Purpose Vehicle (AMPV) intended to replace some 3,000 Vietnam War-era M-113 troop carriers currently used as mobile command posts and battlefield ambulances and supply carriers.²⁶

In 2012, the Marine Corps had abandoned its Expeditionary Fighting Vehicle (EFV) program, an effort to develop an amphibious armored vehicle that would move from ship to shore at 50 mph and then function as a troop carrier. Other efforts to develop less technologically ambitious combat vehicles for the Marines have been slow to gain momentum in recent years. With the existing fleet of AAV-7 amphibious troop carriers reaching 40 years of service, the Marine Corps FY2015 budget request includes \$105.5 million to develop an Amphibious Combat Vehicle (ACV)—a conventional armored troop carrier that would replace some of the older AAV-7s. Unlike the vehicle it would replace, the ACV might travel on wheels rather than on tracks, and would be carried close to shore in a landing craft.²⁷

Ships

Reflecting the Administration's priority on forces that could hold their own in high-tech, conventional warfare, the FY2015 budget request continued the policy of funding annually two *Virginia*-class nuclear-powered submarines (requesting \$5.88 billion for the program) and two *Arleigh Burke*-class destroyers equipped with the Aegis anti-missile/anti-aircraft system (for which the budget includes \$2.81 billion).²⁸

The emphasis on systems that can fight in intense conventional combat was the Administration's stated rationale for funding in FY2015 three Littoral Combat Ships [LCSs], rather than the four ships that had been planned. Although the Navy had planned to buy a total of 52 of the ships (two versions of which are being built), Defense Secretary Hagel directed the Navy to buy no additional LCS ships (beyond those requested for FY2015) and to come up with a design for a more robust and combat-capable ship. In the event, DOD announced on December 11, 2014 that the Navy would continue purchasing both LCS versions with additional firepower and other improvements.²⁹

Aircraft

The Administration's request would continue funding several major aircraft programs that have been among DOD's top priorities, though the amounts requested for FY2015 were less than had been projected in DOD's FY2014 budget documents.

(...continued)

Combat Vehicle (GCV) Program: Background and Issues for Congress, by (name redacted).

²⁶ For additional information and analysis, see CRS Report R43240, *The Army's Armored Multi-Purpose Vehicle (AMPV): Background and Issues for Congress*, by (name redacted).

²⁷ For additional information and analysis, see CRS Report R42723, *Marine Corps Amphibious Combat Vehicle (ACV) and Marine Personnel Carrier (MPC): Background and Issues for Congress*, by (name redacted).

²⁸ For additional information and analysis, see CRS Report RL32418, *Navy Virginia (SSN-774) Class Attack Submarine Procurement: Background and Issues for Congress*, by (name redacted), and CRS Report RL32109, *Navy DDG-51 and DDG-1000 Destroyer Programs: Background and Issues for Congress*, by (name redacted).

²⁹ For additional information and analysis, see CRS Report RL33741, *Navy Littoral Combat Ship (LCS) Program: Background and Issues for Congress*, by (name redacted).

For the three versions of the F-35 Joint Strike fighter used by the Navy, Marine Corps and Air Force, the budget requested \$5.82 billion for 34 planes. This amounted to a reduction of eight planes (\$1.15 billion) from the FY2015 request that was projected in DOD's FY2014 budget request.³⁰

The request included a total of \$2.31 billion to continue development and begin production of the KC-46A mid-air refueling tanker, a modification of the Boeing 767 jetliner intended to replace KC-135 tankers that date from the 1960s.³¹

No funds were requested by the Navy to continue production of either the F/A-18E/F carrier-based strike fighter or the EF-18G Growler, a variant of the fighter equipped to jam enemy radars. Some critics of the F-35 view continued production of the F/A-18E/F as a possible alternative to the Navy's version of the F-35.³²

Readiness

DOD characterized the FY2015 budget request as a blueprint for the revitalization of conventional warfighting capabilities that had atrophied during a decade of counterinsurgency operations in Iraq and Afghanistan. DOD budget documents cited three factors as contributing to a shortfall in current readiness:³³

- Mandatory deficit reduction measures enforced by sequestration in FY2013 and by spending caps in FY2012, FY2014, and FY2015, which have constrained budgets for training, equipment maintenance, and facilities upkeep.
- Maintenance of relatively large forces in Iraq and Afghanistan that required units to deploy frequently for operations in a demanding environment without adequate time between deployments for rest and rehabilitation of personnel and equipment.
- A constant need to devote available training time and equipment to preparing troops to fight a very specific, limited type of war at the expense of preparing for conventional combat against a technologically advanced adversary.

For FY2015, DOD's base budget request for operations and maintenance (O&M) accounts—which fund training, equipment maintenance, facilities upkeep and other activities contributing to readiness—amounted to \$198.7 billion. This is 3.1% more than was appropriated for base budget O&M funding in FY2014. However, in the FY2014 Consolidated Appropriations Act (P.L. 113-76), Congress shifted to the part of the bill funding war costs \$9.15 billion for O&M activities that DOD had presented as part of the base budget. If those funds are counted as part of the

³⁰ For additional information and analysis, see CRS Report RL30563, *F-35 Joint Strike Fighter (JSF) Program*, by (name redacted).

³¹ For additional information and analysis, see CRS Report RL34398, *Air Force KC-46A Tanker Aircraft Program*, by (name redacted).

³² For additional information and analysis, see CRS Report RL30624, *Navy F/A-18E/F and EA-18G Aircraft Program*, by (name redacted).

³³ DOD Comptroller, FY2015 DOD Budget Request, *Overview*, March 2014, pp. 3-1 thru 3-22, at http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request_Overview_Book.pdf.

FY2014 base budget O&M appropriation, the FY2015 O&M request would represent a reduction of 1.6%.

Efficiencies

In addition to proposed reductions in the size of the force and the pace of modernization, the FY2015 request—like the three budgets that preceded it—included a number of organizational and management initiatives that are intended to further reduce DOD operating costs:³⁴

- The FY2012 request projected savings totaling \$150 billion over the course of FY2012-FY2016.
- The FY2013 request projected savings of an additional \$60 billion in FY2013-FY2017.
- The FY2014 request projected savings of an additional \$35 billion in FY2014-FY2018.

The FY2015 budget assumed operational efficiencies that would reduce DOD costs in FY2015-FY2019 by an estimated \$73.3 billion, including the following projected savings:

- a 20% reduction in headquarters budgets expected to save an estimated \$5.3 billion.
- various proposed efficiencies in the Defense Health Program (aside from the proposed changes in the TRICARE medical insurance system) projected to save \$17.3 billion.
- cuts to training, travel and other support costs expected to save \$21.0 billion; and
- various efficiencies in contracting expected to save \$29.9 billion.

The FY2015 budget request and five-year projection also assumed reductions in manpower and in military facilities construction funds totaling \$12.2 billion. In addition, the budget request assumed a so-called “BRAC”-round of base-closures that would cost \$1.9 billion through FY2019 but would yield annual savings thereafter.

³⁴ DOD Comptroller, FY2015 DOD Budget Request, *Overview*, March 2014, pp. 4-1 thru 4-3, at http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request_Overview_Book.pdf.

FY2015 National Defense Authorization Act (NDAA): H.R. 4435, S. 2410, H.R. 3979

The versions of the National Defense Authorization Act (NDAA) for FY2015 that were passed by the House on May 25, 2014 (H.R. 4435) and reported on June 2, 2014, by the Senate Armed Services Committee (S. 2410) each would have authorized total DOD base budget appropriations that would have exceeded the Administration's base budget request by less than \$500 million. The base budget authorized by H.R. 3979—the version of the NDAA that was cleared for the President on December 8, 2014—fell between the House and Senate versions of the bill, authorizing \$495.9 billion, which is \$347 million more than the Administration requested. (See **Table 11.**)

Authorized funding levels for Overseas Contingency Operations (OCO) in the House-passed, Senate committee reported, and final versions of the FY2015 NDAA are not comparable. The Administration's original FY2015 budget request included \$79.4 billion for OCO, but that amount—which was identical with DOD's enacted FY2014 OCO appropriation—was specifically described as a placeholder that would be replaced with an updated request once decisions were made about the number of U.S. troops slated to remain in Afghanistan through FY2015.

Before the Administration submitted its revised OCO request, the House passed H.R. 4435, which would have authorized the placeholder OCO amount, and the Senate Armed Services Committee reported S. 2410, which would have provided a blanket authorization for OCO appropriations without specifying the amount.

House and Senate negotiators drafting H.R. 3979 took account of total FY2015 OCO funding requests totaling \$63.7 billion, which the Administration submitted in three parts:

- On June 26, 2014, it requested \$53.7 billion for operations associated with Afghanistan and Iraq plus \$4.0 billion for a Counterterrorism Partnerships Fund and \$925 million for a European Reassurance Initiative to signal U.S. support for countries unsettled by Russia's occupation of Ukrainian territory.
- On November 5, 2014, it requested \$112 million for the Defense Advanced Research Projects Agency (DARPA) to develop vaccines and other technologies relevant to the effort to combat the Ebola virus.
- And on November 10, 2014, it requested \$5.0 billion for operations against the Islamic State.

Table 11. FY2015 National Defense Authorization Act (H.R. 4435; S. 2410; H.R. 3979)

(amounts in millions of dollars of discretionary budget authority)

	Administration Request	House-passed H.R. 4435	Senate Committee- reported S. 2410	Enacted Bill H.R. 3979
Base Budget				
Procurement	89,508	90,984	89,549	91,399
Research and Development	63,534	63,791	63,484	63,826
Operation and Maintenance	165,722	164,555	166,075	165,417
Military Personnel	135,194	135,244	135,147	134,716
Defense Health Program and Other Authorizations	35,029	34,742	35,266	33,980
Military Construction and Family Housing	6,557	6,533	6,452	6,552
Subtotal: DOD Base Budget	495,544	495,849	495,973	495,891
Atomic Energy Defense Activities (Energy Dept.)	17,873	17,565	17,687	17,524
TOTAL: National Defense Budget Function Base Budget	513,417	513,414	513,660	513,415
Subtotal: Overseas Contingency Operations	63,733	79,445	0	63,732
(Counterterrorism Partnerships Fund) <i>non-add</i>	(4,000)	0	0	(1,300)
(European Reassurance Initiative) <i>non-add</i>	(925)	0	0	(371)
GRAND TOTAL: FY2015 NDAA	577,150	592,859	513,660	577,147

Sources: House Armed Services Committee, H.Rept. 113-446, *Report on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, pp. 372-375; Senate Armed Services Committee, S.Rept. 113-176, *Report on the Carl Levin National Defense Authorization Act for FY2015*, pp. 296-299; Joint Explanatory Statement to accompany the National Defense Authorization Act for Fiscal Year 2015 [H.R. 3979] on the House Armed Services Committee website at http://armedservices.house.gov/index.cfm/files/serve?File_id=78ED7A79-9066-43FD-AA75-1D8F14B4B4A2.

Notes: Administration officials described the \$79.4 billion OCO total included in the FY2015 budget request as a “placeholder.” Subsequent to House passage of H.R. 4435 and Senate committee approval of S. 2410, the Administration sent to Congress several amendments to its original OCO request. In sum, the final FY2015 OCO request amounted to \$63.7 billion: \$53.7 billion for operations related to Afghanistan and Iraq, \$5 billion to combat the Islamic State, \$4 billion for Counterterrorism Partnership activities, \$925 million for actions to reassure European allies in the wake of Russia’s occupation of Ukrainian territory, and \$112 million for DOD research related to combatting the Ebola virus.

NDAA Highlights

The House and Senate versions of the bill each barred—during FY2015—several of the cost-reduction initiatives that had been incorporated into the Administration’s budget request. Both bills included provisions that would bar Administration proposals for a new round of military base closures, the retirement of various Air Force planes (including A-10 ground attack aircraft), and changes in the military commissary system.

However, the final version of the bill approved limited steps that could lead to eventual implementation of many of the Administration’s proposals to reduce the rate of growth of military

compensation and to retire some types of weapons. On several of these issues, including the proposed transfer of Apache helicopters from the National Guard to the Army, the housing allowance for military personnel, and pharmacy co-payments for TRICARE beneficiaries, the Joint Explanatory Statement on H.R. 3979 agreed to by House and Senate negotiators specifically cited the possibility that Congress might, at some future date, agree to these or similar cost-reduction proposals. (See **Table 12.**)

Table 12. Selected Administration Cost Cutting Proposals

Issue	Administration Proposal	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
Annual Raise in Military Basic Pay	1.0%; freeze for generals and admirals	Authorizes 1.8% raise (added cost of \$534.9 million); Authorize freeze for generals and admirals (Section 602)	Supports the Administration proposal (Section 601)	Joint Explanatory Statement notes President's authority to set the raise at 1%; Bill authorizes \$215.3 million more than requested for basic pay; Bill freezes pay for generals and admirals (Section 601)
Annual Commissary Subsidy (\$1.4 billion in FY2014)	3-year phase-in of \$1 billion reduction, beginning with \$200 million reduction in FY2015	Adds \$100 million to reverse Administration proposal, pending study (Section 632)	Adds \$200 million to reverse Administration proposal; requires DOD report	Adds \$100 million to reverse budget proposal; Requires study of possible cost reductions (Section 634)
Housing Allowance for assignment in U.S. (currently covers 100% of cost)	Gradually reduce rate of growth until allowance covers 95% of cost	Rejects proposal; Includes no change in current law governing housing allowance	Authorizes the Administration proposal (Section 603)	Authorizes reduction of allowance in FY2015 by 1% of average housing costs (Section 604)
TRICARE medical insurance for active duty and retired servicemembers and their dependents	Proposes increased deductibles and enrollment and participation fees and pharmacy co-payments	Authorizes none of the proposed changes	Authorizes only the proposed increase in pharmacy co-payments (Section 702)	Authorizes a \$3 increase in pharmacy co-payments (Section 702)
Decision to retire or refuel the aircraft carrier <i>USS George Washington</i> (previously slated for refueling and modernization in FY2016 to provide 25 years of additional service)	Defer until 2016 choice between refueling the ship and retiring it (DOD five-year budget plan assumes ship would be retired in FY2016)	Adds \$796.2 million for refueling and modernization; bars use of 50% of Section of Defense office budget until funds are obligated to upgrade the ship (Section 1024)	Authorizes transfer of up to \$650 million from other accounts to refuel the ship (Section 123); Bars use of funds for any action regarding the ship that are not necessary for refueling (Section 1021)	Adds \$795.1 million for refueling and modernization; Incorporates Senate provision barring spending for any purpose not necessary for refueling and modernization (Section 1023)

Issue	Administration Proposal	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
Status of 11 Aegis cruisers and three amphibious landing ships near the midpoint of expected service life	Mothball the ships and gradually modernize them and put them back into service to replace similar ships as they wear out	Prohibits inactivation of any of the ships; Requires that 2 cruisers be modernized in FY2015 (Section 1026)	Establishes rules for the Administration's phased modernization plan; Requires that all ships be kept in active service for full expected lifetime (Section 1022)	Bars retirement of any of the ships and requires that modernization of two cruisers begin in FY2015 (Section 1026)
Army/National Guard helicopter missions	Move all Apache attack helicopters from National Guard units to Army units; Re-equip some of those Guard units with Black Hawk troop carriers	Prohibits removing Apaches from National Guard units; Adds \$105.2 million to buy new Black Hawks and modernize older ones	Prohibits moving more than 48 Apaches from National Guard units (Section 1703); Creates commission to study Army/National Guard structure (Sections 1701-09) Adds \$145.0 million for new Black Hawks for National Guard units	Bars moving any Apaches from National Guard to Army in 2015 but allows moving 48 in 2016 (Section 1712); Creates commission to review Army/National Guard roles (Sections 1701-1707; Adds \$103.0 million for National Guard Black Hawks
Tomahawk cruise missile production (projected in 2013 to continue thru 2018 at rate of 196 missiles per year)	Reduce total purchase, buying the last 100 missiles in FY2015 (\$194.3 million)	Adds \$82.0 million for 96 additional Tomahawks	Adds \$82 million for 100 additional Tomahawks	Adds \$82.0 million for 96 additional Tomahawks
A-10 ground attack planes.	Retire all A-10s	Prohibits retirement of A-10s (Section 132); Adds \$635.0 million in OCO account to continue operating, and upgrading A-10s	Prohibits retirement of any A-10s (Section 134); Adds \$339.3 million to continue operating A-10s	Bars retirement of any A-10s but allows up to 36 to be removed from daily operation (Section 133); Adds \$331.1 million for A-10 operations
U-2 intelligence collection planes	Replace U-2s with Global Hawk drones	Prohibits retirement of U-2s (Section 133)	Adds \$70.1 million to keep U-2s in service; Cuts \$136.0 requested to equip Global Hawks with capability of U-2s	Prohibits retirement of U-2s (Section 133); Adds \$70.1 million to keep U-2s in service; Cuts \$136.0 requested to equip Global Hawks with capability of U-2s

Issue	Administration Proposal	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
E-3A AWACS radar planes	Retire seven (of 31) AWACS	Prohibits retirement of more than four AWACS until AF reports how it will meet requirements with planned force of 24 planes (Section 135); Adds \$12.2 million for AWACS operations	Prohibits retirement of any AWACS (Section 136); Adds \$59.5 million to continue operating all 31 planes	Prohibits retirement of any AWACS (Section 136); Adds \$59.5 million to continue operating all 31 planes
military base closures	Prepare for a Base Realignment and Closure (BRAC) process in FY2017	Prohibits planning for another BRAC round (Section 2711); Cuts \$4.8 million requested for BRAC planning	Prohibits planning for another BRAC round (Section 2702); Cuts \$4.8 million requested for BRAC planning	Prohibits planning for another BRAC round (Section 2711); Cuts \$4.8 million requested for BRAC planning

Source: Created by the Congressional Research Service

As both the House and Senate versions of the NDAA would have done, H.R. 3979 authorizes billions of dollars more than the budget requests for various purposes (with those gross increases offset, in some measure, by proposed cuts to the request). Taken as a whole, the Senate bill's additions were less ambitious than those that would have been authorized by the House bill: for two big-ticket Navy items—refueling an aircraft carrier and buying an amphibious landing ship—the House bill would have authorized additional funds while the Senate bill would have allowed the Navy to use for those purposes funds that had been appropriated in earlier budgets.

