

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL
YEAR 2007

MAY 5, 2006.—Committed to the Committee of the Whole House on the State of the
Union and ordered to be printed

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

R E P O R T

together with

ADDITIONAL AND DISSENTING VIEWS

[To accompany H.R. 5122]

[Including cost estimate of the Congressional Budget Office]

The Committee on Armed Services, to whom was referred the bill (H.R. 5122) to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

The amendment strikes all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

The title of the bill is amended to reflect the amendment to the text of the bill.

EXPLANATION OF THE COMMITTEE AMENDMENTS

The committee adopted an amendment in the nature of a substitute during the consideration of H.R. 5122. The title of the bill is amended to reflect the amendment to the text of the bill. The remainder of the report discusses the bill, as amended.

PURPOSE

The bill would—(1) Authorize appropriations for fiscal year 2007 for procurement and for research, development, test and evaluation (RDT&E); (2) Authorize appropriations for fiscal year 2007 for operation and maintenance (O&M) and for working capital funds; (3) Authorize for fiscal year 2007: (a) the personnel strength for each active duty component of the military departments; (b) the personnel strength for the Selected Reserve for each reserve component of the armed forces; (c) the military training student loads for each of the active and reserve components of the military departments; (4) Modify various elements of compensation for military personnel and impose certain requirements and limitations on personnel actions in the defense establishment; (5) Authorize appropriations for fiscal year 2007 for military construction and family housing; (6) Authorize emergency appropriations for increased costs due to Operation Iraqi Freedom and Operation Enduring Freedom; (7) Authorize appropriations for fiscal year 2007 for the Department of Energy national security programs; (8) Modify provisions related to the National Defense Stockpile; and (9) Authorize appropriations for fiscal year 2007 for the Maritime Administration.

RELATIONSHIP OF AUTHORIZATION TO APPROPRIATIONS

The bill does not generally provide budget authority. The bill authorizes appropriations. Subsequent appropriation acts provide budget authority. The bill addresses the following categories in the Department of Defense budget: procurement; research, development, test and evaluation; operation and maintenance; working capital funds, military personnel; and military construction and family housing. The bill also addresses Department of Energy National Security Programs and the Maritime Administration.

Active duty and reserve personnel strengths authorized in this bill and legislation affecting compensation for military personnel determine the remaining appropriation requirements of the Department of Defense. However, this bill does not provide authorization of specific dollar amounts for personnel.

SUMMARY OF AUTHORIZATION IN THE BILL

The President requested budget authority of \$513.3 billion for the national defense budget function for fiscal year 2007. Of this amount, the President requested \$491.5 billion for the Department of Defense, including \$16.7 billion for military construction and family housing and \$50 billion for estimated emergency costs for the Global War on Terror. The defense budget request for fiscal year 2007 also included \$17.0 billion for Department of Energy national security programs and the Defense Nuclear Facilities Safety Board.

The committee recommends an overall level of \$512.9 billion in budget authority. This amount represents an increase of approximately \$21.4 billion from the amount authorized for appropriation by the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163).

SUMMARY TABLE OF AUTHORIZATIONS

The defense authorization act provides authorization for appropriations but does not generally provide budget authority. Budget authority is provided in appropriations acts. In order to relate the recommendations to the budget resolution, matters in addition to the dollar authorizations contained in this bill must be taken into account. A number of programs in the national defense function are authorized in other legislation. The following table summarizes authorizations included in the bill for fiscal year 2007 and, in addition, summarizes the implications of the committee action for the budget authority totals for national defense (budget function 050).

