

No. 47

July 9, 2002

S. 2709 – Military Construction Appropriation Bill, FY 2003

Calendar No. 479

Reported from the Committee on Appropriations July 3, 2002, by a vote of 29-0; S. Rept. 107-202.

NOTEWORTHY

- The Senate bill, S. 2709, recommends appropriations totaling \$10.62 billion for FY 2003 military construction, family housing, and base closure. This amount is about \$958 million above the President's request and \$17.6 million over the FY 2002 appropriation.
- The Committee recommends significant increases in funding over the requested amounts for: Air Force active components (\$331 million more); Guard and Reserve components (\$290.4 million more); Defense-wide components: (\$152 million more); Navy active components (\$110 million more); and Base Realignment and Closure (BRAC) account (\$100 million more than requested). Of the major accounts in the bill, only the family housing is funded at less (\$18 million less) than that requested.
- The additional \$100 million recommended for BRAC is for the Environmental Cleanup Acceleration Initiative to address the backlog of environmental remediation requirements at closed and realigned bases.
- The Senate bill includes \$712 million transferred to military construction accounts from the Defense Emergency Response Fund (DERF), an account which the Administration originally included as part of its budget submission for the Department of Defense Appropriations bill. The Administration requested this transfer, and so the committee includes \$716.8 million from the DERF in the military construction budget request.
- The Committee recommends \$1.15 billion to construct or modernize 46 barracks projects, an amount which is \$7.3 million less than the budget request. The FY 2003 budget request includes \$10.7 million for two child development center projects, whereas the Committee recommends \$25.7 million for a total of four projects.

- On June 27, the House passed H.R. 5011, its \$10.08 billion FY03 military construction funding bill, by a vote of 426 to 1.

BACKGROUND

The military construction appropriation bill provides funding for the planning, design, construction, alteration and improvement of military facilities worldwide, both for the active and reserve forces. It finances construction, alterations, improvement, operation and maintenance of military family housing, including payments against past housing mortgage indebtedness. This bill also serves as the source for the U.S. share of the NATO Security Investment Program, and provides funding to implement base closure and realignments authorized by law.

The House of Representatives passed its version of the Military Construction Appropriation Bill for FY 2003, H.R. 5011, on June 27, by a vote of 426-1. The bill provides \$10.6 billion for military construction activities for FY 2003. Included in the House-passed bill is: \$5.3 billion for military construction; \$4.2 billion for family housing; and \$545 million for base realignment and closure, of which \$485 million is for environmental cleanup.

BILL PROVISIONS

Military Construction

The bill provides a total of \$5.58 billion for **military construction** for the active and reserve component accounts, with approximately \$4.97 billion for **active components**, \$152.4 million above the Administration's request and \$118 million above the 2002 level. The break-down, by component, is as follows:

Active Components

Army \$1.67 billion (\$7.4 million less than the budget request)

Navy & Marine Corps \$1.215 billion (\$110 million more than the budget request)

Air Force \$1.165 billion (\$330.6 million more than the budget request)

Defense-Wide \$ 924 million (\$152.4 million more than the budget request)

- For **chemical demilitarization**, the Committee appropriates \$159.3 million, \$8.3 million less than the request. While the budget request proposes these amounts be appropriated under the “Military Construction, Army,” account as in prior years, the Committee recommends that these amounts be appropriated under the “Military Construction, Defense-Wide” account in order to facilitate the tracking of expenses for the Chemical Demilitarization Program, and to avoid distorting the size of the Army’s military construction program. In addition, the Committee believes that the focus on this program must remain at the Office of the Secretary of Defense rather than at the service level and directs the Department to submit the FY 2004 budget accordingly.
- The FY 2002 budget request included \$164.7 million for four major **medical construction projects**, plus planning and design and minor construction to provide hospital and medical facilities. The Committee recommends a total of \$169.7 million for medical projects.
- The Committee provides \$10 million for the Secretary of Defense “**Contingency Construction**” account in accordance with the budget request. This account provides funds which may be used by the Defense Secretary for unforeseen facility requirements.
- The Committee recommends the full budget request of \$49.5 million for the **Energy Conservation Investment Program (ECIP)**.
- Recognizing the efficiencies gained by the construction of joint-use, multi-service facilities, the Committee directs the Defense Secretary, through the office of the Comptroller, to develop an account that would encourage the application for, and construction of **joint-use, military-service projects** throughout the services, including the reserve components. The Committee further encourages the Department to submit a budget for FY 2004 with the inclusion of a Joint Future Years’ Defense Plan.

Reserve Components

- **Military construction for the reserves** is funded at \$609.8 million, which is \$290.4 million above the Administration’s request but \$343.3 million below the FY 2002 level. The committee funds each component as follows:

Army National Guard \$ 208.5 million (\$106.9 million above)

Air National Guard	\$	218 million (\$155.6 million above)
Army Reserve	\$	66.5 million (\$7.7 million above)
Naval Reserve	\$	58.7 million (same as request)
Air Force Reserve	\$	58.2 million (\$20.2 million above)

North Atlantic Treaty Organization (NATO) Security Investment Program

- The Committee provides \$168.2 million for the **North Atlantic Treaty Organization (NATO) Security Investment Program** for FY 2003, fully funding the budget request. The Committee continues the requirement that no funds will be used for projects (including planning and design) related to the enlargement of NATO and the Partnership for Peace program, unless Congress is notified 21 days in advance of the obligation of funds.

NATO Infrastructure

- The Committee is concerned about the recent increase in the number and levels of headquarters associated with the North Atlantic Treaty Organization (NATO). It recently learned that NATO plans to spend over a half billion dollars to upgrade and modernize these military command headquarters. Because these projects compete with projects that support U.S. missions at home and overseas, the Committee recommends that proposed funding for three U.S. projects relating to the sub-regional NATO headquarters in Madrid, Spain, and Larrisa, Greece not be approved.

Korea Land Partnership Plan

- The Committee supports the Department's efforts to consolidate its presence in the Republic of Korea and align installations with future requirements. While the Korea Land Partnership Plan (LPP) appears to offer a strategy to help reduce U.S. military infrastructure, the Committee continues to be concerned about several aspects of the plan. Thus, the Committee requests that the General Accounting Office review the LPP and report to Congress by March 15, 2003.

Family Housing

- The Committee has provided \$4.23 billion for **family housing construction**, operations and maintenance, and the Department's family housing improvement fund. This amount is \$18.1 million below the budget request and \$132.6 million above the amount appropriated in FY 2002.

Base Realignment and Closure

- The Committee recommends \$645.1 million for the **base realignment and closure** account, an increase of \$100 million over the Administration's request and \$12.4 million under the amount appropriated in FY 2002. The Committee recommendation includes \$100 million for a BRAC Environmental Cleanup Acceleration Initiative to address the backlog of critical environmental cleanup requirements at military installations that have been closed or realigned over the past 12 years. Until environmental cleanup at these installations is completed, the properties cannot be returned to productive use in the communities. To date, DOD has transferred less than half of the properties at such bases, primarily as a result of delays due to environmental cleanup-related issues.
- Under the BRAC Environmental Cleanup Acceleration Initiative, the Committee directs that an additional \$20 million be made available for the Army, \$55 million for the Navy, and \$25 million for the Air Force for environmental cleanup.

ADMINISTRATION POSITION

The Statement of Administration Policy was unavailable at press time.

POSSIBLE AMENDMENTS

There were no known amendments at press time.

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