



October 8, 2004

Highlights of the Conference Report to Accompany H.R. 4200, the Ronald W. Reagan National Defense Authorization Bill for FY 2005

The Conference Report to accompany H.R. 4200, H. Rept. 108-767, was filed on October 8, 2004.

Noteworthy

- The Conference Report authorizes \$420.6 billion in budget authority for defense programs for FY 2005, an increase of \$19.3 billion above the amount authorized. The conferees authorize \$74.2 billion in funding for procurement; \$66.5 billion in funding for research, development, test, and evaluation (RDT&E); and \$121.1 billion in funding for operations and maintenance.
- The Conference Report authorizes an additional \$572 million for additional up-armored variants of the High Mobility Multi-purpose Wheeled Vehicle and \$100 million for wheeled vehicle ballistic bolt-on armor.
- The Committee approves \$757 million for force protection gear and combat clothing for active, reserve and national guard service members, including \$435.2 million specifically for body armor.
- A military pay raise of 3.5 percent is included for all uniformed service personnel.
- The Conference Report authorizes an active-duty end strength increase of 20,000 for the Army and 3,000 for the Marine Corps.
- The Secretary of Defense is authorized to use up to \$500 million in FY05 to train and equip Iraq and Afghanistan military and security forces, and up to \$300 million in FY05 for the Commanders' Emergency Response Program for small-scale humanitarian and reconstruction projects in Iraq and Afghanistan.

Highlights

DIVISION A – DEPARTMENT OF DEFENSE AUTHORIZATIONS

Title I – Procurement

The Conference Report authorizes \$74.2 billion for **procurement**, which is \$704 million less than the President's request. Other funding levels are noted below. Highlights of Title I of the Conference Report are as follows.

- The Committee approves \$572 million for additional **up-armored high mobility multi-purpose wheeled vehicles** (UAH), and wheeled vehicles add-on ballistic protection; the bill also includes \$100 million for wheeled vehicle ballistic bolt-on armor.
- The Committee approves \$757 million for force protection gear and combat clothing for active, reserve, and national guard service members, including \$435.2 million specifically for body armor.
- The bill adds \$105 million for the Rapid Fielding Initiative.
- The Committee approves: \$905 million for **Stryker** vehicles for the sixth Brigade Combat Team; \$280 million for 27 **UH-60 Black Hawk helicopters**; \$272 million for the procurement of **aircraft survivability** equipment infrared countermeasures; \$334 million for **Army Hellfire and Javelin missile systems**; \$292 million for 67 **Abrams M1A2 System Enhancement Program tanks**; \$175 million and multiyear procurement authority for the lightweight **155 mm howitzer**; and \$506 million for the **Family of Medium Tactical Vehicles**.
- The Committee approves: \$3.5 billion for three **DDG-51 Arleigh Burke-class destroyers**; \$2.3 billion for multi-year procurement of one **Virginia-class submarine**; \$1.1 billion for one **LPD-17 San Antonio-class amphibious transport dock ship**; and \$768.4 million for two **T-AKE auxiliary cargo and ammunition ships**.
- The Committee approves the detail design and advance construction of the first **LHA(R)-class amphibious assault ship**, and adds \$150 million as the first increment of funding for this ship.
- The conferees approved \$626 million in advance procurement for the **CVN-21 aircraft carrier** (also \$327 million in development).
- The conferees authorized a multiyear procurement for 100 new **aerial refueling aircraft** while prohibiting the lease of KC-767A tanker aircraft by the Air Force, and

required that any contract for the maintenance and logistics support for new aerial refueling aircraft be competitively awarded.

- The conferees agreed to: \$885.3 million for eight **MV-22 Osprey tilt-rotor aircraft** for the Marine Corps; \$320.6 million for three **CV-22 special operations tilt-rotor aircraft** for the Air Force; \$2.9 billion for the procurement of 14 **C-17** airlift aircraft; \$4.1 billion for 24 Raptor **F/A-22 aircraft**; \$3.0 billion for 42 **F/A-18E/F Super Hornet aircraft**; \$939 million for 11 **C-130J aircraft**, and \$320 million for 4 **KC-130J aircraft**; and \$241 million for **AH-1Y Cobra** and **UH-1N Huey helicopters**.