For several programs, the increased authorizations provided by the final version of the bill were closer to the higher, House-passed, amounts. For example, H.R. 3979 would add to the amount requested nearly \$1.7 billion for the carrier refueling and the additional amphibious landing ship. However, more than \$1.0 billion of the final bill's additional authorization would apply to the OCO budget, which is exempt from the statutory cap on defense spending. (See **Table 13.**)

Table 13. Other Selected Congressional Budget Increases

Issue	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
Operation and Maintenance (O&M) "readiness" funding	Adds \$1.11 billion in base budget for increased operational tempo, depot maintenance and other readiness-related activities	Adds \$586.8 million in base budget for readiness-related activities	Adds \$267.0 million for readiness in base budget and an additional \$666.2 million in OCO budget (which is exempt from budget caps)

Issue	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
EF-18G Growler electronic warfare planes (Navy)	Adds \$450.0 million for five Growlers	Directs the Navy to retain the option of buying additional Growlers; For that purpose, adds \$25.0 million and authorizes the use of \$75.0 million appropriated in FY2014 (Section 121)	Adds \$450.0 million for five additional growlers and directs the Navy to retain the option of buying more (Section 125)
<i>San Antonio</i> -class (LPD-17) amphibious landing ship (most recently funded of which—the 11 th of the class—cost \$2.09 billion in FY2012)	Adds \$800.0 million for a 12 th ship of this class; Authorizes incremental funding for the ship (Section 122)	Authorizes the Navy to transfer up to \$650 million from procurement accounts to fund an additional LPD-17 (Section 123)	Adds \$800.0 million for a 12 th ship of this class; Authorizes incremental funding for the ship (Section 121)
C-130 Hercules modernization	Prohibits cancellation of avionics upgrade for older planes (Section 131); Adds \$73.8 million to upgrade avionics and engines	Adds \$73.8 million to upgrade avionics and engines on older planes	Prohibits cancellation of avionics upgrade for older planes (Section 134); Adds \$73.8 million to upgrade avionics and engines
Armored combat vehicles	Adds \$192.0 million to upgrade M-1 tanks and modernize armored tank recovery vehicles to sustain the armored vehicle industrial base	Adds \$136.9 million to modernize Bradley troop carriers, buy tank recovery vehicles, and give tanks more limited modifications to sustain the industrial base	Adds \$232.9 million to modernize Bradleys, buy tank recovery vehicles and provide the more extensive tank upgrades
Accrual payments to Military Retired Pay account; (Budget includes \$18.9 billion to cover estimated future payments to current servicemembers)	No change	Adds \$500.0 million to cover the cost of P.L. 113-82, exempting persons who joined the service before 1/1/2014 from the BBA's reduction in the retired pay COLA formula; Also extends that exemption through 1/1/2016 (Section 621)	Extends the exemption created by P.L. 113-82 (Section 623; Does not authorize a corresponding additional payment to the Military Retired Pay account
Israeli missile defense systems (Budget includes \$176.0 for procurement of Iron Dome defense against short-range rockets and mortars and \$96.8 million for R&D on three other systems, for a total of \$272.8 million)	Adds \$176.0 million for Iron Dome and \$72.0 million for the other three Israeli missile defense systems (total of \$520.8 million authorized)	Shifts the \$176.0 million requested for Iron Dome procurement to R&D; Adds \$175.0 million for R&D on the other three Israeli systems (total of \$447.8 million authorized)	Adds \$175 million for Iron Dome and transfers resulting Iron Dome procurement (totaling \$351.0 million) to OCO budget; Adds \$123.8 million for R&D on other systems (total of \$571.6 million authorized)

Issue	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
Develop a replacement for Russian RD-180 satellite booster	Adds \$220.0 million to develop a replacement for the Russian-manufactured RD-180 rocket engine used to launch heavy DOD satellites	Adds \$100.0 million to develop a replacement rocket propulsion system	Adds \$220.0 million to develop a replacement for the Russian-manufactured RD-180 rocket engine
Construction of ballistic missile defense site near the East Coast (in addition to current sites in Alaska and California)	Adds \$20.0 million for planning and design of East Coast site	None	None
Procurement funding for National Guard and reserve forces	Adds \$105.2 million	Adds \$151.8 million	Adds \$1.35 billion (of which \$1.25 billion is in OCO funding)

Source: Created by the Congressional Research Service

To compensate for the added cost of rejecting at least some Administration-proposed savings and making some sizeable additions to the budget request, H.R. 3979—as the House and Senate versions of the NDAA would have done—would authorize less than the budget requested for many programs, with some of the reductions amounting to hundreds of millions of dollars. While some of the proposed reductions were aimed at slowing down certain acquisition programs, others were justified on grounds that they reflected fact-of-life developments (such as changes in foreign currency exchange rates) and would have no adverse impact on DOD’s FY2015 activities. (See **Table 14.**)

Table 14. Selected Congressional Reductions to the Administration’s FY2015 Request

Issue	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
Littoral Combat Ships; Budget requests 3 ships (\$1.43 billion)	Cuts 1 ship (\$450.0 million); Adds \$100.0 million for long lead-time components	No change to request	No change to request
KC-46 tanker plane; Budget requests 7 planes (\$1.58 billion)	Cuts 1 plane (\$229.7 million) because of budget constraints	No change to request	No change to request
UCLASS carrier-based, long-range drone; Budget requests \$403.0 million	Cuts \$203.0 million	No change to request	No change to request
Army radios and radars (Budget requests total \$1.15 billion)	Cuts total of \$225.0 million from three programs	Cuts \$293.4 million from the same three programs	Cuts \$225.0 million from the three programs

Issue	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
Anticipated cost reductions due to fluctuations in currency exchange rates	Cuts \$ 414.1 million	Cuts \$220.9 million	Cuts \$220.9 million
Smaller civilian workforce than budget assumed	Cuts \$315.0 million	Cuts 250.0 million	Cuts \$421.3 million
Overestimated military personnel costs in previous budgets	No change to request	Cut's \$761.1 million	Cuts \$688.0 million
Reduction of funding for service contractors	Cuts \$817.5 million	No change to request	No change to request

Source: Created by the Congressional Research Service

Military Personnel Issues (*Authorization*)

CRS Analysis of Selected Military Personnel Issues

For additional detail and analysis of selected military personnel issues touched upon in the FY2015 NDAA, see CRS Report R43647, *FY2015 National Defense Authorization Act: Selected Military Personnel Issues*, coordinated by (name redacted).

End-Strength Reductions (*Authorization*)

As the House and Senate versions of the FY2014 NDAA would have done, H.R. 3979 authorizes the Administration-proposed reductions in the size of the active and reserve components of the services. This will reduce active component end-strength by 52,800 to a total of 1,361,400 personnel (**Table 8**) while reducing reserve component end-strength by 12,900 to a total of 820,800 personnel (**Table 9**).³⁵

In its report on H.R. 4435, the House Armed Services Committee expressed concern that, considering ongoing overseas commitments of U.S. forces, the additional reductions that will be necessary if the budget caps are not lifted, “may have serious implications on the capacity and capability of the All-Volunteer Force and the ability for the services to meet the National Defense Strategy.”³⁶

The House committee also directed the Government Accountability Office (GAO) to investigate why 25% of Army Reserve and 30% of Army National Guard personnel are not available for mobilization at any given time, mostly for medical reasons.

³⁵ The NDAA also authorizes the annual end-strength of the Coast Guard Reserve, for which both bills would maintain the current end-strength of 9,000 personnel, as requested.

³⁶ H.Rept. 113-446, p. 135.

Compensation and Benefits Changes (*Authorization*)

The House-passed version of the FY2015 NDAA would block each of the Administration's proposals to slow the rate of growth in military pay and benefits, while the version reported by the Senate Armed Services Committee would authorize some of those initiatives.³⁷

In its report on H.R. 4435, the House Armed Services Committee warned of the cumulative effect on relatively junior enlisted personnel of the proposed changes in pay and benefits, recommending that any changes be deferred until Congress receives the recommendations of the legislatively mandated Military Compensation and Retirement Modernization Commission (MCRMC). This group, established by a provision of the NDAA for FY2013,³⁸ is due to report its findings and recommendations by February 1, 2015.

The Senate Armed Services Committee, in its report on S. 2410, said it “reluctantly” supported proposed restraints on the increase for FY2015 in servicemembers' basic pay and housing allowances, as well as a proposed increase in certain pharmacy co-payment requirements under TRICARE. However, the Senate committee, too, called for deferring other proposed changes in TRICARE and the commissary system pending receipt of the MCRMC recommendations. It also urged the commission to conduct a survey of servicemembers.

The enacted version of the bill—H.R. 3979—steered a middle course between the House and Senate bills on these issues. But in the Joint Explanatory Statement accompanying the bill, House and Senate negotiators noted that they were deferring judgment on some of the proposed cost reductions, not rejecting them out of hand, and warning that the overall budget situation would be a factor in the Armed Services Committees' future decisions:

We note that if sequestration-level budgets remain in effect for fiscal year 2016 and beyond, DOD will need to make painful cuts and achieve substantial savings across its entire budget in order to avoid an unacceptable reduction in readiness of the Armed Forces of the United States. The [Joint Chiefs of Staff] have urged us to take all action necessary, including compensation adjustments, to avoid such readiness impacts.³⁹

Military Basic Pay Authorization

Section 601 of the final bill freezes the basic pay of generals and admirals during FY2015, as the Administration had proposed. The House and Senate bill's each contained similar provisions.

For personnel of all other ranks, Section 601 of the Senate Committee's bill would have authorized a 1% raise in basic pay, beginning January 1, 2015, as called for by the budget request. In its report on H.R. 4435, the House Armed Services Committee endorsed the 1.8% increase in basic pay that would occur on that date under existing law⁴⁰ which ties the annual increase in

³⁷ See “Compensation,” above.

³⁸ P.L. 112-229, Section 671.

³⁹ Joint Explanatory Statement [hereinafter, JES] to accompany the National Defense Authorization Act for Fiscal Year 2015 [H.R. 3979] on the House Armed Services Committee website at http://armedservices.house.gov/index.cfm/files/serve?File_id=78ED7A79-9066-43FD-AA75-1D8F14B4B4A2; p. 86.

⁴⁰ 37 U.S.C. §1009.

military basic pay to the Labor Department's Employment Cost Index (ECI), a measure of private sector compensation. The House-passed bill included no provision relating to the annual increase in basic pay (except for its Section 602, freezing basic pay for generals and admirals). However, House bill would have increased the amount authorized for military personnel spending by \$534.9 million—the difference between the cost of the 1% raise included in the budget request and the 1.8% raise favored by the House committee.

The enacted bill contains no provision relating to basic pay (except for generals and admirals). However, the accompanying Joint Explanatory Statement acknowledges that the President had “exercised his authority under Section 1009 (e) of Title 37, United States Code” to implement a 1% raise rather than the 1.8% raise that the ECI formula would require.⁴¹

Military Retired Pay COLA

H.R. 3979 includes a provision (Section 623) that essentially mirrored Section 621 of the Senate bill, delaying until January 1, 2016, the effective date of a reduction in the annual cost-of-living adjustment (COLA) for military retired pay. The provision's roots lay in the Bipartisan Budget Act (BBA) of 2013 (P.L. 113-67) enacted late in December 2013.

In addition to raising mandatory budget caps in FY2014 and FY2015, that law reduced the cost of living adjustments (COLAs) provided to military retirees under the age of 62 from a percentage equal to the increase in the Consumer Price Index (CPI) to a percentage that was 1% lower than the CPI change. Subsequent legislation (P.L. 113-76 and P.L. 113-82) exempted from that provision all currently serving military personnel who joined prior to January 1, 2014.

Section 623 of the enacted bill extends that exemption to cover all who joined the service prior to January 1, 2016. In its report on S. 2410, the Senate Armed Services Committee said this would defer any change in the retirees' COLA until Congress had time to review the report of the legislatively mandated compensation review commission (MCRMC), which is due to report early in 2015.

Housing Allowance (BAH) Authorization

Section 603 of the Senate bill (S. 2410) would have authorized, as requested, a change in the method for computing servicemembers' Basic Allowance for Housing (BAH) in order to allow DOD to reduce the rate of growth in BAH payments in fiscal years 2015-2017 until they cover 95% of housing and utility costs in a particular region rather than 100% of costs, as currently is the policy.

The House bill included no provision relating to the proposed change in the housing allowance. However, in its report, the committee asked DOD to share with the Military Compensation Commission any analysis it had carried out concerning the likely effects on the force of the proposed change in the housing allowance.

Section 604 of the final bill allows DOD to implement that portion of the planned reduction in growth that was planned for FY2015—the first year of the three-year phase-in period—pending

⁴¹ JES to accompany H.R. 3979, p. 93.

the Military Compensation Commission report. “By adopting changes to BAH beginning in the first year of the proposal, the agreement preserves the option for Congress to achieve the full savings requested by DOD,” the Joint Explanatory Statement says.⁴²

Commissary Subsidy Authorization

Like the House and Senate versions of the FY2015 NDAA, the final version of the bill rejected the Administration proposal to reduce by \$200 million the annual operating subsidy to the military commissary system. The subsidy amounted to \$1.37 billion in FY2014 and the Administration requested \$1.11 billion in FY2015.

H.R. 3979 authorizes restoration of the \$200 million difference to the commissary budget, as the Senate bill would have done. In its report on S. 2410, the Senate committee directed the Secretary of Defense to present to the military compensation commission an analysis of the impact of the commissary proposal on the purchasing power of the families of younger enlisted personnel and an assessment of other business models for the commissary system. The House bill would have added \$100 million to the commissary budget request.

Section 634 of the final bill—which parallels Section 632 of the House bill—requires the Secretary of Defense to sponsor a review of the commissary system by an independent organization “experienced in grocery retail analysis.” The review is to include an assessment of “the impact that eliminating or reducing the commissary subsidy would have on eligible beneficiaries.”⁴³

TRICARE Authorization

The House bill rejected the Administration’s proposed increases in TRICARE fees and pharmacy copays, including the proposed enrollment fee for retirees joining TRICARE-for-Life. The bill included a provision (Section 736) barring the closure or realignment of any DOD medical facility pending a report to Congress by the Government Accountability Office (GAO) on a currently ongoing DOD study that is expected to recommend such changes.

The Senate bill would have authorized the Administration’s proposal to increase pharmacy copayments under TRICARE in ways designed to encourage the use of generic medications and mail-order refills (Section 702).

Section 702 of the final version of the bill authorizes a \$3 increase in the current pharmacy copayment and requires that all prescriptions for maintenance medications—those used on a regular basis for chronic conditions such as high cholesterol—be filled either through a pharmacy at a military medical facility or through TRICARE’s mail-order system.

⁴² JES to accompany H.R. 3979, p. 86.

⁴³ Ibid., p. 93.

Sexual Assault Prevention and Response

The House and Senate bills each included provisions building on elements of the FY2014 NDAA (P.L. 113-66) that changed DOD policy and military law regarding cases of sexual assault within the Armed Forces.