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2007

(Dollars in Thousands)

Account Title	FY 2007		Budget		Committee		Committee		Committee	
	Authorization Request	Request	Authority Request	Change	Authorization Change	Budget Authority Change	Authorization Recommendation	Budget Authority Recommendation	Committee Recommendation	
<u>PROCUREMENT</u>										
Aircraft Procurement, Army	3,566,483	3,566,483	3,566,483	148,300	3,714,783	3,714,783	3,714,783	3,714,783	3,714,783	3,714,783
Missile Procurement, Army	1,350,898	1,350,898	1,350,898	140,000	1,490,898	1,490,898	1,490,898	1,490,898	1,490,898	1,490,898
Procurement of Weapons and Tracked Combat Vehicles, Army	2,301,943	2,301,943	2,301,943	33,061	2,335,004	2,335,004	2,335,004	2,335,004	2,335,004	2,335,004
Procurement of Ammunition, Army	1,903,125	1,903,125	1,903,125	(211,650)	1,691,475	1,691,475	1,691,475	1,691,475	1,691,475	1,691,475
Other Procurement, Army	7,718,602	7,718,602	7,718,602	(748,523)	6,970,079	6,970,079	6,970,079	6,970,079	6,970,079	6,970,079
National Guard, Army				318,000	318,000	318,000	318,000	318,000	318,000	318,000
Aircraft Procurement, Navy	10,868,771	10,868,771	10,868,771	(108,100)	10,760,671	10,760,671	10,760,671	10,760,671	10,760,671	10,760,671
Weapons Procurement, Navy	2,555,020	2,555,020	2,555,020	(38,000)	2,517,020	2,517,020	2,517,020	2,517,020	2,517,020	2,517,020
Procurement of Ammunition, Navy and Marine Corps	789,943	789,943	789,943	(31,150)	758,793	758,793	758,793	758,793	758,793	758,793
Shipbuilding and Conversion, Navy	10,578,553	10,578,553	10,578,553	604,600	11,183,153	11,183,153	11,183,153	11,183,153	11,183,153	11,183,153
Other Procurement, Navy	4,967,916	4,967,916	4,967,916	74,850	5,042,766	5,042,766	5,042,766	5,042,766	5,042,766	5,042,766
Procurement, Marine Corps	1,273,513	1,273,513	1,273,513	(49,700)	1,223,813	1,223,813	1,223,813	1,223,813	1,223,813	1,223,813
Aircraft Procurement, Air Force	11,479,810	11,479,810	11,479,810	1,562,820	13,042,630	13,042,630	13,042,630	13,042,630	13,042,630	13,042,630
Missile Procurement, Air Force	4,204,145	4,204,145	4,204,145	4,000	4,208,145	4,208,145	4,208,145	4,208,145	4,208,145	4,208,145
Procurement of Ammunition, Air Force	1,072,749	1,072,749	1,072,749	(32,650)	1,040,099	1,040,099	1,040,099	1,040,099	1,040,099	1,040,099
Other Procurement, Air Force	15,408,086	15,408,086	15,408,086	20,550	15,428,636	15,428,636	15,428,636	15,428,636	15,428,636	15,428,636
Procurement, Defense-wide	2,861,461	2,861,461	2,861,461	(5,000)	2,856,461	2,856,461	2,856,461	2,856,461	2,856,461	2,856,461
Defense Production Act Purchases				18,484	18,484	18,484	18,484	18,484	18,484	18,484
Chemical Agents and Munitions Destruction	1,277,304	1,277,304	1,277,304		1,277,304	1,277,304	1,277,304	1,277,304	1,277,304	1,277,304
Total Procurement	84,178,322	84,196,806	84,196,806	1,681,408	85,859,730	85,859,730	85,859,730	85,859,730	85,859,730	85,878,214
<u>RESEARCH, DEVELOPMENT, TEST & EVALUATION</u>										
Research, Development, Test & Evaluation, Army	10,855,559	10,855,559	10,855,559	76,650	10,932,209	10,932,209	10,932,209	10,932,209	10,932,209	10,947,209
Research, Development, Test & Evaluation, Navy	16,912,223	16,912,223	16,912,223	465,546	17,377,769	17,377,769	17,377,769	17,377,769	17,377,769	17,377,769
Research, Development, Test & Evaluation, Air Force	24,396,767	24,396,767	24,396,767	413,274	24,810,041	24,810,041	24,810,041	24,810,041	24,810,041	24,810,041

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2007

(Dollars in Thousands)