Title II – Research, Development, Test, and Evaluation

The Conference Report authorizes \$66.5 billion for research, development, test and evaluation (**RDT&E**), which is \$2.44 billion less than the President's request. Other funding levels are noted below.

- The Committee approves \$11.2 billion for the Defense Science and Technology program.
- The Committee approves \$10 billion for ballistic missile defense (BMD) research and development and procurement.
- The bill authorizes \$1.5 billion for the DD(X) destroyer program, and \$350 million for the development and increment of construction of the first Littoral Combat Ship.
- The Committee approves \$4.3 billion for the Joint Strike Fighter, a decrease of \$207 million for certain projects due to program delay.
- The Committee approves increased funding for transformational technologies including: \$70 million for basic research for future capabilities and equipment; \$50 million for unmanned systems science and technology programs; and \$40 million for key battlefield medicine and combat casualty care research programs in the latest life- and limb-saving technology.
- The bill includes over \$2.9 billion in research and development funding for the Future Combat Systems (including \$498 million for the development of the Non-line of Sight Cannon system).
- The bill adds \$35 million for the Space Based Infrared early warning satellite.

Title III – Operation and Maintenance

The Conference Report authorizes \$121.1 billion for **Operation and Maintenance**, which is \$19.5 billion less than the President's request.

- The conferees included a provision that would direct the Secretary to reimburse service members who purchased, or had another person purchase on their behalf, any

protective, safety, or health equipment for use while deployed in connection with Operation Noble Eagle, Operation Enduring Freedom, or Operation Iraqi Freedom.

- The bill includes a provision to authorize up to \$300 million in FY05 for the Commanders' Emergency Response Program for small-scale humanitarian and reconstruction projects in Iraq and Afghanistan.
- The bill authorizes \$256.5 million for remediation of Formerly Used Defense Sites, an increase of \$40 million over the budget request.
- The bill authorized an additional \$50 million for the Pueblo Chemical Agent Disposal Facility to facilitate the ability of the United States to meet its obligations under the Chemical Weapons Convention.

Title IV – Military Personnel Authorizations

- The Conference Report authorizes increases in active-duty end strength of 20,000 for the Army and 3,000 for the Marine Corps.
- The Committee authorized an additional \$46.9 million to field an additional 7 Weapons of Mass Destruction-Civil Support Teams (WMD-CST), which will result in a total of 55 teams by the end of FY05.

Title V – Military Personnel Policy

- The Committee requires the promulgation of uniform DoD policy on prevention of and response to sexual assaults involving members of the Armed Forces.
- The bill establishes a Commission on the National Guard and Reserve that will study the roles and mission of the reserve component, including pay and benefits.

Title VI – Compensation and Other Personnel Benefits

- A military pay raise of 3.5 percent is included for all uniformed service personnel.
- The Committee approves a permanent increase in the rate of family separation allowance from \$100 per month to \$250 per month; and approves a permanent increase in the rate of special pay for duty subject to hostile fire or imminent danger from \$150 per month to \$225 per month.
- The conferees authorize immediate concurrent receipt, without phase in, of military retired pay and veterans' disability compensation for retirees who are rated at 100-percent disabled.
- The conferees authorize increases in special pays for members of the National Guard and Reserve for enlistment and reenlistment, and authorized a bonus of up to \$6,000 for foreign language proficiency.

- The conferees repealed the requirement for military members to pay subsistence charges while hospitalized.

Title VII – Health Care Provisions

- The conferees recommended making permanent the now temporary eligibility of dependents of reservists to obtain TRICARE healthcare benefits up to 90 days before the date on which the member's period of active duty is to begin.
- The conferees authorized waiving deductible payments required by TRICARE programs for dependents of reservists who are called to active duty for more than 30 days.
- The conferees recommended shielding dependents of reservists who are ordered to active duty for more than 30 days from paying a healthcare provider any amount above the TRICARE maximum allowable cost.
- The conferees authorized making permanent the authority to provide Transitional Assistance Medical Program benefits to service members and their dependents for up to 180 days following separation from active duty. In addition, the conferees direct the Secretary of Defense to provide physical examinations to all active duty service members prior to separation.
- The conferees authorized TRICARE Standard coverage for reservists and their families who have been activated for more than 30 days since September 11, 2001 in support of a contingency operation and who commit to continued service in the Selected Reserves. For every 90 days of consecutive active duty service, the member and his or her family are eligible for one year of TRICARE coverage while on non-active duty status.