Following are selected aspects of the sexual assault issue that are addressed in one or another version of the FY2015 NDAA:

Table 15. Selected Sexual Assault-related Provisions: H.R. 4435 and S. 2410

Issue	House-passed H.R. 4435	Senate Committee- reported S. 2410	Enacted Bill H.R. 3979
Alleged victims of sexual assault will be consulted as to whether they prefer an accusation of assault to be tried in a civilian court or by court-martial	Section 534	Sections 545a and 545b	Section 534
Victims of a sex-related offense can appeal, on a confidential basis, the terms of their separation or discharge from the service	Section 538	Section 545e	Section 547
“General military character” of the accused cannot be used to establish probability of innocence in a sexual assault case (the so-called “good soldier” defense)	Section 537	Section 545g	Section 536
Minimum sentence in sexual assault cases includes dishonorable discharge and two years imprisonment	Section 536	none	none
Service secretary will review (at the request of the service’s chief prosecutor) of any decision by a convening authority not to take a case to court-martial	none	Section 546	Section 541

Source: Created by the Congressional Research Service

Note: Corresponding provisions of the two bills differ in some respects.

Ground Combat Systems (Authorization)

Congressional action on authorization of funding for selected ground force equipment is summarized in **Table A-4**. Following are some highlights.

Army and National Guard Helicopters

The House bill would have prohibited during FY2015 the transfer to active Army units of Apache attack helicopters currently assigned to National Guard units many of which, in turn, would be equipped with relatively modern Black Hawk troop-carrying helicopters drawn from Army units (Section 1050). It also would have directed the GAO to review the analysis that was the basis of the Army’s decision to transfer the Apaches. In its report on the bill, however, the committee allowed for the possibility that such a transfer eventually might occur, stating: “The committee

expects that those units that transfer AH-64 Apache attack helicopters to the active Army would receive priority for modernized Black Hawks.⁴⁴

The House bill also would have added to the budget \$96.4 million to buy six new Black Hawks for the National Guard plus \$45.4 million to modernize early-model Black Hawks currently equipping National Guard units.

The Senate bill would have allowed DOD to transfer to the active Army as many as 48 of the National Guard's 192 Apaches (Section 1703). In addition, it would have added to the budget \$145 million for eight additional Black Hawks for the National Guard.

S. 2410 also would have mandated creation of an independent commission to make recommendations on the organization of the Army and on the allocation of missions among the active Army, the Army Reserve and the Army National Guard (Title XVII). The bill also would have required the Secretary of the Air Force to report each year from 2016 to 2019 on that service's implementation of recommendations made early in 2014 by a legislatively mandated panel set up to review the structure of the Air Force, including the allocation of missions between active and reserve components (Section 1061).

In the final version of the FY2015 NDAA, Section 1703 bars the transfer of any Apache helicopters from the National Guard during FY2015 but allows the transfer of up to 48 of the aircraft during the first six months of FY2016. Also, Sections 1701-1712 of the bill creates a commission to study the allocation of missions between the active-duty Army and its reserve components, paralleling the Senate bill's initiative.

Armored Vehicle and Tactical Vehicle Industrial Base

Like the House and Senate versions of the bill, H.R. 3979 authorizes larger amounts than were requested for tanks and other armored combat vehicles for the stated purpose of sustaining the specialized network of suppliers and assembly plants that produce such equipment. The House and Senate Armed Services Committees, in the reports on their respective versions of the FY2015 NDAA, each warned that the Army's budget request for tanks and other armored combat vehicles was inadequate to sustain that industrial base. The House committee explicitly discounted DOD's contention that sales to foreign governments would keep the armored industrial base intact until late in this decade, when DOD projects a surge in procurement of such vehicles.

The final version of the bill also mirrors the House bill in authorizing additional funds for Army trucks. In its report on H.R. 4435, the House Armed Services Committee justified these increases as a way to even out annual funding for the trucks, avoiding the inefficiencies that would result fluctuations in annual funding under DOD projected spending plans. (**Table 16.**)

⁴⁴ H.Rept. 113-446, p. 199.

Table 16. NDAA Changes to Authorization Request for Selected Army Vehicles
(amounts are in millions of dollars)

System	Budget Request	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
M-1 tank modifications	237.0	no change	+24.0	no change
M-1 tank “upgrade” with improved digital communications	0.0	+120.0	no change	+120.0
Bradley troop carrier modifications	107.5	no change	+37.0	+37.0
M-88 tank recovery vehicle procurement and modifications	52.5	+72.0	+75.9	+75.9
Family of medium tactical vehicles	0.0	+50.0	no change	+50.0
Family of heavy tactical vehicles	28.4	+50.0	no change	+50.0

Source: Created by the Congressional Research Service

Naval Systems (Authorization)

Congressional action on authorization of funding for selected naval equipment is summarized in **Table A-6**. Following are some highlights.

Refueling a Nuclear-powered Carrier

Like the House and Senate versions of the NDAA, H.R. 3979 includes provisions intended to require the Navy to refuel and modernize the aircraft carrier *U.S.S. George Washington*. The project—expected to cost \$4.7 billion over nearly four years—would equip the ship, commissioned in 1992, for an additional 23 years of service.

Incremental funding for preliminary work was included in DOD budgets beginning in FY2012, with extensive work on the ship slated to begin in FY2016. But when presenting the FY2015 budget request, DOD officials said that, because of budget constraints, they were deferring until 2016 a decision whether to refuel and modernize the carrier or retire it. Officials said that the FY2016 budget request would fund one course or the other depending on whether Congress had indicated a willingness to provide more funding for DOD in future years than the budget caps currently in force would allow.

On July 10, 2014, the Navy’s chief shipbuilding manager, Assistant Secretary Sean Stackley, told a House Armed Services Subcommittee that, in the light of congressional support for retaining the ship, the Navy was planning to fund the refueling and overhaul of the carrier in future budgets.

The House bill would have required the Navy to proceed with the originally planned mid-life refueling and modernization of *U.S.S. George Washington*, authorizing an additional \$785 million for the project. The House bill also would have embargoed use of 50% of the funds appropriated

for the Office of the Secretary of Defense in FY2015 until contracts were signed for the refueling (Section 1024).

The Senate bill would have authorized the Navy to begin work on the carrier using in FY2015 up to \$650 million in funds that had been appropriated in prior budgets but had not been spent (Section 1021). It also would have barred the Navy from using those funds to perform any work on the carrier that was not a part of the refueling and modernization work (Section 1021). This would be consistent with DOD's announced plan to perform during FY2015 only work that would be needed whether the ship was to be refueled or retired.

The final version of the NDAA authorizes an additional \$795.1 million to begin overhauling the ship and incorporates as Section 1023 the Senate provision barring use of the funds for any purpose not required by the refueling and modernization plan.

Temporary Lay-up of Aegis Cruisers and Amphibious Ships

The FY2015 budget request incorporated a plan for the Navy to:

- keep in service 11 Aegis cruisers and 9 LSD-type amphibious landing transports;
- tie up 11 other cruisers and 3 LSDs;
- modernize the out-of-service ships while they are laid up, over the span of several years; and
- return the modernized ships to service as one-for-one replacements as their sister ships (those that remained in service) retire, beginning in the late 2020s.

H.R. 3979—like the House and Senate versions of the FY2015 NDAA—includes restrictive provisions intended to ensure that the laid-up ships would be modernized and would not be prematurely scrapped.

In the final version of the bill, Section 1026 requires that modernization work on two of the cruisers begin in 2015, that none of the ships be retired, and that all of them be maintained in a condition that would permit their return to active service. It also requires submission to Congress, with the annual DOD budget request, of a detailed report on the status of each of the ships. The Joint Explanatory Statement accompanying H.R. 3979 expresses the expectation that the ships be retained in the fleet for their full, planned service lifetimes (not counting any years that the ship was out of service because it was undergoing modernization).

Missile-launching Submarines

The final version of the FY2015 NDAA—like the House and Senate versions—authorizes the \$1.22 billion requested to develop a new class of ballistic missile-launching submarines to replace the current fleet of *Ohio*-class subs, which are slated to begin retiring in 2027. That total includes \$849.3 million for design work related to the new ship and \$370.0 million to continue development of the new sub's nuclear power plant.

H.R. 3979—like its House and Senate precursors—also creates (Section 1022) a new budget account to fund construction of the new class of missile subs: the National Sea-Based Deterrent Fund. Navy officials have said that, if the cost of the new subs—estimated at \$6 billion apiece in FY2013 dollars—has to be absorbed within projected shipbuilding budgets, many other ships will

be squeezed out.⁴⁵ The bill authorizes the Secretary of the Navy to transfer into the new account up to \$3.5 billion in unobligated balances from the Navy's appropriations for FY2014-FY2016.

Air Force Programs (Authorization)

Congressional action on authorization of funding for selected types of fixed-wing aircraft is summarized in **Table A-10**. Following are some highlights.

A-10 Ground-Attack Aircraft

The House and Senate versions of the FY2015 NDAA each contained provisions that would have blocked outright the Air Force's plan to retire its fleet of A-10 ground-attack planes. Each of those bills also would have authorized additional funds to continue operating the A-10 fleet.

Section 133 of H.R. 3979 prohibits retirement of any A-10s, but it also allows the Air Force to remove up to 36 of the aircraft from day-to-day operations if the Secretary of Defense certifies to Congress that doing so is necessary to free up funding needed to sustain the readiness of the Air Force fighter fleet. The final bill also added to the Air Force authorization request \$331.2 million for continued A-10 operations in FY2015.

Intelligence, Reconnaissance, and Surveillance (ISR) Aircraft

In the reports on their respective versions of the FY2015 NDAA, the House and Senate Armed Services Committees each expressed concerns about Air Force plans to retire several of the service's surveillance and reconnaissance planes, in some cases, before a planned replacement would be ready for service. Following is a summary of action related to those issues in the House and Senate versions of the NDAA and in H.R. 3979, the final version enacted into law. (See **Table 17**.)

Table 17. ISR Aircraft Issues in FY2015 NDAA

Administration proposal	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
Replace U-2s with Global Hawk drones equipped with upgraded sensors	Prohibits retirement of U-2s (Section 133); requires report on cost and timetable to replace U-2s without loss of capability pending deployment of the proposed replacement	Adds \$70.1 million to keep U-2s in service; Cuts \$136.0 million requested to equip Global Hawks with capability of U-2s; Report cites provision of FY2012 NDAA as prohibiting U-2 retirements (Section 133 of P.L. 112-81)	Prohibits retirement of U-2s (Section 132); Adds \$70.1 million to upgrade U-2s and cuts \$136.1 requested to upgrade Global Hawks for the U-2 mission

⁴⁵ CRS Report R41129, *Navy Ohio Replacement (SSBN[X]) Ballistic Missile Submarine Program: Background and Issues for Congress*, by (name redacted).

Administration proposal	House-passed H.R. 4435	Senate Committee-reported S. 2410	Enacted Bill H.R. 3979
Retire seven (of 31) AWACS radar planes	Prohibits retirement of more than four AWACS until AF reports how it will meet requirements with the residual force of 24 planes (Section 135)	Prohibits retirement of any AWACS (Section 136); Adds \$59.5 million to continue operating all 31 planes	Prohibits retirement of any AWACS (Section 136); Adds \$59.5 million to continue operating all 31 AWACS.
Retire 5 (of 16) JSTARS ground-scanning radar planes; begin developing a replacement with new technology, to enter service in 2022	Requires report to Congress on the overall military requirement for ground-scanning radar planes	Prohibits retirement of any JSTARS planes until Air Force reports to Congress the cost and timetable of alternatives (Section 213); Urges Air Force to base JSTARS replacement on existing technology and cuts \$63 million from the \$73 million requested to develop replacement	Prohibits retirement of any JSTARS planes until Air Force reports to Congress the cost and timetable of alternatives that would begin delivering replacement aircraft in 2019; (Section 219); Authorizes, as requested, \$73 million to develop replacement

Source: Created by Congressional Research Service

Missile Defense Programs

The FY2015 budget request included \$7.46 billion for the Missile Defense Agency (MDA), about three-quarters of which would go to R&D efforts to develop sensors to detect ballistic missiles in flight and weapons to destroy them. The House bill would increase the MDA authorization by a net total of \$363 million—about 4.9%. The Senate bill would add a net total of \$190 million to the request. H.R. 3979 would add a net total of \$377.6 million, authorizing a total of \$7.85 billion for MDA. In each case, the bulk of the proposed increase would go to several Israeli-developed defense systems.

Congressional action on authorization of funding for selected missile defense programs is summarized in **Table A-2**. Following are some highlights.

Ground-based Midcourse Defense (GMD)

The budget request included \$1.00 billion for the Ground-Based Midcourse Defense (GMD), which includes Ground-Based Interceptor (GBI) missiles currently deployed in Alaska and California to protect U.S. territory against a small number of intercontinental ballistic missiles (ICBMs) launched from North Korea or Iran. The final version, H.R. 3979—like the House-passed version of the NDAA—increases the authorization by \$40.0 million to improve the reliability and maintainability of the system.

The final bill does not authorize planning and design for a third GBI deployment site, to be located on the East Coast. The House bill would have authorized \$20 million for this purpose. In its report on H.R. 4435, the House Armed Services Committee directed MDA to provide it with regular updates on the cost and planning estimates associated with a third site and an assessment

of which of several potential East Coast sites would provide the best protection against missiles launched from Iran.⁴⁶

Israeli Defense Systems

The budget request included a total of \$272.8 million for various Israeli-designed systems: \$96.8 million to continue development of three systems designed to intercept short-range and medium-range ballistic missiles and \$176.0 million to continue acquiring for Israel's use a fourth system called "Iron Dome," designed to intercept short-range rockets and artillery shells.

The House bill would have raised the total authorized for the Israeli systems to \$520.8 million: \$352.0 million for Iron Dome and \$168.8 million for the other three. The Senate bill would have authorized \$447.8 million: \$351.0 million for Iron Dome and \$220.6 million for the other three.

H.R. 3979 authorizes \$571.6 million—slightly more than double the budget request—for the Israeli missile defense systems: \$351.0 million for procurement of Iron Dome (in the OCO budget) plus \$220.6 million for the other three systems.

Provisions Regarding Guantanamo Bay Detainees

The final version of the FY2015 NDAA—like the House bill—extends through December 31, 2015 restrictions in current law that prohibit the transfer to the United States of detainees held at the U.S. Naval Station at Guantanamo Bay, Cuba (Section 1033).

By contrast, the Senate bill (Section 1031) would have allowed a detainee to be brought to U.S. territory for continued detention and/or trial if:

- the Secretary of Defense submits to Congress a plan to close the Guantanamo Bay detention facility;
- Congress does not pass (under fast-track procedures) a joint resolution of disapproval;
- the Secretary of Defense determines that the transfer served U.S. security interests and that steps had been or would be taken to reduce any public safety risks that would result; and
- Congress received at least 30 days prior notice of the proposed transfer.

H.R. 3979 does not include a provision comparable to Section 1033 of the Senate bill which would have allowed the temporary transfer of detainees to U.S. territory to deal with medical emergencies.

Detainee Facilities at Guantanamo Bay

No funds for constructing additional detainee facilities at Guantanamo Bay were requested in the FY2015 budget and none are authorized by H.R. 3979. The House

⁴⁶ H.Rept. 113-446, pp. 280-281.

version of the FY2015 NDAA would have added \$69.0 million for construction at Guantanamo Bay of a “high value detainee complex.”

Section 2808 of the final bill—repeating Section 2806 of the Senate bill—prohibits funding the construction of any additional facility at Guantanamo Bay “unless it has enduring military value independent of a high value detention mission.”

H.R. 3979 does not include a provision comparable to Section 1034 of the House bill that would have barred the use of funds for recreational facilities for Guantanamo Bay detainees.

Transfer of Detainees to Other Countries

The final version of the bill does not include language paralleling provisions of the Senate bill that would:

- Prohibit the transfer of detainees to Yemen (Senate bill Section 1034); or
- Require a report to Congress on impediments to the transfer of detainees to other countries using the greater discretion given to the executive branch by Section 1035 of the FY2014 NDAA (Section 1032).

Detainee-Related Provisions

For background and additional analysis of detainee-related provisions in the FY2015 National Defense Authorization Act, see CRS Report R42143, *War-time Detention Provisions in Recent Defense Authorization Legislation*, by (name redacted) and (name redacted).

Provisions Relating to DOD Peacekeeping and Counterterrorism⁴⁷

Global Train and Equip

Section 1205 of the final version of the FY2015 NDAA codifies a modified version of DOD’s premier “building partner capacity” (BPC) authority, first established by Section 1206 of the FY2006 NDAA (P.L. 109-163) and regularly extended by subsequent NDAAs. Known for its first decade by its original section number, “Section 1206,” as codified to Title 10 (Armed Services), U.S. Code, Section 2282, authorizes the Secretary of Defense, with the concurrence of the Secretary of State, to provide equipment, supplies, training, defense services, and small-scale military construction to foreign security forces:

- to enable foreign national military forces, national maritime or border security forces, and other national-level security forces with counterterrorism responsibilities to perform counterterrorism operations; and
- to enable foreign military forces to participate in or to support military, stability, and peace support operations which benefit U.S. national security interests.