Account Title	FY 2007		Budget		Committee		Committee		Committee	
	Authorization Request	Request	Authority Request	Request	Authorization Change	Budget Authority Change	Authorization Recommendation	Budget Authority Recommendation	Authorization Recommendation	Budget Authority Recommendation
Research, Development, Test & Evaluation, Defense-wide	20,809,939	20,809,939	20,809,939	20,809,939	(46,900)		20,763,039	20,763,039	20,763,039	20,763,039
Operational Test & Evaluation, Defense	181,520	181,520	181,520	181,520			181,520	181,520	181,520	181,520
Total Research, Development, Test & Evaluation	73,156,008	73,156,008	73,156,008	73,156,008	908,570	15,000	74,064,578	74,064,578	74,064,578	74,064,578
OPERATION AND MAINTENANCE										
Operation and Maintenance, Army	24,902,380	24,902,380	24,902,380	24,902,380	18,355		24,920,735	24,920,735	24,920,735	24,920,735
Operation and Maintenance, Navy	31,330,984	31,330,984	31,330,984	31,330,984	(241,909)		31,089,075	31,089,075	31,089,075	31,089,075
Operation and Maintenance, Marine Corps	3,878,962	3,878,962	3,878,962	3,878,962	95,119		3,974,081	3,974,081	3,974,081	3,974,081
Operation and Maintenance, Air Force	31,342,307	31,342,307	31,342,307	31,342,307	(243,350)		31,098,957	31,098,957	31,098,957	31,098,957
Operation and Maintenance, Defense-wide	20,075,656	20,075,656	20,075,656	20,075,656	(198,893)		19,876,763	19,876,763	19,876,763	19,876,763
Operation and Maintenance, Army Reserve	2,299,202	2,299,202	2,299,202	2,299,202	900		2,300,102	2,300,102	2,300,102	2,300,102
Operation and Maintenance, Navy Reserve	1,288,764	1,288,764	1,288,764	1,288,764			1,288,764	1,288,764	1,288,764	1,288,764
Operation and Maintenance, Marine Corps Reserve	211,911	211,911	211,911	211,911			211,911	211,911	211,911	211,911
Operation and Maintenance, Air Force Reserve	2,723,800	2,723,800	2,723,800	2,723,800			2,723,800	2,723,800	2,723,800	2,723,800
Operation and Maintenance, Army National Guard	4,838,665	4,838,665	4,838,665	4,838,665	250,900		5,089,565	5,089,565	5,089,565	5,089,565
Operation and Maintenance, Air National Guard	5,336,017	5,336,017	5,336,017	5,336,017			5,336,017	5,336,017	5,336,017	5,336,017
Transfer Accounts	1,403,295	1,403,295	1,403,295	1,403,295			1,403,295	1,403,295	1,403,295	1,403,295
Miscellaneous Appropriations	457,053	457,053	457,053	457,053			457,053	457,053	457,053	457,053
Total Operation and Maintenance	130,088,996	130,088,996	130,088,996	130,088,996	(318,878)		129,770,118	129,770,118	129,770,118	129,770,118
OTHER PROGRAMS										
Drug Interdiction and Counter-drug Activities, Defense	926,890	926,890	926,890	926,890			926,890	926,890	926,890	926,890
Defense Health Program	21,025,121	21,025,121	21,025,121	21,025,121	201,400		21,226,521	21,226,521	21,226,521	21,226,521
Office of the Inspector General	216,297	216,297	216,297	216,297			216,297	216,297	216,297	216,297
Chemical Agents and Munitions Destruction, Defense										
Overseas Military Facility Investment Recovery										
Allowances - Travel Cards			1,000	1,000		51,000				1,000
										51,000

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2007
(Dollars in Thousands)