Title VIII – Acquisition Policy, Acquisition Management, and Related Matters

- The bill includes a provision to require the Secretary of Defense to establish guidelines for oversight and safety of contractors operating in combat areas.

Title IX – DoD Organization and Management

- The bill includes a provision to establish a panel to study the future of military space launch capabilities.

Title X – General Provisions

- The bill authorizes the Secretary of Defense to transfer funds of up to \$3.5 billion within Division A of the bill, if in the national interest, with proper notification given to Congress.

- The bill includes a provision that would direct the Secretary of Defense to develop and coordinate a policy for ensuring the survivability of defense-critical systems exposed to chemical or biological contamination.
- The bill includes a provision which renews the authority of the Secretary of Defense to use counterdrug funding to combat narcoterrorism in Colombia, and raises the troop cap on U.S. forces in Colombia from 400 to 800 military personnel and from 400 to 600 contractor personnel.
- Included is a sense of Congress regarding the reduction of illegal drug trafficking in Afghanistan.

Title XII – Matters Relating to Other Nations

- The bill includes a provision to authorize the Secretary of Defense to provide up to \$500 million to Iraq and Afghanistan security forces solely for the purpose of combating terrorism and supporting U.S. forces.

Title XIII – Cooperative Threat Reduction (CTR) with States of the Former Soviet Union

- The Committee approves \$409.2 million for CTR and provides the President authority through December 31, 2006, to waive, on an annual basis, the conditions that must be met before continuing the Russian chemical demilitarization program at Shchuch'ye.

Title XV – Authorization for Increased Costs Due to Operation Iraqi Freedom and Operation Enduring Freedom

- The conferees provided \$16.4 billion in direct, immediate support for the men and women of the Armed Forces to continue Operation Enduring Freedom, Operation Iraqi Freedom, and Operation Noble Eagle.

DIVISION B – MILITARY CONSTRUCTION AUTHORIZATIONS

- The conferees agreed to authorize \$10 billion for military construction and family housing programs, \$450 million above the Administration's request.
- The conferees included over \$280 million in additional funding for critical unfunded military construction requirements identified by the military services at installations in the United States, and more than \$260 million in additional funding for readiness and training facilities for the National Guard and Reserve forces.
- The conferees authorized \$4.2 billion for family housing programs, including \$1.6 billion for new construction and \$2.6 billion for maintenance. They also agreed to

provide \$246 million to fund environmental clean-up and restoration activities for bases closed in the 1990s in order to return the property to local communities.

- The conferees continued the 2005 Base Realignment and Closure (BRAC) round.
- The conferees removed the existing funding limitations on the military housing privatization authorities to allow the military services to continue to partner with the private sector to provide high-quality housing for military members and their families.

DIVISION C – DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

- The bill approves \$9.08 billion for the National Nuclear Security Administration, including \$6.59 billion for weapons activities.
- The bill authorizes \$1.3 billion for the Department of Energy (DOE) nonproliferation programs, and removes the \$50 million limitation on DOE's authority to spend nuclear materials protection and cooperation program funds on new projects outside of the former Soviet Union.
- In the area of nuclear weapons research, development and test readiness capabilities, and program management, the conferees: authorized \$28 million to continue a feasibility study on the Robust Nuclear Earth Penetrator (RNEP); authorized \$9 million for the Advanced Concepts Initiative (ACI); authorized \$29.8 million for the Modern Pit Facility (MPF); and authorized \$30 million for enhanced test readiness.
- The conferees clarified the authority of the Secretary of Energy to proceed with the accelerated cleanup plan at the Savannah River Site in South Carolina and the Idaho National Environmental and Engineering Laboratory in Idaho, including waste incidental to reprocessing.
- The bill establishes new benefits under the Energy Employee Occupational Illness Compensation Program Act (EEOICPA) to compensate energy employees for illnesses resulting from exposure to toxic substances at a Department of Energy facility. The provision directs the Department of Labor (DOL) to administer this new benefit program, which is intended to provide a simple, fair and uniform workers compensation system.