This assistance is subject to all conditions found elsewhere in law on country eligibility and the types of assistance that may be provided.

⁴⁷ This section of the report was written by (name redacted), Specialist in International Security Affairs.

Human Rights Conditions

Section 1204 of H.R. 3979 codifies a modified version of the recurring “Leahy Law” human rights condition on DOD assistance to foreign security forces included in annual DOD defense appropriations measures since 1989. As codified to Title 10 U.S.C. Section 2249e, the DOD Leahy Law prohibits providing training, equipment, and “other assistance” to members of a foreign security force unit where there is credible information that the unit has committed a gross violation of human rights.⁴⁸ Exceptions are made for disaster, humanitarian and emergency assistance, and for cases where a foreign government “has taken all necessary corrective steps” to address a unit’s gross violations of human rights. (The term “all necessary corrective steps” is not defined.) The prohibition could be waived in case of “extraordinary circumstances.”

In a related human rights innovation, Section 1206 of the enacted bill authorizes the Secretary of Defense, with the concurrence of the Secretary of State, to conduct human rights and rule of law training of security forces and associated foreign government security ministries through FY2020. This provision permits human rights and rule of law training, under certain conditions, to foreign security units that would otherwise be prohibited from receiving such training by the DOD Leahy Law (see above) or other law.

Other Security Assistance-related Provisions

The final version of the FY2015 NDAA also contains two other provisions regarding DOD BPC and other security assistance:

Section 1201 extends the joint DOD-State Department Global Security Contingency Fund (GSCF, Section 1207 of the FY2012 NDAA, P.L. 112-81, as amended) through FY2017. The GSCF may be used for BPC counterterrorism programs similar to those conducted under Section 1206, Global Train and Equip as well as justice sector, rule of law, and stabilization support.⁴⁹ Section 1201 adds a new provision permitting up to \$750,000 to be used per project for small-scale construction; and

Section 1211 of the bill requires the Secretary of Defense, in consultation with the Secretary of State, to report by February 1 of 2016, 2018, and 2020 on 18 specified DOD programs, describing assistance provided, stating the cost, and describing metrics, if any used to assess and evaluate those programs.

Counterterrorism Partnerships Fund

Section 1510 of H.R. 3979 authorizes up to \$1.3 billion in FY2015 DOD appropriations to establish the new Counterterrorism Partnerships Fund (CTPF) requested by the Administration in June 2014. (The Administration requested \$4 billion in DOD funding.) Section 1534 authorizes the use of CTPF funds for two purposes: (1) to provide support and assistance to foreign security forces or other groups or individuals to conduct, support, or facilitate counterterrorism and crisis

⁴⁸ See: CRS Report R43361, “Leahy Law” Human Rights Provisions and Security Assistance: Issue Overview, coordinated by (name redacted).

⁴⁹ See CRS Report R42641, *Global Security Contingency Fund: Summary and Issue Overview*, by (name redacted).

response activities under existing DOD authorities, and (2) to improve U.S. military capacity to provide enabling support to counterterrorism and crisis response activities undertaken by foreign security forces or other groups or individuals.

Congress established a number of limitations on this authority. Section 1534 limits CTPF-funded activities to the areas of responsibility of the U.S. Central Command (excluding assistance or other support for the government of Iraq) and the U.S. Africa Command. Activities elsewhere may be funded only if the Secretary of Defense determines it necessary to counter an increased national security risk and no other monies are available.

CTPF funds can only be used when transferred to any existing DOD operation and maintenance account to conduct programs under any existing DOD authority and subject to the requirements and limitations of that authority. Although Section 1534 does not specify potential recipient accounts, Section 9016 of the FY2015 omnibus appropriations act (P.L. 113-235) provides that up to \$500 million CTPF monies may be used through FY2015 to assist vetted Syrian forces, groups, and individuals authorized to receive assistance under Section 1209 of the FY2015 NDAA. Among possible authorities under which CTPF monies may be spent are the “Section 1206” Build Partner Capacity authority (as codified at 10 U.S.C. 2282), the Global Security Contingency Fund, and the Regional Defense Counterterrorism Fellowship Program (10 U.S.C. 2249c). P.L. 112-235 designates CTPF monies as Overseas Contingency Operations/Global War on Terrorism funds.

House Floor Action on H.R. 4435

The House passed H.R. 4435, the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015, on May 25, 2014 by a vote of 325-98. Following is a summary of House action on selected amendments considered during floor debate on the bill:

Table 18. Selected House Floor Amendments to FY2015 NDAA (H.R. 4435)

Principal sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Enacted Bill H.R. 3979
War on Terror				
Lambert	667	Require DOD to establish plan with Afghan government for reimbursement of U.S. contractors who paid illegal taxes to Afghan government	agreed voice vote	not included
Schiff	680	Sunset, 12 months after enactment of the bill, the Authorization of Use of Military Force (AUMF) resolution adopted in 2001	rejected 191-233	n/a
Broun	687 <i>en bloc 6</i>	Prohibit use of unmanned aerial vehicle (“ drone ”) to kill a U.S. citizen except one who is actively engaged in combat against the United States	agreed voice vote	not included
Gibson	687 <i>en bloc 6</i>	Provided that nothing in this bill shall be construed as authorizing the use of military force against Syria or Iran	agreed voice vote	Section 1279 (applies only to Iran)
Detainee Issues				

Principal sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Enacted Bill H.R. 3979
Smith (Wash.)	675	Provide a framework for closure of the detention facility at U.S. Naval Station Guantanamo Bay , Cuba	rejected 177-247	n/a
Smith (Wash.)	676	Eliminate indefinite detention of persons under authority of the AUMF and provide for transfer of detainees to trial by federal or state courts	rejected 191-230	n/a
Ross	686 <i>en bloc 5</i>	Prohibit use of taxpayer funds to provide additional or upgraded recreational facilities for detainees at Guantanamo Bay	agreed voice vote	Section 1032
Strategic Arms, Arms Control, and Russia				
Daines	669	Eliminate the expiration date (2021) from Section 1634 of the bill which requires DOD to retain ICBM launch silos from which missiles have been removed in a “warm” status that would facilitate their reactivation	agreed 222-196	Section 1644
Lamborn	679	Prohibit the use of funds to implement the New START arms reduction treaty until Secretary of Defense certifies that Russia no longer is occupying Ukrainian territory and is complying with the INF and CFE treaties	agreed 233-191	not included
Blumenauer	681	Require Congressional Budget Office to update annually its report on the projected cost of U.S. nuclear forces	agreed 224-199	modified Section 1643
Turner	686 <i>en bloc 6</i>	Prohibit the use of funds to remove nuclear- weapons capable aircraft from Europe unless Secretary of Defense certifies that Russia no longer is occupying Ukrainian territory and is complying with the INF and CFE treaties; Also require report on cost and burden-sharing arrangements with NATO of U.S. nuclear weapons “forward-based” in Europe	agreed voice vote	modified Section 1649
Franks	688 <i>en bloc 7</i>	Increase by \$99 million the authorization for Aegis missile defense (offset by reductions in other programs)	agreed voice vote	final authorization amount included the increase
Kelly	685 <i>en bloc 4</i>	Express sense of Congress opposing sale by France to Russia of two <i>Mistral</i> -class amphibious assault ships	agreed voice vote	not included
deLauro	687 <i>en bloc 6</i>	Prohibit DOD contracts with Russian arms export agency Rosoboronexport unless Secretary of Defense certifies that the agency has ceased transferring arms to Syria and that Russia has withdrawn its forces from Crimea	agreed voice vote	modified Section 1246
Engel	687 <i>en bloc 6</i>	Establish a policy of opposing the transfer to Russia , by any NATO member, of defense articles or services while Russian forces occupy the territory of Ukraine	agreed voice vote	not included

Other Issues

Gingrey	688 <i>en bloc 7</i>	Express sense of Congress that military personnel on active duty who live in or are stationed in Washington, DC should be exempt from local gun-control restrictions	agreed voice vote	not included
McKinley	671	Prohibit the use of funds to implement certain climate-change assessments and reports	agreed 231-192	not included
Connolly	685 <i>en bloc 4</i>	Direct the President to sell F-16 fighters to Taiwan	agreed voice vote	not included
Jenkins	678	Create a moratorium on insourcing of previously contracted DOD activities, unless an activity is “inherently governmental” or DOD can document specific savings from insourcing	rejected 179-244	n/a
Kilmer	672 <i>en bloc 1</i>	Prohibit furloughs for budgetary reasons of DOD civilians paid by working capital funds	agreed voice vote	not included
Griffith	682 <i>en bloc 2</i>	Reduce (by attrition) the number of generals and admirals by 33 by the end of 2015	agreed voice vote	not included
Langevin	684 <i>en bloc 3</i>	Require the National Institute of Mental Health to conduct a study of the mental, behavioral and psychological health of Special Operations Forces	agreed voice vote	modified Section 586

Source: Created by Congressional Research Service

Notes: “House Amendment Number” is the number assigned to an amendment by the House Clerk, by which amendments can be traced through CRS’s Legislative Information System (LIS). It is not the same as the number assigned to the amendment by the House Rules Committee in H.Rept. 113-646, its report on the rule that governed debate on amendments to H.R. 3979 (H.Res. 770).

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

FY2015 DOD Appropriations Bill (H.R. 4870; H.R. 83, Division C)

The Consolidated and Further Continuing Appropriations Act for FY2015 (H.R. 83, codified as P.L. 113-235) incorporates as Division C the FY2015 Defense Appropriations Act which appropriates \$483.7 billion for DOD's FY2015 base budget. Compared with the Administration's \$484.3 billion request for base budget programs funded in that bill, this amounts to a reduction of \$548 million—slightly more than 1/1000th of 1%. (See **Table 19.**)

Within those similar gross totals, however, the budget request and the enacted bill have some significant differences. The bill—like the companion FY2015 NDAA—either rejects outright or defers a decision on several cost reduction initiatives proposed by the Administration. At the same time, it appropriates billions of dollars for weapons programs and “readiness” improvements that were not included in the budget request.

Those added costs, in turn, are offset—in part—by reductions which, according to the bill's authors, reflect fact-of-life developments and will have no adverse impact on DOD programs. The cost of the congressional additions (in the base budget) is further offset by the fact that some other costs are shifted into the part of the bill that funds war costs (or Overseas Contingency Operations—OCO), and thus are exempt from the statutory cap on discretionary spending. (See “**DOD Appropriations Overview**”, below.)

Table 19. FY2015 Defense Appropriations Act (H.R. 4870; H.R. 83, Division C)

amounts in thousands of dollars

	Amended FY2015 Budget Request (as of 11/5/14)	House-passed H.R. 4870	Senate Committee- reported H.R. 4870	Enacted Bill H.R. 83 Division C
DOD BASE BUDGET				
Military Personnel	128,957,593	128,127,640	128,430,543	128,004,018
Operation and Maintenance (O&M)	166,002,818	164,533,638	165,786,003	161,655,679
Procurement	89,660,299	91,228,819	91,409,693	93,835,072
Research, Development, Test and Evaluation (RDT&E)	63,533,947	63,352,890	62,566,834	63,713,275
Revolving and Management Funds	1,234,468	1,334,468	2,150,078	2,134,480
Defense Health Program and Other DOD Programs	34,101,361	33,851,219	33,641,680	34,144,557
Related Agencies	1,024,194	1,015,194	1,023,374	1,021,600
General Provisions (including rescissions)	-260,685	976,452	-1,891,348	-803,288
Subtotal: DOD Base Budget	484,253,995	484,420,320	483,116,857	483,705,933

	Amended FY2015 Budget Request (as of 11/5/14)	House-passed H.R. 4870	Senate Committee- reported H.R. 4870	Enacted Bill H.R. 83 Division C
OVERSEAS CONTINGENCY OPERATIONS (OCO)				
Overseas Contingency Operations (OCO) for DOD	63,516,619	79,445,000	59,654,711	63,935,295
Subtotal: DOD Base Budget and OCO	547,770,614	563,865,320	541,372,568	547,641,288
DOD Ebola-related	112,000	n/a	n/a	112,000
Total: FY2015 Defense Appropriations Bill	547,882,614	563,865,320	541,372,568	547,753,288

Source: Joint Explanatory Statement to accompany H.R. 83, Division C: the FY2015 Department of Defense Appropriations Act, pp. 147-157, accessed from the House Rules Committee website at <http://rules.house.gov/sites/republicans.rules.house.gov/files/113-2/PDF/113-S1847-JES.pdf>.

DOD Appropriations Overview

As is the case with the companion NDAA, the versions of H.R. 4870 passed by the House and reported by the Senate Appropriations Committee, as well as the enacted version of the bill ((H.R. 83, Division C) rejects or defers several of the cost-reduction initiatives contained in the Administration's budget request. They all bar proposals for another round of military base closures, the retirement of various types of Air Force planes, the retirement of an aircraft carrier, and changes in the military commissary system.

On the other hand (as with the authorization measure), the enacted version of the appropriations bill—like the Senate version—allows some of the Administration's other controversial proposals which the House bill would block: reductions in the rate of increase of military basic pay and of housing allowances. (See **Table 20**.)

Table 20. Selected Administration Budget and Policy Initiatives

	Administration Proposal	House-passed H.R. 4870	Senate Committee- reported H.R. 4870	Enacted Bill H.R. 83 Division C
Annual Raise in Military Basic Pay	1.0% basic pay raise	Funds 1.8% raise; added cost of \$533.5 million provided by Section 8130	conforms with Administration proposal	conforms with Administration proposal
Annual Commissary Subsidy (\$1.4 billion in FY2014)	3-year phase-in of \$1 billion reduction, beginning with \$200 million reduction in FY2015	Adds \$100 million to reverse Administration proposal	Adds \$200 million to reverse Administration proposal	Adds \$190 million to reverse Administration proposal

	Administration Proposal	House-passed H.R. 4870	Senate Committee- reported H.R. 4870	Enacted Bill H.R. 83 Division C
Housing Allowance for assignment in U.S. (currently covers 100% of cost)	Gradually reduce rate of growth until allowance covers 95% of cost	Adds \$244.7million to reverse Administration proposal (Section 8136)	conforms with Administration proposal	Consistent with FY2015 NDAA, adds \$88 million to partially restore Administration reduction (Section 8130)
Prospective retirement of the aircraft carrier <i>U.S.S. George Washington</i>	DOD five-year budget plan assumes the ship would be retired instead of being refueled	Adds \$789.3 million to begin refueling and modernizing the ship	Adds \$849.8 million to begin refueling and modernizing the ship	Adds \$849.5 million to begin refueling and modernizing the ship
Status of 11 Aegis cruisers and three amphibious landing ships near the midpoint of expected service life	Mothball the ships and gradually modernize them and put them back into service to replace similar ships as they wear out	Adds \$540.0 million for the Administration's program but requires that modernization of two of the cruisers begin in FY2015 and that no more than six cruisers be sidelined at a time (Section 8105)	Provides that no more than six cruisers at a time be laid up for modernization (Section 8105)	Adds \$540.0 million for the Administration's program but requires that modernization of two of the cruisers begin in FY2015 and that no more than six cruisers be sidelined at a time (Section 8110)
Army/National Guard helicopter missions	Move all Apache attack helicopters from National Guard units to Army units; Re-equip some of those Guard units with Black Hawk troop carriers	Prohibits removing Apaches from National Guard units until FY2015 NDAA is enacted (Section 8136)	Adds \$144 million to buy six Apaches for National Guard (included in OCO funds)	Prohibits removing Apaches from National Guard units before FY2015 NDAA is enacted (Section 8133) <u>[Adds \$144 million for six Apaches in OCO funds, not earmarked for National Guard]</u>
A-10 ground attack planes.	Retire all A-10s.	Prohibits retirement of A-10s (Section 10027)	Adds \$325.7 million to continue operating A-10s	Adds \$337.1 million to continue operating A-10s; Bars retirement of A-10s (Section 8141)
E-3A AWACS radar planes	Retire seven (of 31) AWACS	Adds \$90.5 million to continue operating all 31 planes	Adds \$59.5 million to continue operating all 31 planes	Adds \$59.5 million to continue operating all 31 planes
military base closures	Prepare for a Base Realignment and Closure (BRAC) process in FY2017	Cuts \$4.8 million requested for BRAC planning	Cuts \$4.8 million requested for BRAC planning	Cuts \$4.8 million requested for BRAC planning

Source: Created by Congressional Research Service

Like both the House and Senate versions of H.R. 4870, the enacted version of H.R. 83, Division C would appropriate billions of dollars more than the budget requests for various purposes, with those gross increases offset by proposed cuts to the request. (See **Table 21.**)