Account Title	FY 2007 Authorization Request	Budget Authority Request	Committee Authorization Change	Committee Budget Authority Change	Committee Authorization Recommendation	Committee Budget Authority Recommendation
Disposal of DoD Real Property		15,000				15,000
Lease of DoD Real Property		12,000				12,000
Total Other Programs	22,168,308	22,196,308	201,400	51,000	22,369,708	22,448,708
Total Operation Maintenance and Other Programs						
REVOLVING AND MANAGEMENT FUNDS						
Defense Working Capital Funds - Services and Defense-wide	180,498	180,498			180,498	180,498
Defense Working Capital Funds - DECA	1,184,000	1,184,000			1,184,000	1,184,000
National Defense Sealift Fund			66,800		1,138,732	1,138,732
National Defense Stockpile Transaction Fund	1,071,932	1,071,932				
Armed Forces Retirement Home Fund	54,846				54,846	
Total Revolving and Management Funds	2,491,276	2,436,430	66,800		2,558,076	2,503,230
Total Military Personnel	110,776,768	110,776,768	(956,300)		109,820,468	109,820,468
MILITARY PERSONNEL						
MILITARY CONSTRUCTION						
Military Construction, Army	2,059,762	2,059,762	75,836		2,135,598	2,135,598
Military Construction, Navy and Marine Corps	1,162,038	1,162,038	57,833		1,219,871	1,219,871
Military Construction, Air Force	1,156,148	1,156,148	77,525		1,233,673	1,233,673
Military Construction, Defense-wide	1,208,198	1,208,198	(56,092)		1,152,106	1,152,106
NATO Security Investment Program	220,985	220,985	(20,000)		200,985	200,985
Base Realignment and Closure II	191,220	191,220			191,220	191,220
Base Realignment and Closure IV	5,626,223	5,626,223		120,000	5,626,223	5,626,223
Military Construction, Army National Guard	473,197	473,197	45,206		518,403	638,403
Military Construction, Air National Guard	125,788	125,788	87,000		212,788	212,788

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Account Title	FY 2007 Authorization Request	Budget Authority Request	Committee Authorization Change	Committee Budget Authority Change	Committee Authorization Recommendation	Committee Budget Authority Recommendation
Military Construction, Army Reserve	166,487	166,487	3,000		169,487	169,487
Military Construction, Naval Reserve	48,408	48,408	6,750		55,158	55,158
Military Construction, Air Force Reserve	44,936	44,936	11,900		56,836	56,836
Military Construction, Foreign Currency Fluctuations						
Military Construction, Chemical Demilitarization	130,993	130,993			130,993	130,993
Subtotal Military Construction	12,614,383	12,614,383	288,958	120,000	12,903,341	13,023,341
FAMILY HOUSING						
Family Housing Construction, Army	594,991	594,991	(16,200)		578,791	578,791
Family Housing Support, Army	676,829	676,829	(2,172)		674,657	674,657
Family Housing Construction, Navy and Marine Corps	305,071	305,071	3,885		308,956	308,956
Family Housing Support, Navy and Marine Corps	509,126	509,126			509,126	509,126
Family Housing Construction, Air Force	1,183,138	1,183,138	(14,000)		1,169,138	1,169,138
Family Housing Support, Air Force	755,071	755,071			755,071	755,071
Family Housing Construction, Defense-wide	8,808	8,808			8,808	8,808
Family Housing Support, Defense-wide	48,506	48,506			48,506	48,506
DoD Family Housing Improvement Fund	2,500	2,500			2,500	2,500
Subtotal Family Housing	4,084,040	4,084,040	(28,487)	(28,487)	4,055,553	4,055,553
Prior Year Rescissions					(260,471)	(260,471)
Total Military Construction and Family Housing	16,698,423	16,698,423		120,000	16,698,423	16,818,423
OTHER PROVISIONS						
Title X - Inflation Savings			(1,583,000)		(1,583,000)	(1,583,000)
Title XV - Emergency Funding for the Global War on Terror	50,000,000	50,000,000			50,000,000	50,000,000
Subtotal Department of Defense - Discretionary	489,558,101	489,549,739		186,000	489,558,101	489,735,739

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2007

(Dollars in Thousands)