Table 21. Selected Congressional Additions to the FY2015 Base Budget Request

	House-passed H.R. 4870	Senate Committee-reported H.R. 4870	Enacted Bill H.R. 83 Division C
Operation and Maintenance (O&M) "readiness" funding	Adds \$1 billion for "readiness" (Section 8137), plus \$124.7 million for Special Operations flying hours and \$135.0 million for Army Reserve and National Guard readiness	Adds \$120 million for Army "force readiness operations support"	No addition to base budget; However, adds \$1 billion for "readiness" to OCO budget, which is exempt from budget caps (Section 9018)
Depot maintenance (requested \$14.0 billion)	Adds \$90.0 million	Adds \$363.7 million	Adds \$202.5 million
Facilities maintenance, modernization and repair (requested \$8.2 billion)	Adds \$870 million (including \$150 million for medical facilities)	Adds \$977.3 million	Adds \$896.5 million (including \$150 million for medical facilities)
EF-18G Growler electronic warfare aircraft (Navy)	Adds \$975.0 million for 12 Growlers	Adds \$1.3 billion for 12 Growlers and sustainment of production line	Adds \$1.46 billion for 15 Growlers
F-35 Joint Strike Fighter (requested \$5.4 billion for 36 aircraft)	Adds \$479 million for four aircraft	Cuts \$296 million for anticipated contract savings	Adds \$479 million for four aircraft
transport ships for troops and combat equipment	No funds added	Adds \$800.0 million for incremental funding of a \$2.0 billion LPD amphibious landing transport and \$200 million for a JHSV high-speed transport	Adds \$1.0 billion for incremental funding of a \$2.0 billion LPD amphibious landing transport and \$200 million for a JHSV high-speed transport
Armored combat vehicles	Adds \$192.0 million to modernize M-I tanks and buy armored tank tow vehicles, to sustain the armored vehicle industrial base	Adds \$232.0 million to modernize tanks and Bradley troop carriers and buy armored tow vehicles to sustain industrial base	Adds \$220.5 million to modernize tanks and Bradleys and buy armored tow vehicles
Accrual payments to Military Retired Pay account; (Budget includes \$18.7 billion to cover estimated future payments to current servicemembers)	No change.	Adds \$507.5 million to cover the cost of deferring a change in the retired pay COLA formula	Adds \$213.2 million to cover the cost of deferring a change in the retired pay COLA formula
Requests \$272.8 million for various Israeli missile defense systems	Adds \$443.8 million for various Israeli missile defense systems	Adds \$348.8 million for various Israeli missile defense systems	Adds \$347.0 million for various Israeli missile defense systems

	House-passed H.R. 4870	Senate Committee-reported H.R. 4870	Enacted Bill H.R. 83 Division C
Develop a replacement for Russian RD-180 satellite booster used to launch heavy DOD satellites	Adds \$227.0 million to develop a replacement for the Russian-manufactured RD-180 rocket engine	Adds \$25.0 million to develop a replacement for the Russian-manufactured RD-180 rocket engine	Adds \$227.0 million to develop a replacement for the Russian-manufactured RD-180 rocket engine
Equipment for National Guard and reserve components (for Apache helicopters see Table 20)	Adds \$2.0 billion in OCO funding plus (in the base budget) \$103.0 million for Blackhawk helicopters and \$100.0 million for HMMWVs	Adds \$1.0 billion in OCO funding	Adds \$1.2 billion in OCO funding plus (in the base budget) \$103.0 million for Blackhawk helicopters and \$160.0 million for HMMWVs
Improve or expand public elementary and secondary schools on military bases	no change	Adds \$135 million (Section 8135)	Adds \$175 million (Section 8017)
Productivity Improvements at government-owned arsenals (Arsenal Fund)		Adds \$225.0 million (Section 8043)	Adds \$225.0 million (Section 8044)
Medical R&D projects	Adds \$667.8 million	Adds \$781.2 million	Adds \$1.076 billion

Source: Created by Congressional Research Service

To compensate for the added cost of rejecting some Administration-proposed savings and making some sizeable additions to the budget request, the House and Senate versions of H.R. 4870 and the enacted version of H.R. 83, Division C incorporate several reductions, some of which amount to hundreds of millions of dollars. While some of the proposed reductions are taken from the amounts requested for specific acquisition programs, others are justified on grounds that they reflected fact-of-life developments (such as changes in foreign currency exchange rates) and would have no adverse impact on DOD's FY2015 activities. In addition, some funds that were requested in the base budget are provided, in the final bill, as part of the OCO budget, which is exempt from the statutory cap on discretionary defense appropriations. (See **Table 22**.)

Table 22. Selected Congressional Reductions to the FY2015 Base Budget Request

	House-passed H.R. 4870	Senate Committee-reported H.R. 4870	Enacted Bill H.R. 83 Division C
Operation and Maintenance (O&M) funds requested in base budget but funded as in the part of the bill funding OCO (and thus exempt from budget spending cap)	none	none	\$2.9 billion (plus the \$1.0 billion for "readiness" cited in Table 21)
Littoral Combat Ships; Budget requests 3 ships (\$1.43 billion)	Cuts 1 ship (\$475.0 million)	Adds \$80.0 million for long lead-time components for future construction	Adds \$80.0 million for long lead-time components for future construction
Army radios and radars	Cuts \$204.0 million from four programs	Cuts \$431.4 million from the same four programs	Cuts \$289.0 million

	House-passed H.R. 4870	Senate Committee-reported H.R. 4870	Enacted Bill H.R. 83 Division C
Anticipated cost reductions due to revised economic assumptions (rate of inflation, etc.)	Cuts \$545.1 million	Cuts \$300.0 million	Cuts \$386.3 million
Smaller civilian workforce than budget assumed	Cuts \$574.2 million	Cuts 492.9 million	Cuts \$743.8 million
Use “unobligated balances” left over from earlier budget years to fund part of the FY2015 DOD program thus reducing need for new budget authority; (budget request assumed such reductions totaling \$265.7 million in base budget and \$117.0 million in OCO)	Cuts \$841.8 million	Cuts \$1.14 billion	Cuts \$1.76 billion
Based on historical spending patterns and fact-of-life changes in programs, make additional cuts that—according to the Appropriations Committees—will not adversely affect programs	Cuts \$3.03 billion, including \$850.0 million from the Defense Health Program	Cuts \$3.91 billion, including \$935.0 million from the Defense Health Program	Cuts \$4.58 billion, including \$955 million from the Defense Health Program
Rescission of funds appropriated in prior budgets and use of those funds to cover part of the cost of FY2015 request; (budget request assumed rescission of \$265.7 million in base budget and \$117.0 million in OCO budget)	Rescinds \$964.6 million in the base budget (Section 8039)	Rescinds \$1.71 billion in the base budget (Section 8039) and 581.8 million in OCO (Section 9012)	Rescinds \$1.23 billion in the base budget (Section 8040) and \$1.24 billion in OCO (Section 9013)
Reductions not linked to specific changes to the a program but justified by the Appropriations Committee as eliminating excessive or unjustified growth in funding	Cuts \$2.97 billion	Cuts \$2.20 billion	Cuts \$2.26 billion

Source: Created by Congressional Research Service

FY2015 Base Budget Appropriations Highlights

Following are selected highlights of base budget issues in H.R. 83, Division C, the enacted version of the FY2015 Defense Appropriations Bill.

Military Personnel Issues (Appropriations)

To restrain the rate of increase in military compensation costs, the Administration proposed:

- a 1% raise in military basic pay for all but the most senior personnel, rather than the 1.8% raise (based on a Labor Department survey of wage increases in the private sector) which would take effect under existing law unless some other rate of increase were mandated;
- a gradual reduction in the rate at which housing allowances increase; and
- the phasing-out over three years of the subsidy for military commissaries.

The House-passed bill rejected all three proposals, adding to the amount requested \$533.3 million to pay for the larger pay increase, \$244.7 million to restore the amount cut from the housing allowance, and \$100.0 million for the commissary subsidy. The Senate bill concurred with the proposals for basic pay and housing while adding \$200.0 million to sustain the commissary subsidy and requiring from DOD additional information about commissary usage and the details of implementing the proposed change.

The final bill accepts the 1% raise in basic pay but adds to the request \$88.0 million to partially restore the reduction in the housing allowance and \$190 million for the commissary subsidy.

Retired Pay Accrual Payment

The Senate version of H.R. 4870 would have added \$507.0 million to \$18.9 billion requested for the FY2015 accrual payment to the military retired pay fund, a payment that is calculated by Pentagon actuaries to cover the anticipated future retired pay of currently active personnel. The additional funds were to compensate for the fact that legislation enacted in February (P.L. 113-82) nullified a provision of the 2013 Balanced Budget Act (P.L. 113-67) that reduced by one percentage point future annual cost of living increases in military retired pay. The retired pay accrual payment in the budget request assumed the lower future retired pay increases that would have resulted if the BBA provision had remained in force.

The enacted version of the appropriations bill adds \$215.3 million to cover the retired pay accrual shortfall. Joint Explanatory Statement accompanying the final version of the appropriations bill cites revised personnel budget estimates as the basis for adding that amount.

Sexual Assault Prevention and Response

In their reports on H.R. 4870, the House and Senate Appropriations Committees each expressed concern over the reported incidence of sexual assault in the military services. Each committee noted with approval the fact that the FY2014 Omnibus Appropriations Act (P.L. 113-76) added \$25.0 million to the \$25.1 million requested for DOD's Sexual Assault Prevention and Response Office (SAPRO). The additional funds were intended to expand the Special Victims Counsel program, which provides legal representatives to provide advice and representation to sexual assault victims.

In order to further expand the Special Victims Counsel program, the final version of the bill—like the Senate version of H.R. 4870—adds \$25.0 million to the \$25.1 million requested for SAPRO in the FY2015 budget (Section 8053).

Proposed Force Structure Changes (Appropriations)

Army/National Guard Helicopters

Like the House version of H.R. 4870, the final defense appropriations bill includes a provision (Section 8133) that would prohibit the proposed shift of Apache attack helicopters from National Guard units to active-duty Army units. But the ban was effective only until enactment of the FY2015 NDAA, which occurred within days of the enactment of the appropriations bill. While the FY2015 NDAA bars transfer of any National Guard Apaches in FY2015, it allows the transfer of up to 48 of the aircraft in FY2016.

The Senate version of H.R. 4870 included no ban on transferring the Apaches to active component Army units. However, the Senate bill would have added to the section of the bill providing OCO funding \$144.0 million for additional Apaches to equip National Guard units. The final bill retains the \$144.0 million for six Apaches in the OCO portion of the bill, but does not stipulate that the aircraft were intended to equip National Guard units.

Nuclear-powered Aircraft Carrier Refueling

The enacted version of the bill—like the Senate version of H.R. 4870—adds to the request a total of \$849.0 million⁵⁰ to begin refueling and modernizing the carrier *U.S.S. George Washington*, as had long been scheduled to occur midway through the ship's planned 50-year operating life. The House version of H.R. 4870 would have added \$789.3 million for this purpose.

The Administration's budget request would have deferred a choice between refueling the ship and retiring it. However, on July 10, 2014, a senior Navy official said that, in light of broad congressional support for keeping the ship in service, the Navy would fund its refueling and modernization in the budget for FY2016 and future years.

Aegis Cruisers Lay-up

The enacted appropriations bill would impose conditions on the Navy's plan to tie-up 11 Aegis cruisers and three amphibious landing transports with the promise that the ships would be gradually updated and then put back into service to replace their sister ships that had remained in active service. Section 8105 of H.R. 83, Division C requires that no more than six of the ships be out of service at any one time, as did provisions of the House and Senate versions of H.R. 4870.

Like the House version of the appropriations bill, the final bill requires that modernization of two cruisers begin in FY2015 and adds \$540.0 million to a "Ship Modernization, Operations, and Sustainment Fund," created by Congress to modernize these ships and keep them in service.

⁵⁰ The added funding for the carrier is distributed across several Navy appropriations accounts. The Shipbuilding and Construction account has an added \$483.6 million, but the Other Procurement account has an additional \$298.2 million for the ship's nuclear powerplant and smaller amounts are added in other accounts.

According to the Joint Explanatory statement to accompany H.R. 83, that fund has a balance of \$1.4 billion (not counting the added \$540.0 million).

A-10 Attack Plane Retirement

As reported by the House Appropriations Committee, H.R. 4870 would have raised no bar to Air Force plans to begin retiring the service's fleet of A-10 ground attack aircraft. But on June 19, 2014, the House adopted by a vote of 300-114 an amendment to the bill prohibiting the use of funds to retire any A-10s in FY2015.

The version of H.R. 4870 reported by the Senate Appropriations committee included no prohibition on A-10 retirements. However, it would have added to the budget a total of \$325.7 million in the military personnel and O&M accounts of the Air Force, Air Force Reserve and Air National Guard to continue operating the full complement of A-10s through FY2015.

The enacted bill includes a prohibition against retiring any A-10s (Section 8141) and adds \$337.1 million to continue operating the fleet in FY2015.

Ground Combat Systems (Appropriations)

Congressional action on appropriations for selected ground combat vehicles is summarized in **Table A-5** while action on selected communications systems is summarized in **Table A-9**.

Armored Combat Vehicles

The enacted version of the bill—like both the House and Senate versions of H.R. 4870—adds funds to the amounts requested for the purchase of armored combat vehicles and for the upgrade of such vehicles already in the Army's inventory. The congressional defense committees have contended for years that the amounts budgeted for those programs are too small to sustain the network of specialized contractors and suppliers needed to develop and build tanks and other heavy combat vehicles.

H.R. 83, Division C adds:

- \$28.5 million (added to the \$107.5 million requested) to upgrade Bradley armored troop carriers;
- \$72.0 million (added to the \$50.5 million requested) to purchase additional armored "recovery vehicles" designed to tow disabled tanks off the battlefield; and
- \$120.0 million to continue a program to upgrade the communications, night vision equipment, and powerplants of M-1 tanks—a program which Congress has sustained for several years in the absence of Administration funding requests.

Shipbuilding (Appropriations)

Congressional action on appropriations for selected shipbuilding programs is summarized in **Table A-7**.

The enacted bill approves the budgets requested for most major shipbuilding programs with relatively minor reductions. For example, of the \$1.30 billion requested for the FY2015 increment of funding for an aircraft carrier (expected to cost \$11.5 billion by the time it enters service in 2023), the bill provides all but \$81.0 million, which it cut on grounds of unjustified “cost growth” in several components of the ship and in anticipation of unspecified “contracting efficiencies”.

By the same token, the final bill cuts \$58.5 million from the \$5.9 billion requested for nuclear-powered attack submarines, a reduction of about 1% that was attributed to “cost growth.” Of the amount approved, \$3.53 billion would go to fund two of the ships and \$2.30 billion would purchase long lead-time components to be used in future construction.

Similarly, for DDG-51-class destroyers equipped with the Aegis anti-missile system, the final bill provides \$2.66 billion for two ships, a reduction of \$9.5 million attributed to “cost growth.”

The House bill would have eliminated one of the three Littoral Combat Ships (LCSs) requested, cutting \$475.7 million from the \$1.43 billion requested. But the enacted bill—like the Senate version of H.R. 4870—provides the amount requested and adds \$80 million for long lead-time components to be used in LCSs funded in future budgets.

The enacted bill also adds to the budget funds for two ships designed to carry combat troops and heavy equipment:

- \$1.0 billion to cover roughly half the cost of an LPD 17-class amphibious landing transport, which would be the twelfth ship of that class; and
- \$200 million for a high-speed catamaran transport (designated a JHSV) which would be the eleventh of that class.

Aircraft Procurement (Appropriations)

Congressional action on appropriations for selected aircraft programs is summarized in **Table A-11**. Following are other highlights:

New Long-range Bomber and Tanker

The enacted bill appropriates the amounts requested to continue developing a new long-range bomber (\$913.7 million) and to continue procurement of the KC-46A refueling tanker (\$2.36 billion). The tanker funds include \$776.9 million to continue developing the plane—a modified version of the Boeing 757 jetliner—and \$1.58 billion to buy seven aircraft.

F-35 Joint Strike Fighter

The budget request included a total of \$7.96 billion for the F-35 Joint Strike Fighter Program:

- \$3.55 billion to buy 26 “A” model F-35s for the Air Force;
- \$1.20 billion to buy six “C” model aircraft for the Marine Corps adapted for short takeoff/vertical landing (STOVL) operations;
- \$610.7 million to buy two “B” model planes adapted to operate from aircraft carriers;

- \$465.2 million for long lead-time components for use in planes slated for purchase in future budgets;
- \$494.1 million for modifications to F-35s purchased in earlier budgets; and
- \$1.64 billion to continue development of the three models of the aircraft.

The enacted bill provides a total of \$8.24 billion for the F-35 program, including additions of \$255.0 million to buy two additional Navy aircraft and \$224.0 million for two additional planes of the Air Force version. Those additions, which mirror the House version of H.R. 4870, are partly offset by several relatively minor reductions.

This increases the number of F-35s funded in FY2015 to 40 aircraft.

EA-18G Growler

The budget request did not include funds to continue production of the Navy's EF-18G Growler, a version of the F/A-18E/F fighter that is modified to jam enemy radars. According to the House Appropriations Committee, recent Navy studies conclude that it would be advantageous to increase from five to seven the number of Growlers typically aboard a carrier. In addition, sustaining the Growler production line at the Boeing plant in St. Louis, MO, would facilitate the Navy's purchase of additional F/A-18E/F fighters, if the Navy reduced its purchase of F-35s because of the cost or technical problems.

The enacted bill adds to the budget \$1.46 billion to buy 12 additional Growlers and to keep the production line warm. The House version of H.R. 4870 would have added \$975.0 million and the Senate version \$1.30 billion for the same purpose.

FY2015 OCO Appropriations

The enacted FY2015 Defense Appropriations Bill provides \$65.17 billion for OCO funding, \$1.54 billion more than the amended OCO request. It includes three congressional additions costing more than \$1.0 billion apiece:

- \$2.9 billion for Operations and Maintenance (O&M) activities that DOD included in its base budget request, but which the bill funds in OCO accounts exempt from the statutory budget caps;
- \$1.0 billion (Section 9018) "for the purposes of improving military readiness,"⁵¹ and
- \$1.2 billion for equipment for the National Guard and reserve components.

These additions are partly offset by several relative modest reductions and two relatively large ones:

⁵¹ The text of the final bill says that the additional readiness funding is, "in addition to amounts appropriated in Title II"—the part of the bill that funds base budget O&M activities. The Joint Explanatory Statement accompanying the final bill says of this provision, that the bill "retains a provision proposed by the House under Title VIII providing \$1 billion for military readiness. Title VIII of the House bill includes General Provisions relating to the base budget.

- A reduction of \$2.7 billion from the \$4.0 billion requested for DOD funding of the Counterterrorism Partnerships Fund (CTPF) intended to build up the counterterrorism capacity of other governments; and
- A reduction of \$533.0 million justified on the basis that the Army's request for OCO military personnel funding was larger than required.

Counterterrorism Partnerships Fund (CTPF)

In addition to appropriating \$1.3 billion of the \$4.0 billion requested for the CTPF, the bill includes a provision (Section 8059) prohibiting the provision of training, equipment, or other assistance "to any unit of a foreign security service if the Secretary of Defense has credible information that the unit has committed a gross violation of human rights."

The prohibition can be waived if the Secretary of Defense, after consultation with the Secretary of State, concludes that a waiver is required because of "extraordinary circumstances."

Syrian Opposition Support

Section 9016 of the enacted bill authorizes DOD to use up to \$500.0 million of the Defense-wide O & M funds to train and equip Syrian opposition groups that had been vetted for human right compliance. Both that section of the bill and Section 9013 stipulate that nothing in the bill should be construed to authorize action relating to Syria that would violate the War Powers Resolution.⁵²

European Reassurance Initiative

In all, Congress has appropriated for FY2015 a total of \$985.0 million—\$60.0 million more than the Administration requested—for the European Reassurance Initiative, intended to fund countries that might be threatened by Russian actions regarding the Ukraine. While the Administration requested the funds as a single amount in the FY2015 Defense Appropriations Bill (which is Division C of H.R. 83), House and Senate negotiators provided \$175.0 million of the amount requested in the FY2015 appropriations bill that funds military construction, the Department of Veterans Affairs and Related Agencies (which is Division I of H.R. 83).

Within the defense appropriations bill (that is, Division C of H.R. 83), the enacted legislation provides:

- \$635.0 million parceled out among OCO funds for military personnel and O&M costs; and
- \$175.0 million in a fund to be used only for military assistance to Estonia, Latvia, Lithuania, and Ukraine.

Counterterrorism Partnerships Fund and European Reassurance Initiative

For more detailed analysis of the Administration's request for FY2015 funding for the Counterterrorism Partnerships Fund (CTPF) and the European Reassurance Initiative (ERI), see CRS Report IN10103, *The Counterterrorism Partnerships Fund (CTPF) Proposal: Questions for Congress*, coordinated by (name redacted), and CRS Report R43478, *NATO: Response to the Crisis in Ukraine and Security Concerns in Central and Eastern Europe*, coordinated by (name redacted).

⁵² 50 U.S.C. §1541.

House Floor Action on H.R. 4870

The House passed H.R. 4870, FY2015 DOD Appropriations Bill, on June 20, 2014, by a vote of 340-73. Following is a summary of House action on selected amendments considered during floor debate on the bill:

Table 23. Selected Floor Amendments to H.R. 4870

Principal sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Enacted Bill
Iraq, Afghanistan, and Pakistan				
Lee	908	Prohibit the use of funds for combat operations in Iraq	Rejected 165-250	n/a
Lee	912	Prohibit use of funds pursuant to Authorization for Use of Military Force Against Iraq Resolution of 2002 (AUMF)	Rejected 182-231	n/a
Hanabusa	916	Prohibit use of funds with respect to Iraq contrary to the War Powers Resolution	Agreed to voice vote	Section 8140
Lee	922	Prohibit use of funds pursuant to AUMF after December 31, 2014	Rejected 157-260	n/a
Lee	928	Prohibit the use of funds for combat operations in Afghanistan after December 31, 2014	Rejected 153-260	n/a
Syria and Other Middle East Trouble Spots				
Conyers	914	Prohibit transfer of shoulder-fired antiaircraft missiles to any organization in Syria	Agreed to voice vote	included in Section 9016
Fortenberry	917	Prohibit transfer of any weapons to organizations in Syria	Rejected 167-244	n/a
King (IA)	933	Prohibit transfer of weapons to the Palestinian Authority	Agreed to voice vote	not included
Gosar	945	Prohibit the use of funds for the Governments of Iran and Syria, the Palestinian Authority and certain other entities	Agreed to 280-133	not included
Guantanamo Bay Detainees				
Walorksi	901	Prohibit the transfer of detainees to Yemen	Agreed to 238-179	not included
Cotton	905	Prohibit the transfer or release of any detainee to any foreign country	Agreed to 230-184	not included
Moran	907	Nullify provisions of the bill that prohibit release of detainees into U.S. territory (Section 8107) and the modification of facilities to hold detainees at any location other than Guantanamo Bay (Section 8108)	Rejected 163-249	n/a
Grayson	934	Prohibit the use of funds to detain any person not convicted at Guantanamo Bay for more than 15 years	Rejected voice vote	n/a
Environmental Policy-Related Amendments				

Principal sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Enacted Bill
Flores	913	exempt DOD from Section 526 of the Energy Independence and Security Act of 2007 (P.L. 110-140), which requires all alternative fuels purchased by the federal government for operational use to have lifecycle greenhouse gas emissions less than or equal to those from conventional fuels	Agreed to voice vote	not included
McKinley	915	prohibit the use of funds to carry out several climate-related policies, including the Global Climate Research Program National Climate Assessment	Agreed to voice vote	not included
McClintock	929	Prohibit the use of funds to carry out several executive orders and provisions of law relating to “ green ” energy	Agreed to voice vote	not included
Conaway	937	Prohibit the use of funds to design or build a biofuels refinery unless specifically authorized by law	Agreed to voice vote	not included
Gosar	942	Prohibit the use of funds to procure non-petroleum-based fuel as a “ drop-in ” substitute for petroleum-based fuels	Rejected 205-208	n/a
Arms Control Agreements				
Daines	895	Makes permanent the effect of Section 8032 which prohibits the use of funds appropriated by this bill to retire any Minuteman III ICBMs or launch silos	Agreed to voice vote	not included
Nadler	896	Strike from the bill Section 8032 which prohibits the use of funds appropriated by this bill to retire any Minuteman III ICBMs or launch silos	Rejected 187-233	n/a
Rogers	923	Prohibit the use of funds to implement the Open Skies Treaty of 1992	Agreed to voice vote	not included
Forbes	927	Prohibit the use of funds to implement the treaty banning anti-personnel landmines	Agreed to 212-204	not included
Contractors' Behavior				
Grayson	899	Prohibit contracting with firms indicted for or convicted of certain crimes or delinquent in federal taxes by more than \$3,000	Agreed to voice vote	not included
DeLauro	910	Prohibits contracting with firms formerly incorporated in the United States but currently incorporated in Bermuda or the Cayman Islands	Agreed to voice vote	not included
Ellison	926	Prohibits contracting with firms found in violation of the Fair Labor Standards Act	Agreed to 212-204	not included
Other Issues				
Holt	892	Designate \$1 million to study the relationship between financial stress and military suicide	Agreed to voice vote	directed by Joint Explanatory Statement
Grayson	918	Prohibit the transfer of aircraft, armored vehicles and selected other types of surplus DOD equipment to state and local police agencies	Rejected 62-355	n/a

Principal sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Enacted Bill
Miller (MI)	903	Prohibit the use of funds to retire A-10 aircraft	Agreed to 300-114	Section 8141
Wittman	931	Prohibit the use of funds to plan a BRAC military base closure round	Agreed to voice vote	not included

Notes: “House Amendment Number” is the number assigned to an amendment by the House Clerk, by which amendments can be traced through CRS’s Legislative Information System (LIS). It is not the same as the number assigned to the amendment by the House Rules Committee in H.Rept. 113-655, its report on the rule that governed debate on amendments to H.R. 83 (H.Res. 776).

Appendix. Selected Program Funding Tables

Table A-I. FY2015 DOD Appropriations Bill (H.R. 83, Division C) Adjusted for Comparison with Request
amounts in thousands of dollars

	FY2015 Administration Request	H.R. 83 Division C AS ENACTED	Reallocation of funds among the titles of the enacted legislation to facilitate comparability of congressional action with the Administration request	H.R. 83 Division C ADJUSTED
Title I Military Personnel	128,957,593	128,004,618	Add \$88.0 million for housing allowances provided in Section 8130	128,092,618
Title II O&M	166,002,818	161,655,679	Add (a) \$2.9 billion requested in Title II that the bill funds in OCO title, (b) \$1.0 billion for "readiness" provided in Section 9018), (c) \$175.0 million for maintenance and construction of public schools on military bases, and (d) \$448.3 million for sealift requested in O&M account which the bill funds in Title V	166,173,974
Title III Procurement	89,660,299	93,835,072	Add (a) \$1.2 billion for National Guard and Reserve equipment the bill funds in OCO title, (b) \$144.0 million for Apache helicopters the bill adds in OCO title, and (c) \$17.3 million for sealift requested in Procurement account which the bill funds in Title V	95,196,372
Title IV R&D	63,533,847	63,713,275	Add \$24.4 million for sealift requested in R&D account which the bill funds in Title V	63,737,692
Title V Revolving and Management Funds	1,234,468	2,134,480	Deduct \$485.0 million the bill aggregates into the National Defense Sealift Fund which Administration had requested in Titles II, III, and IV	1,649,468
Title VI Other DOD programs	34,101,361	34,144,557		34,144,557
Title VII Related Agencies	1,024,194	1,021,600		1,021,600
Title VIII General Provisions	-260,685	-803,288	Deduct increases for housing allowance in Title I (\$88.0 million) and for public school maintenance and construction in Title II (\$175.0 million)	- 1,066,288
DOD Base Budget	484,253,895	483,705,393		488,949,993
Title IX OCO funding	63,516,619	63,935,295	Deduct (a) \$2.9 billion the Administration requested in Title II, (b) \$1.0 billion provided in Section 9016 for "readiness" moved to Title II, (c) \$1.2 billion for National Guard and Reserve Equipment moved to Title III, and (d) \$144.0 million for Apache helicopters moved to Title III	58,691,295
Title X DOD Ebola-related	112,000	112,000		112,000
TOTAL	563,865,320	547,753,288		547,753,288

Source: CRS analysis based on the Joint Explanatory Statement on H.R. 83, Division C, the FY2015 Defense Appropriations Act for FY2015 printed in the *Congressional Record* of December 11, 2014, pp. H9364-H9647.

Note: This analysis is intended to facilitate comparison of congressional action with the substance of the Administration's FY2015 budget request and is made without prejudice to the merits of congressional decisions concerning the organization of the FY2015 Defense Appropriations Bill.

Table A-2. Congressional Authorization Action on Selected FY2015 Missile Defense Agency Request

(amounts in millions of dollars)

Program Element Title <i>PE Number for R&D projects</i>	FY2015 Request	House- Passed NDAA H.R. 4435	Senate Committee- Reported NDAA S. 2410	Enacted Bill H.R. 3979	Notes
Advanced Concepts and Performance Assessment <i>0603176C</i>	8.5	8.5	8.5	8.5	
Discrimination Sensor Technology <i>0603177C</i>	45.1	45.1	45.1	43.1	
Weapons Technology <i>0603178C</i>	14.1	27.4	14.1	14.1	
Advanced C4ISR <i>0603179C</i>	15.3	15.3	15.3	15.3	
Advanced Research <i>0603180C</i>	16.6	16.6	16.6	16.6	
Special Programs <i>0603274C</i>	51.0	51.0	51.0	51.0	
Common Kill Vehicle Technology <i>0603294C</i>	25.6	25.6	25.6	25.6	
BMD Terminal Defense Segment <i>0603881C</i>	299.6	299.6	284.6	292.8	
BMD Midcourse Defense Segment <i>0603882C</i>	1,003.8	1,043.8	1,033.8	1,043.8	
BMD Sensors <i>0603884C</i>	392.9	392.9	392.9	392.9	
BMD Enabling Programs <i>0603890C</i>	410.9	410.9	410.9	410.9	
Special Programs <i>0603891C</i>	310.3	310.3	310.3	310.3	

Program Element Title <i>PE Number for R&D projects</i>	FY2015 Request	House- Passed NDAA H.R. 4435	Senate Committee- Reported NDAA S. 2410	Enacted Bill H.R. 3979	Notes
AEGIS BMD <i>0603892C</i>	929.2	929.2	929.2	929.2	
Space Tracking & Surveillance System <i>0603893C</i>	31.3	31.3	31.3	31.3	
BMD System Space Programs <i>0603895C</i>	6.4	6.4	6.4	6.4	
BMD Command and Control, Battle Management and Communications <i>0603896C</i>	443.5	443.5	443.5	431.5	
BMD Joint Warfighter Support <i>0603898C</i>	46.4	46.4	46.4	46.4	
Missile Defense Integration & Operations Center (MDIOC) <i>0603904C</i>	58.5	58.5	58.5	58.5	
Regarding Trench <i>0603906C</i>	16.2	16.2	16.2	16.2	
Sea-Based X-Band Radar (SBX) <i>0603907C</i>	64.4	64.4	64.4	64.4	
Israeli Cooperative Programs <i>0603913C</i>	96.8	268.8	447.8	270.6	Final bill adds \$173.8 million to amount requested for three joint U.S.-Israeli missile defense programs; Senate would have moved to this line \$176 million requested for procurement of a fourth system, Iron Dome, requested and funded in Procurement title of the bill (below)
BMD Tests <i>0603914C</i>	386.5	386.5	386.5	366.5	
BMD Targets <i>0603915C</i>	485.3	485.3	485.3	485.3	
Land-based SM-3 <i>0604880C</i>	123.4	123.4	123.4	123.4	

Program Element Title <i>PE Number for R&D projects</i>	FY2015 Request	House- Passed NDAA H.R. 4435	Senate Committee- Reported NDAA S. 2410	Enacted Bill H.R. 3979	Notes
Aegis SM-3 Block IIA Co-Development 0604881C	263.7	263.7	263.7	263.7	
Cyber Security Initiative 0305103C	1.0	1.0	1.0	1.0	
Management HQ-MDA 0901598C	37.0	37.0	37.0	37.0	
Subtotal, MDA RDT&E	5,583.2	5,808.5	5,949.2	5,756.2	
THAAD, Fielding	464.4	464.4	464.4	464.4	
Aegis BMD long lead-time procurement	68.9	68.9	68.9	0.0	Final bill adds amount requested for long lead-time components to the amount appropriated for complete missiles
Aegis BMD procurement	435.4	435.4	435.4	534.4	
AN/TPY-2 radar	48.1	48.1	48.1	48.1	
Aegis Ashore, Phase III	225.8	225.8	225.8	225.8	
Iron Dome	176.0	352.0	0.0	351.0	Although funding was requested in the base budget, final bill authorizes it in funding for Overseas Contingency Operations (OCO)
Subtotal, MDA Procurement	1,418.6	1,594.6	1,242.6	1,623.7	
THAAD O&M	75.7	75.7	75.7	75.7	
BMD Mid-Course Defense O&M	146.2	146.2	146.2	146.2	
Aegis BMD O&M	11.7	11.7	11.7	11.7	
Ballistic Missile Defense Radars. O&M	183.0	183.0	183.0	183.0	
(reduction in contracts)	—	-1.5	—	—	
Subtotal, MDA, O&M	416.6	415.1	416.6	416.6	
Subtotal, Military Construction	40.7	40.7	40.7	40.7	
Total, Missile Defense Agency	7,459.2	7,858.9	7,649.1	7,836.8	

Sources: H. Rept. 113-446, *Report of the House Armed Services Committee on H.R. 4435, the Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on S. 2410, the Carl Levin National Defense Authorization Act for Fiscal Year 2015*, June 2, 2014.