Account Title	FY 2007	Budget	Committee	Committee	Committee	Committee
	Authorization Request	Authority Request	Authorization Change	Budget Authority Change	Authorization Recommendation	Budget Authority Recommendation
DoD MANDATORY PROGRAMS						
Concurrent Receipt Accrual Payment		2,369,000				2,369,000
Commissary Facilities, Defense				5,000		5,000
Restoration of Rocky Mountain Arsenal		9,000		(3,000)		6,000
Allied Contributions and Cooperation Account		600,000				600,000
Trust Funds - Department of Defense		247,000				235,000
National Defense Stockpile Transaction Fund				(12,000)		(50,000)
Research, Development, Test and Evaluation		288,000		(50,000)		
Offsetting Receipts		(1,565,000)		(288,000)		(1,239,000)
Sec 503 Management of chief warrant officers				326,000		
Sec 512 Retirement credit for National Guard state duty				*		
Sec 561 Temporary disability retired list				*		
Sec 581 Accrual contributions to DoD Retirement Fund				*		
Sec 641 Retroactive death gratuity				45,000		45,000
Sec 642 Military Survivor Benefit Plan -- interest coverage				*		
Sec 643 Disability Reserve Retired Pay				*		
Sec 663 Enhanced Authority to Reroll/Cancel Indebtedness						
Sec 709 Selective Reserve TRICARE						
Sec 731 TRICARE pharmacy program cost-share				5,000		5,000
Sec 1104 Death gratuity for DoD civilians				2,000		2,000
Sec 2807 Pilot projects for military unaccompanied housing						
Sec 2823 Maximum term of leases for structures				1,000		1,000
Sec 3302 Revisions previously authorized disposal				(40,000)		(40,000)
Discretionary Action Number (Feb 1, 2006)				(13,000)		(13,000)
Subtotal Department of Defense - Mandatory		1,948,000		(22,000)		1,926,000
TOTAL DEPARTMENT OF DEFENSE MILITARY (051)	489,558,101	491,497,739		164,000	489,558,101	491,661,739

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SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2007

(Dollars in Thousands)

Account Title	FY 2007 Authorization Request	Budget Authority Request	Committee Authorization Change	Committee Budget Authority Change	Committee Authorization Recommendation	Committee Budget Authority Recommendation
ATOMIC ENERGY DEFENSE ACTIVITIES (053)						
National Nuclear Security Administration						
Weapons Activities	6,407,889	6,407,889	60,000		6,467,889	6,467,889
Defense Nuclear Nonproliferation	1,726,213	1,726,213	(110,000)		1,616,213	1,616,213
Naval Reactors	795,133	795,133			795,133	795,133
Office of the Administrator	386,576	386,576			386,576	386,576
Subtotal National Nuclear Security Administration	9,315,811	9,315,811	(50,000)		9,265,811	9,265,811
Environmental and Other Defense Activities						
Defense Site Acceleration Completion	5,390,312	5,390,312	50,000		5,440,312	5,440,312
Other Defense Activities	717,788	717,788			717,788	717,788
Defense Nuclear Waste Disposal	388,080	388,080			388,080	388,080
Subtotal Environmental and Other Defense Activities	6,496,180	6,496,180	50,000		6,546,180	6,546,180
Total Atomic Energy Defense Activities	15,811,991	15,811,991			15,811,991	15,811,991
OTHER ATOMIC ENERGY DEFENSE PROGRAMS						
Energy Programs - Atomic energy defense activities	6,000	6,000			6,000	6,000
Defense Nuclear Facilities Safety Board	22,260	22,260			22,260	22,260
Formerly Utilized Sites Remedial Action Program - COE	130,000	130,000			130,000	130,000
Subtotal Other Atomic Energy Defense Programs	28,260	158,260			28,260	158,260
Total Atomic Energy Defense Activities - Discretionary	15,840,251	15,970,251			15,840,251	15,970,251

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ATOMIC ENERGY MANDATORY PROGRAMS						
Energy Employees Illness Compensation Fund		874,000		(503,000)		371,000
Energy Employees Compensation - Administration		162,000		(16,000)		146,000
NNSA Office of the Administrator		11,000		(11,000)		
Subtotal Atomic Energy Defense Activities - Mandatory		1,047,000		(530,000)		517,000
TOTAL ATOMIC ENERGY DEFENSE ACTIVITIES (053)	15,840,251	17,017,251		(530,000)	15,840,251	16,487,251
DEFENSE RELATED ACTIVITIES (054)						
Department of Homeland Security						
Infrastructure protection and information security		549,100				549,100
United States Coast Guard		340,000				340,000
Science and Technology - research, development, acquisitions		337,000				337,000
FEMA - Administrative and Regional Operations		49,000				49,000
Subtotal Department of Homeland Security		1,275,100				1,275,100
Other Departments						
National Security Education Trust Fund						
Department of Justice - FBI salaries and expenses		2,307,994				2,307,994
Selective Service - salaries and expenses		24,255				24,255
Intelligence Community Management Account		634,811				634,811
Department of Transportation - MARAD maritime security programs		154,000				154,000
National Science Foundation - research and related activities		67,000				67,000
Subtotal Other Departments		3,188,060				3,188,060
Total Defense Related Activities - Discretionary		4,463,160				4,463,160