Table A-3. Congressional Appropriations Action on FY2015 Missile Defense Agency Request

(amounts in millions of dollars)

Program Element Title <i>PE Number for R&D projects</i>	FY2015 Request	House- Passed DOD Approps. Bill H.R. 4870	Senate Committee- Reported DOD Approps. Bill H.R. 4870	Enacted Bill H.R. 83 Division C	Notes
Advanced Concepts and Performance Assessment <i>0603176C</i>	8.5	8.5	8.5	8.5	
Discrimination Sensor Technology <i>0603177C</i>	45.1	43.1	15.3	36.6	
Weapons Technology <i>0603178C</i>	14.1	34.1	14.1	54.1	
Advanced C4ISR <i>0603179C</i>	15.3	13.3	15.3	13.3	
Advanced Research <i>0603180C</i>	16.6	16.6	16.6	16.6	
Special Programs <i>0603274C</i>	51.0	40.4	51.0	40.4	
Common Kill Vehicle Technology <i>0603294C</i>	25.6	22.6	25.6	25.6	
BMD Terminal Defense Segment <i>0603881C</i>	299.6	292.8	170.8	160.4	Final bill, like the Senate version, funds testing separately from the rest of the development process
BMD Terminal Defense Segment Test	—	—	111.4	111.4	
BMD Midcourse Defense Segment <i>0603882C</i>	1,003.8	1,047.2	854.4	874.4	Final bill, like the Senate version, funds testing and development of a new interceptor missile separately from the rest of the development process
BMD Midcourse Defense Segment Test	—	—	79.9	79.7	
Improved Homeland Defense Interceptors	—	—	99.5	99.5	
BMD Sensors <i>0603884C</i>	392.9	392.9	271.1	271.1	Final bill, like the Senate version, funds testing separately from testing and the development of a new radar from the rest of the development process
BMD Sensors Test	—	—	71.3	71.3	
Long-range Discrimination Radar	—	—	50.5	50.5	

Program Element Title <i>PE Number for R&D projects</i>	FY2015 Request	House- Passed DOD Approps. Bill H.R. 4870	Senate Committee- Reported DOD Approps. Bill H.R. 4870	Enacted Bill H.R. 83 Division C	Notes
BMD Enabling Programs 0603890C	410.9	398.2	410.9	402.2	
Special Programs 0603891C	310.3	295.3	310.3	310.3	
AEGIS BMD 0603892C	929.2	880.7	753.8	764.8	Final bill, like the Senate version, funds testing separately from the rest of the development process
AEGIS BMD Test			89.6	89.6	
Space Tracking & Surveillance System 0603893C	31.3	31.3	31.3	31.3	
BMD System Space Programs 0603895C	6.4	6.4	6.4	6.4	
BMD Command and Control, Battle Management and Communications 0603896C	443.5	431.5	413.5	428.5	
BMD Joint Warfighter Support 0603898C	46.4	46.4	46.4	46.4	
Missile Defense Integration & Operations Center (MDIOC) 0603904C	58.5	58.5	58.5	58.5	
Regarding Trench 0603906C	16.2	16.2	16.2	16.2	
Sea-Based X-Band Radar (SBX) 0603907C	64.4	64.4	64.4	64.4	
Israeli Cooperative Programs 0603913C	96.8	268.8	270.6	268.8	
BMD Tests 0603914C	386.5	350.6	366.5	366.5	

Program Element Title <i>PE Number for R&D projects</i>	FY2015 Request	House- Passed DOD Approps. Bill H.R. 4870	Senate Committee- Reported DOD Approps. Bill H.R. 4870	Enacted Bill H.R. 83 Division C	Notes
BMD Targets <i>0603915C</i>	485.3	446.8	465.3	455.3	
Land-based SM-3 <i>0604880C</i>	123.4	123.4	123.4	123.4	
Aegis SM-3 Block IIA Co-Development <i>0604881C</i>	263.7	263.7	283.7	283.7	
Cyber Security Initiative <i>0305103C</i>	1.0	1.0	1.0	1.0	
Management HQ-MDA <i>0901598C</i>	37.0	0.0	37.0	37.0	
Subtotal, MDA RDT&E	5,583.2	5,594.7	5,604.1	5,651.4	
THAAD, Fielding	464.4	414.6	464.4	449.8	
AEGIS BMD long lead-time procurement	68.9	68.9	0.0	0.0	
Aegis BMD procurement	435.4	556.1	504.3	643.8	
AN/TPY-2 radar	48.1	48.1	88.1	88.1	
Aegis Ashore, Phase III	225.8	225.8	225.8	225.8	
Iron Dome	176.0	351.0	351.0	351.0	Final bill, like House and Senate versions, adds \$175 million, nearly doubling the request for procurement of the joint U.S.-Israeli Iron Dome system.
Subtotal, MDA Procurement	1,418.6	1,664.4	1,633.6	1,758.5	
THAAD, O&M	75.7	75.7	75.7	75.7	
BMD Mid-Course Defense O&M	146.2	146.2	146.2	146.2	
Aegis BMD O&M	11.7	11.7	11.7	11.7	
BMD Radars. O&M	183.0	183.0	170.0	170.0	
MDA Mgnt. Headquarters	—	37.0	0.0	0.0	
(reduction, unjustified growth)	—	-1.4	0.0	0.0	
Subtotal, MDA, O&M	416.6	452.2	403.6	403.6	

Program Element Title <i>PE Number for R&D projects</i>	FY2015 Request	House- Passed DOD Approps. Bill H.R. 4870	Senate Committee- Reported DOD Approps. Bill H.R. 4870	Enacted Bill H.R. 83 Division C	Notes
Subtotal, MDA Military Construction (in H.R. 4486; H.R. 83, Division I)	40.7	20.7	40.7	60.7	Final bill adds \$20.0 million to expedite design and construction of “urgently needed” missile defense projects, including a second Aegis Ashore site in Poland and a long-range radar in the Pacific
Total, Missile Defense Agency	7,459.2	7,752.0	7,662.0	7,874.2	

Source: H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

Table A-4. FY2015 Authorization Action on Selected Ground Vehicles

(dollar amounts in millions)

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee-reported Authorization S. 2410			Enacted Bill H.R. 3979			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
M-2 Bradley mods	-	107.5	92.4	-	107.5	92.4	-	144.5	92.4	144.5	92.4		
M-1 Abrams tank mods	-	237.0	112.5	-	237.0	112.5	-	261.0	112.5	237.0	112.5		Senate would add \$24 million to request for routine modifications. House would add \$120 million for more extensive upgrades to electronics and engines.
M-1 Abrams tank upgrade	-	0.0	—	-	120.0	—	-	0.0	—	120.0	—		
Stryker Armored Vehicle and mods	-	424.8	90.2	-	474.8	90.2	-	424.8	90.2	474.8	90.2		
Armored Multi-Purpose Vehicle	-	-	92.4	-	-	92.4	-	-	92.4	--	92.4		
Amphibious Combat Vehicle	-	-	105.7	-	-	190.8	-	-	105.7	--	105.7		
Joint Light Tactical Vehicle	183	172.1	57.2	183	172.1	57.2	183	172.1	57.2	183	222.1	57.2	
Paladin howitzer upgrade	18	247.4	83.3	18	247.4	83.3	18	247.4	83.3	18	247.4	83.3	

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee-reported Authorization S. 2410			Enacted Bill H.R. 3979			Notes
Hercules tank recovery vehicle and mods	15	52.5	—	15	124.4	—	15	126.4	—	15	126.4	--	

Source: H. Rept. 113-446, *Report of the House Armed Services Committee on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on the Carl Levin National Defense Authorization Act for FY2015*, June 2, 2014.

Table A-5. FY2015 Appropriation Action on Selected Ground Combat Vehicles

(dollar amounts in millions)

	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee-reported Appropriation H.R.F. 44870			Enacted Bill H.R. 83 Division C			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
M-2 Bradley mods	-	107.5	92.4	-	107.5	92.4	-	144.5	76.2	-	136.0	76.2	
M-1 Abrams tank mods	-	237.0	112.5	-	237.0	112.5	-	237.0	102.5	-	237.0	102.5	
M-1 Abrams tank upgrade	-	0.0	—	-	120.0	—	—	120.0	—	-	120.2	--	
Stryker Armored Vehicle and mods	-	424.8	90.2	-	474.8	115.2	-	449.8	156.4	-	474.8	119.2	
Armored Multi-Purpose Vehicle	-	-	92.4	-	-	92.4	-	-	92.4	-	-	92.4	
Amphibious Combat Vehicle	-	-	105.7	-	-	105.7	-	-	105.7	-	-	96.2	
Joint Light Tactical Vehicle	183	172.1	57.2	183	172.1	55.2	183	172.1	57.2	183	172.1	55.2	
Paladin howitzer upgrade	18	247.4	83.3	18	247.4	83.3	18	247.4	71.3	18	247.4	80.3	
Hercules tank recovery vehicle and mods	15	52.5	—	40	122.5	—	15	126.4	—	40	122.5	--	

Source: H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

Table A-6. FY2015 Authorization Action on Selected Ship Programs

(dollar amounts in millions)

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Enacted Bill H.R. 3979			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
CVN-71 Carrier	-	1,300.0	104.1	-	1,300.0	104.1	-	1,300.0	104.1	-	1,300.0	104.1	This amount is one increment of payment for an \$11.50 billion carrier slated for completion in 2023
Carrier Refueling and Overhaul (U.S.S. George Washington)	-	46.0 <i>(in O&M funding)</i>	-	-	483.6 <i>(offset by cut of 46.0 in O&M request)</i>	-		46.0 <i>(in O&M funds)</i> plus up to 650.0 million from prior budgets	-	-	795.1	-	Final bill includes 483.6 million in Navy shipbuilding account and 312.5 million spread across other Navy accounts
Virginia-class submarine	2	5,883.6	72.7	2	5,883.6	72.7	2	5,883.6	72.7	2	5,883.6	72.7	Request includes \$3.5 billion for two subs and \$2.3 billion for long lead-time components for subs planned for future budgets
Virginia payload module	-	-	132.6	-	-	132.6	-	-	132.6	-	--	132.6	
Missile-launching Submarine - SSBN(X)	-	-	1,219.2	-	-	1,219.2	-	-	1,219.2	-	--	1,219.2	
DDG-1000 destroyer	-	419.5	202.5	-	365.5	202.5	-	419.5	202.5	-	419.5	202.5	
DDG-51 destroyer	2	2,805.4	-	2	2,805.4	-	2	2,805.4	-	2	2,805.4	-	
Air and Missile Defense Radar (AMDR)	-	-	144.7	-	-	144.7	-	-	144.7	-	--	144.7	Funds development of radar for DDG-51 with improved anti-ballistic missile capability
Destroyer modernization	-	338.6	189.1	-	338.6	189.1	-	338.6	189.1	-	338.6	189.1	

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Enacted Bill H.R. 3979			Notes
Littoral Combat Ship (LCS)	3	1,427.0	88.7	2	1,077.0	88.7	3	1,427.0	88.7	3	1,427.0	88.7	
LCS Combat Modules	-	141.9	196.9	-	141.9	196.9	-	141.9	196.9		133.8	173.3	
LPD-17 amphibious landing transport	-	12.6	-	-	812.6	-	-	12.6 and, in addition, up to 650.0 million reallocated from prior budget years	-	-	812.6	-	House would add 800 million for incremental funding of a ship. Senate would give Navy discretion to use for this purpose up to \$650 million previously appropriated for other purposes
Joint High Speed Vessel	-	4.6	-	-	4.6	-	-	4.6	-	-	0.0	-	
Moored Training Ship	1	801.6	-	1	581.6	-	1	801.6	-	1	801.6	-	Conversion of 2 retired attack submarines into training platforms for naval nuclear reactor crews
Ship-to-shore Connector	2	123.2	67.8	2	123.2	67.8	2	123.2	67.8	2	123.2	67.8	Replacement for the LCAC air-cushion landing craft in service since the 1980s
LCAC rebuilding	2	40.5	-	2	40.5	-	4	85.5		2	40.5	-	Installation of more powerful engines and other improvements in the tank-carrying air-cushion landing craft currently in service
Completion of prior-year shipbuilding programs	-	1,007.3	-	-	1,007.3	-	-	1,007.3	-	-	1,007.3	-	More than three-fourths of this amount is to cover cost increases on a previously funded aircraft carrier (\$663 million) and a destroyer (\$129 million)

Source: H. Rept. 113-446, *Report of the House Armed Services Committee on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on the Carl Levin National Defense Authorization Act for FY2015*, June 2, 2014.

Note: In some cases, the procurement amount includes so-called “advance procurement” funds to buy long lead-time components slated for use in ships scheduled for full-funding in future budgets.

Table A-7. FY2015 Appropriation Action on Selected Ship Programs

(dollar amounts in millions)

	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee- reported Appropriation H.R. 4870			Enacted Bill H.R. 83 Division C			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
CVN-71 Carrier	-	1,300.0	104.1	-	1,289.4	104.1	-	1,230.0	104.1	--	1,219.4	104.1	The request is for the FY2015 increment of payment for an \$11.50 billion carrier slated for completion in 2023.
Carrier Refueling and Overhaul	-	0.0	-	-	0.0	-	-	773.1	-	-	849.0	-	Final bill includes 483.6 million in the shipbuilding account, an additional \$298.2 million for the ship’s nuclear powerplant and smaller sums in other accounts.
Virginia-class submarine	2	5,883.6	72.7	2	5,809.0	87.7	2	5,883.6	72.7	2	5,832.1	87.7	Request includes \$3.5 billion for two subs and \$2.3 billion for long lead-time components for subs planned for future budgets
Virginia payload module	-	-	132.6	-	-	132.6	-	-	112.6	-	-	120.6	
Ballistic Missile Submarine SSBN(X)	-	-	1,182.8	-	-	1,182.8	-	-	1,186.8	-	-	1,186.8	
DDG-1000 destroyer	-	419.5	202.5	-	419.5	202.5	-	419.5	202.5	-	419.5	202.5	

	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee- reported Appropriation H.R. 4870			Enacted Bill H.R. 83 Division C			Notes
DDG-51 destroyer	2	2,805.4	-	2	2,789.8	-	2	2,805.4	-	2	2,795.9	--	Request includes \$2.7 billion for two ships and \$134 million for long lead-time components for ships planned for future budgets
Air and Missile Defense Radar (AMDR)	-	-	144.7	-	-	127.6	-	-	144.7	--	--	129.7	New radar for destroyers with improved ability to track ballistic missiles
cruiser modernization	-	-	189.1		540.0	179.1	-	-	189.1	--	540.0	179.1	Final bill adds \$540.0 million to fund for modernization of cruisers and amphibious landing transports
Destroyer modernization	-	338.6		-	324.2		-	338.6		--	324.2		
Littoral Combat Ship (LCS)	3	1,427.0	88.7	2	951.4	86.7	3	1,507.0	88.7	3	1,507.0	88.7	
LCS Combat Modules	-	141.9	196.9	-		124.2	-	70.6	173.3	-	70.6	173.3	
LPD-17 amphibious landing transport	-	12.6	-	-	12.6	-	-	800.0	-	-	1000.0	-	
Joint High Speed Vessel	-	4.6	-	-	0.0	-	1	200.0		1	200.0		
Moored Training Ship	1	801.6	-	1	801.6	-	1	801.6	-	1	801.6	-	Conversion of 2 retired attack submarines into training platforms for naval nuclear reactor crews
Ship-to-shore Connector	2	123.2	67.8	2	123.2	55.0	2	184.2	23.1	2	159.6	42.8	Replacement for the LCAC air-cushion landing craft in service since the 1980s
LCAC rebuilding	2	40.5	-	2	40.5	-	2	40.5	-	2	40.5	-	Installation of more powerful engines and other improvements in the tank-carrying air-cushion landing craft currently in service

	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee- reported Appropriation H.R. 4870			Enacted Bill H.R. 83 Division C			Notes
Completion of prior-year shipbuilding programs	-	1,007.3	-	-	1,007.3	-	-	1,007.3	-	--	991.3	--	More than three-fourths of this amount is to cover cost increases on a previously funded aircraft carrier (\$663 million) and a destroyer (\$129 million)

Source: H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

Note: In some cases, the procurement amount includes so-called “advance procurement” funds to buy long lead-time components slated for use in ships scheduled for full-funding in future budgets.

Table A-8. FY2015 Authorization Action on Selected Space and Communications Programs

(dollar amounts in millions)

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Enacted Bill H.R. 3979			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Advanced EHF Comm. Satellite	-	298.9	314.4	-	298.9	314.4	-	298.9	298.4	-	298.9	314.4	
GPS III Satellite System	1	292.4	512.3	1	292.4	512.3	1	292.4	512.3	1	292.4	512.3	R&D request includes \$299.8 for satellite and \$212.6 for ground equipment (amounts do not sum due to rounding)
Evolved Expendable Launch Vehicle (EELV)	3	1,381.0	-	3	1,516.0	-	3	1,381.0	100.0	3	1,346.0	220.0	House bill adds \$135 million to increase the number of launches that would be competed
SBIRS High missile- detection satellite	-	450.9	319.5	-	450.9	319.5	-	450.9	311.5	-	450.9	311.5	
Space Fence	-	-	214.1	-	-	214.1	-	-	214.1	-	-	200.1	

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee-reported Authorization S. 2410			Enacted Bill H.R. 3979			Notes
WIN-T Army communications network	-	763.1	116.5	-	638.1	116.5	-	638.1	116.5	-	763.1	116.5	
JTRS tactical radio	-	175.7	6.9	-	125.7	6.9	-	87.7	6.9	-	125.7	6.9	
Consolidated Afloat Networks and Enterprise Services (CANES)	-	422.6	22.8	-	422.6	22.8	-	379.4	22.8	-	422.6	22.8	

Source: H. Rept. 113-446, *Report of the House Armed Services Committee on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on the Carl Levin National Defense Authorization Act for FY2015*, June 2, 2014.

Table A-9. FY2015 Appropriation Action on Selected Space and Communications Programs

(dollar amounts in millions)

	FY2015 Request			House-passed Appropriation H.R. 4870			Senate Committee-reported Appropriation H.R. 4870			Enacted Bill H.R. 83 Division C			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Advanced EHF Comm. Satellite	-	298.9	314.4	-	298.9	296.0	-	298.9	308.6	-	298.9	308.6	
GPS III Satellite System				1	374.6	512.3	1	368.0	512.3	1	315.8	512.3	R&D request includes \$299.8 million for work on the control network and \$212.6 million for work on the satellites (amounts do not sum due to rounding)
	1	292.4	512.3										

Evolved Expendable Launch Vehicle (EELV)	3	1,381.0	-	3	1,346.0	-	3	1,421.7	7.0	3	1,421.7	226.0	Final bill adds funds to EELV to develop new satellite launch engine; House bill had added funds for that purpose as a separate item
Rocket Engine Development	-	-	-	-	-	220.0	-	-	25.0	-	-	--	
SBIRS High missile-detection satellite	-	450.9	319.5	-	444.9	309.5	-	450.9	319.5	-	444.9	309.5	
Space Fence	-	-	214.1	-	-	200.1	-	-	154.1	-	-	200.1	
WIN-T Army communications network	-	763.1	116.5	-	664.1	116.5	-	555.1	116.5	-	664.1	116.5	
JTRS tactical radio	-	175.7	6.9	-	125.7	6.9	-	40.7	6.9	-	40.7	6.9	
Consolidated Afloat Networks and Enterprise Services (CANES)	-	422.6	22.8	-	422.6	22.8	-	379.4	22.8	-	340.0	22.8	

Source: H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

Table A-10. FY2015 Authorization Action on Selected Aircraft Programs

(dollar amounts in millions)

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Enacted Bill H.R. 3979			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Fixed Wing Tactical Combat Aircraft													
F-35A Joint Strike Fighter and Mods, AF (conventional takeoff version)	26	3,844.9	563.0	26	3,844.9	563.0	26	3,844.9	563.0	26	3,844.9	563.0	
F-35B Joint Strike Fighter, Marine Corps (STOVL version)	6	1,344.3	513.0	6	1,344.3	513.0	6	1,344.3	513.0	6	1,344.3	513.0	
F-35C Joint Strike Fighter, Navy (Carrier-based version)	2	640.1	516.5	2	640.1	516.5	2	640.1	516.5	2	640.1	516.5	
F-35 Fighter Mods	-	494.1	43.7	-	494.1	43.7	-	494.1	43.7	-	494.1	43.7	
[F-35 Joint Strike Fighter, total]	34	6,323.4	1,592.5	34	6,323.4	1,592.5	34	6,323.4	1,592.5	34	6,323.4	1,592.5	
F-22 Fighter Mods	-	208.7	330.6	-	208.7	330.6		208.7	330.6	-	208.7	325.6	
F-15 Fighter Mods	-	387.3	330.9	-	387.3	315.4		387.3	311.4	-	387.3	305.4	
F-16 Fighter Mods	-	12.3	133.1	-	12.3	133.1		12.3	133.1	-	12.3	133.1	
EA-18G Electronic Warfare Acft.	-	43.7	18.7	5	493.5	18.7	-	68.5	18.7	5	493.5	18.7	
F/A-18 Fighter Mods	-	679.2	76.2	-	679.2	76.2	-	679.2	76.2	-	679.2	76.2	

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Enacted Bill H.R. 3979			Notes
Long-Range Strike Aircraft and Missiles													
Long-Range Strike (Aircraft)	-	0.0	913.7	-	0.0	913.7	-	0.0	913.7	-	0.0	913.7	
B-1B Bomber Mods	-	140.3	5.4	-	140.3	5.4	-	140.3	5.4	-	140.3	4.4	
B-2A Bomber Mods	-	23.9	230.4	-	23.9	201.0	-	23.9	230.4	-	23.9	210.4	
B-52 Bomber Mods	-	180.1	55.5	-	180.1	55.5	-	180.1	55.5	-	180.1	55.5	
Trident II Missile Mods	-	1,190.5	96.9	-	1,190.5	96.9	-	1,190.5	96.9	-	1,185.5	96.9	
Conventional Prompt Global Strike	-	0.0	70.8	-	0.0	70.8	-	0.0	70.8	-	0.0	70.8	
Fixed-Wing and Tilt-Rotor Cargo, Transport, and Tanker Aircraft													
C-130 variants, including Mods	14	1,453.8	34.2	14	1,527.6	34,2	14	1,501.4	34.2	14	1,542.2	34.2	
C-5 Mods,	-	346.2	38.8	-	296.2	38.8	-	296.2	38.8	-	296.2	38.8	
C-17 Mods	-	127.5	83.8	-	127.5	83.8	-	127.5	83.8	-	127.5	83.8	
KC-46 tanker	7	1,582.7	776.9	6	1,356.6	776.9	7	1,582.7	776.9	7	1,582.7	776.9	
V-22 Osprey, including Mods	19	1,769.0	99.9	19	1,769.0	99.9	19	1,769.0	99.9	19	1,769.0	99.9	
Fixed Wing Surveillance Aircraft													
Next-Generation JSTARS	-	-	73.1	-	-	73.1	-	-	10.0	-	-	73.1	
P-8A Poseidon	8	2,051.8	308.0	8	2,051.8	323.0		2,051.8	308.0	8	2,034.4	319.0	
E-2D Hawkeye	4	1,045.6	193.2	4	1,045.6	193.2		1,045.6	193.2	4	1,045.6	193.2	

	FY2015 Request			House-passed Authorization H.R. 4435			Senate Committee- reported Authorization S. 2410			Enacted Bill H.R. 3979			Notes
E-3A AWACS Mods	-	160.3	180.8	-	160.3	180.8		160.3	180.8	-	160.3	180.8	
Unmanned Aerial Vehicles (UAVs) including mods.													
Predator and Reaper	31	633.6	228.0	39	802.6	228.0	31	595.8	233.2	39	786.3	233.2	
Global Hawk	-	113.3	975.4	-	103.2	1,007.8	-	103.2	839.4	-	103.3	940.4	
Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS)	-	-	403.0	-	-	200.0	-	-	493.0	--	-	403.0	
Fire Scout		49.4	47.3	-	49.4	47.3	-	49.4	47.3		49.4	47.3	
Helicopters (including SOF)													
UH-60 Blackhawk	79	1,372.1	65.2	85	1,372.1	65.2	87	1,517.1	65.2	85	1,475.1	65.2	
Blackhawk Mods	-	76.5	-	-	76.5	-	-	76.5	-	-	76.5	-	
AH-64 Apache Block III	25	651.3	124.1	25	651.3	124.1	25	651.3	124.1	25	651.3	124.1	
Apache Mods	-	181.9	-	-	181.9	-	-	181.9	-	-	181.9	-	
CH-47 Chinook	32	994.4	35.4	32	994.4	35.4	32	994.4	35.4	32	994.4	35.4	
Chinook Mods	-	54.3	-	-	54.3	-	-	54.3	-	-	54.3	-	
Light Utility Helicopter	55	416.6	-	55	416.6	—	90	612.6	-	55	416.6	-	
Huey/SuperCobra Upgrades	26	859.7	44.1	26	859.7	44.1	26	859.7	44.1	26	854.4	44.1	
MH-60R/S Seahawk	37	1,250.8	37.3	37	1,197.4	37.3	37	1,250.8	37.3	37	1,195.8	37.3	
CH-53K	-	-	573.3	-	-		-	-	573.3	-	-	573.3	

	FY2015 Request			House-passed Authorization H.R. 4435		Senate Committee- reported Authorization S. 2410			Enacted Bill H.R. 3979		Notes
Presidential helicopter	-	-	388.1	-	-	-	-	388.1	-	-	388.1

Source: H. Rept. 113-446, *Report of the House Armed Services Committee on the Howard P. “Buck” McKeon National Defense Authorization Act for FY2015*, May 13, 2014; and S. Rept. 113-176, *Report of the Senate Armed Services Committee on the Carl Levin National Defense Authorization Act for FY2015*, June 2, 2014.

Table A-11. FY2015 Appropriation Action on Selected Aircraft Programs

(dollar amounts in millions)

	FY2015 Request			House-passed Appropriation H.R. 4870 <i>(does not include OCO amounts)</i>			Senate Committee- reported Appropriation H.R. 4870			Enacted Bill H.R. 83 Division C			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Fixed Wing Tactical Combat Aircraft													
F-35A Joint Strike Fighter Air Force (conventional takeoff version)	26	3,844.9	568.0	28	4,068.9	583.0	26	3,622.9	568.0	28	3,982.9	568.0	
F-35B Joint Strike Fighter, Marine Corps (STOVL version)	6	1,344.3	513.0	6	1,344.3	513.0	6	1,287.5	509.4	6	1,328.3	509.4	
F-35C Joint Strike Fighter, Navy (Carrier-based version)	2	640.1	516.5	4	995.1	516.5	2	623.0	512.9	4	878.0	512.9	
F-35 Fighter Mods	-	494.1	43.7	-	386.1	43.7	-	394.5	43.7	--	424.0	24.5	
[F-35 Joint Strike Fighter, total]	34	6,323.4	1,636.2	38	6,794.4	1,636.2	34	5,927.9	1,634.1	38	6,613.2	1,614.8	
F-22 Fighter Mods	-	208.7	330.6	-	208.7	325.0	-	180.2	308.3	--	208.7	320.0	
F-15 Fighter Mods	-	387.3	330.9	-	498.2	320.9	-	387.3	275.9	--	498.3	280.9	
F-16 Fighter Mods	-	12.3	133.1	-	9.0	133.1	-	12.3	133.1	--	9.0	133.1	
EA-18G Electronic Warfare Acft.	-	43.5	18.7	12	1,018.4	18.7	12	1,343.5	18.7	15	1,503.5	18.7	

	FY2015 Request			House-passed Appropriation H.R. 4870 <i>(does not include OCO amounts)</i>			Senate Committee- reported Appropriation H.R. 4870			Enacted Bill H.R. 83 Division C		Notes
F/A-18 Fighter Mods	-	679.2	76.2	-	636.0	86.2	-	750.2	76.2	705.8	86.2	
Long-Range Strike Aircraft and Missiles												
Long-Range Strike (Aircraft)	-	0.0	913.7	-	0.0	913.7	-	0.0	913.7	--	0.0	913.7
B-1B Bomber Mods	-	140.3	5.4	-	140.3	4.4	-	128.0	2.4	--	128.0	4.4
B-2A Bomber Mods	-	23.9	230.3	-	24.4	204.3	-	23.9	210.3	--	21.9	215.3
B-52 Bomber Mods	-	180.1	55.5	-	180.1	55.5	-	172.4	33.9	--	176.4	49.5
Trident II Missile Mods	-	1,190.5	96.9	-	1,166.9	94.5	-	1,185.5	89.9	--	1,175.5	94.5
Conventional Prompt Global Strike	-	0.0	70.8	-	0.0	90.8	-	0.0	95.8	--	0.0	95.8
Fixed-Wing and Tilt-Rotor Cargo, Transport, and Tanker Aircraft												
C-130 variants, including Mods	14	1,738.6	34.2	14	1,611.5	34.2	15	1,776.9	26.9	15	1,904.6	31.2
C-5 Mods,	-	346.2	38.8	-	346.2	38.8	-	240.9	38.8	--	332.2	38.8
C-17 Mods	-	127.5	83.8	-	89.4	83.8	-	127.5	83.8		89.4	83.8
KC-46 tanker	7	1,582.7	776.9	7	1,582.7	776.9	7	1,582.7	776.9	7	1,573.2	786.4
V-22 Osprey, including Mods	19	1,769.0	100.0		1,770.9	92.9		1,762.3	100.0	19	1,767.5	96.5
Fixed Wing Surveillance Aircraft												
Next Joint Stars	-	0.0	73.1	-	0.0	73.1	-	0.0	10.0	--	0.0	73.1

	House-passed Appropriation H.R. 4870 <i>(does not include OCO amounts)</i>						Senate Committee- reported Appropriation H.R. 4870			Enacted Bill H.R. 83 Division C		Notes	
	FY2015 Request												
P-8A Poseidon	8	2,051.8	308.0	9	2,177.2	319.0	8	2,034.4	278.0	9	2,161.1	306.0	
E-2D Hawkeye	4	1,045.6	193.2	5	1,080.8	146.2	4	1,045.6	193.2	5	1,145.0	176.7	
E-3A AWACS Mods	-	160.3	180.8	-	191.3	180.8	-	191.3	180.8	--	191.3	180.8	
Unmanned Aerial Vehicles (UAVs) including mods.													
Predator and Reaper including Mods	-	825.6	228.0	-	812.8	219.6	-	624.4	205.3		827.4	210.5	
Global Hawk	-	113.3	975.4	-	143.5	940.4	-	65.8	906.6		143.5	931.6	Request and final bill include \$232.9 million for a NATO version
Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS)	-	-	403.0	-	-	403.0	-	-	403.0		0.0	403.0	
Fire Scout	-	90.3	47.3	-	48.4	43.3	-	119.4	47.3		118.4	43.3	
Helicopters (including SOF)													
UH-60 Blackhawk	79	1,372.2	65.2	87	1,508.2	65.2	79	1,373.4	48.4	87	1,457.2	48.4	
Blackhawk Mods	-	136.6	-	-	76.5	-	-	76.5	-	--	136.6	--	
AH-64 Apache Block III	25	651.4	124.1	28	729.3	124.1	25	723.3	90.1		873.4	86.1	
Apache Mods	-	181.9	-	-	181.9	-	-	181.9	-		181.9	--	
CH-47 Chinook	32	994.9	35.4	32	994.9	35.4	32	994.9	35.4		994.9	35.4	
Chinook Mods	-	54.3	-	-	54.3	-	-	54.3	-		54.3	--	

	FY2015 Request			House-passed Appropriation H.R. 4870 <i>(does not include OCO amounts)</i>			Senate Committee- reported Appropriation H.R. 4870			Enacted Bill H.R. 83 Division C			Notes
Light Utility Helicopter	55	416.6	-	55	416.6	-	55	391.6	-	55	401.6	--	
Huey/SuperCobra Upgrades	26	889.7	44.1	27	872.4	44.1	26	880.4	44.1	27	902.4	44.1	
MH-60R/S Seahawk	37	1,359.6	37.3	37	1,266.3	34.3	37	1,233.3	37.3	37	1,266.6		
CH-53K	-	-	573.3	-	-	573.3	-	-	563.3	--	--	559.7	
Presidential helicopter	-	-	388.1	-	-	388.1	-	-	348.1	--	--	368.1	

Source: H. Rept. 113-474, *Report of the Committee on Appropriations to Accompany H.R. 4870*, June 13, 2014; and S. Rept. 113-211, *Department of Defense Appropriations Bill, 2015*, July 17, 2014.

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