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<u>DEFENSE RELATED ACTIVITIES MANDATORY PROGRAMS</u>						
CIA Retirement & Disability		251,000				251,000
Radiation Exposure Compensation Trust Fund		43,000		(11,000)		32,000
Total Defense Related Activities - Mandatory		294,000		(11,000)		283,000
<u>TOTAL DEFENSE-RELATED ACTIVITIES (054)</u>						
		4,757,160		(11,000)		4,746,160
Subtotal National Defense Function (050) - Discretionary	505,398,352	509,983,150		186,000	505,398,352	510,169,150
Subtotal National Defense Function (050) - Mandatory		3,289,000		(563,000)		2,726,000
TOTAL NATIONAL DEFENSE FUNCTION (050)	505,398,352	513,272,150		(377,000)	505,398,352	512,895,150

RATIONALE FOR THE COMMITTEE BILL

H.R. 5122, the National Defense Authorization Act for Fiscal Year 2007, reflects the House Armed Services Committee's steadfast support of the courageous, professional and dedicated men and women of the United States armed forces and the committee's appreciation for the sacrifices they make to accomplish their required missions. Events of the last year—ranging from on-going operations in Iraq and Afghanistan to robust counter-terrorism efforts around the globe to time-sensitive disaster and humanitarian responses both at home and abroad—serve to highlight the United States military's flexibility and responsiveness in defending our nation's interests and addressing security challenges, wherever and whenever they may arise.

For example, with the support of our coalition partners and over 220,000 Iraqi Security Forces personnel, members of the United States military helped to establish secure, stable conditions under which more than 12 million Iraqis could cast their votes for new national assembly representatives last December. That month also figured prominently in Afghanistan, where United States, Afghan and allied forces maintained security and stability as 351 men and women from all provinces, tribes and ethnic groups were inaugurated into the National Assembly. At home, United States forces actively contributed to Hurricane Katrina relief efforts with approximately 20,000 Active Duty and 50,000 National Guard troops providing military support to civil authorities.

The committee considers it critical that the capabilities and capacity of the armed forces continue to improve so they can accomplish the full range of diverse 21st century missions, minimize risks associated with such challenges and effectively engage in hostilities, when necessary, as far from American shores as possible. Thus, the committee's top priority remains ensuring that our military personnel receive the best equipment, weapons systems and training possible. As such, H.R. 5122 would provide for both near- and longer-term military personnel and force structure requirements. It also highlights the need for improvements in acquisition processes and cooperation among key federal departments and agencies.

Taking Care of Our Military Personnel

Through H.R. 5122, the committee continues its support for the outstanding Soldiers, Sailors, Airmen and Marines, who selflessly make significant personal sacrifices to protect and defend our nation. To ensure that the United States armed forces remain robust enough to meet the full range of 21st Century security challenges, particularly those related to the Global War on Terrorism, the committee recommends for Fiscal Year 2007 additional active duty growth of 30,000, or 6 percent, for the Army and 5,000, or about 3 percent, for the Marine Corps above the budget request. These recommendations would bring the Army end strength to 512,400 and the Marine Corps to 180,000. In addition, the committee supports the Department of the Army's decision to request an Army National Guard (ARNG) end strength of 350,000 and recommends adding about 2,300 full-time ARNG support personnel. To support

this additional manpower, H.R. 5122 would increase ARNG funding by \$789 million for personnel and equipment costs.

H.R. 5122 also reflects the committee's on-going commitment to improving the efficiency and effectiveness of servicemembers' benefits. The committee recommends an across-the-board pay raise, which would decrease the 4.5 percent gap between military and private sector pay to about 4.0 percent. Moreover, this legislation completes the transition to full TRICARE health program coverage for selected reserve personnel and, in light of the Department of Defense's proposed TRICARE cost-sharing arrangement, requires further study to ensure that a comprehensive policy and fiscal basis for sustaining future military health care benefits are in place. H.R. 5122 also improves programs for our nation's wounded military personnel and the surviving family members of those who have died or have been seriously injured in service.

Balancing Near- and Longer-Term Military Capabilities

The committee believes strongly that the Department of Defense must not focus on long-term military capabilities at the expense of resetting and recapitalizing the warfighting force that is serving the United States so well in current operations. In particular, this legislation sends a clear signal that force protection remains this committee's top priority. Through oversight hearings, briefings and numerous trips to Iraq and Afghanistan, committee members continue to follow the significant threat to our soldiers and marines from improvised explosive devices (IEDs), or makeshift road-side bombs. H.R. 5122 reflects the committee's initiative to "take back the roads" and provide the best available IED jamming devices and persistent surveillance capability this includes \$109.7 million for jamming devices that will prevent the radio-initiation of road-side bombs, which currently cause the majority of U.S. casualties in Iraq and Afghanistan, and \$100 million for at least 10 manned persistent surveillance aircraft to patrol road segments and other areas where IED activity is greatest.

H.R. 5122 also provides insight into how the committee believes the Department of Defense should strike the right balance between accepting technical risk and providing increased capabilities to these warfighters. It reflects the committee's continuing concerns about the long lead times required for major systems and the possibility that programs do not focus adequately on the near-term requirements of the United States armed forces.

For example, the committee questions how the Department of the Army plans to fund the Future Combat System (FCS), the Modular Force Initiative and reset programs—three costly efforts that would require funding in excess of the funds programmed for the next five years. H.R. 5122 reflects the committee's decision to balance the health and capability of the current force with the future needs of the Army by reducing the FCS program by \$326 million and requiring a Defense Acquisition Board review of the FCS program.

In addition to reflecting concerns about the growing cost of the FCS program, this legislation puts into place spending limits on programs for other major programs for which cost estimates are rapidly increasing. These legislative initiatives would contain ship-building costs by holding the Department of the Navy accountable to their cost estimates on the CVN-21 aircraft carrier, the Landing

Helicopter Assault (LHA-R) amphibious assault ship, and the LPD-17 Landing Platform Dock amphibious ship and would increase competition for elements of the Joint Strike Fighter (F-35) and next generation destroyer (DD(X)) programs.

The committee notes that the Fiscal Year 2007 budget request included \$2 billion for the Department of the Air Force's F-22 aircraft program. However, despite the Fiscal Year 2006 projection for procurement of 29 F-22's in Fiscal Year 2007, the funds requested for Fiscal Year 2007 were for subassemblies and not aircraft. Rather than authorize incremental funding for major aircraft programs, which Congress has not done in decades, the committee recommends an additional \$1.4 billion for the full funding for procurement of 20 F-22 aircraft.

Over the last five years, the Global War on Terrorism has demonstrated time and again that U.S. intelligence, surveillance and reconnaissance (ISR) capabilities are critical to military effectiveness. The Department of Defense's most recent Quadrennial Defense Review, released in February 2006, highlighted gaps in ISR capabilities, and as a result of several hearings and briefings over the last year, the committee agrees that the United States currently has insufficient capacity and capability to meet all national and combatant commander requirements or provide tactical control over needed ISR assets at the small-unit level. One key area for improvement is persistent surveillance platforms, which the DOD could usefully deploy for operations ranging from combat and counterterrorism scenarios to stability and humanitarian operations and domestic crises. For example, unmanned aerial vehicles could provide a reliable battlefield picture on a 24-hours-a-day/7-days-a-week basis. However, the committee notes with concern that despite highlighting existing ISR gaps, DOD officials decided to retire U-2 aircraft to achieve savings without identifying a similar capability that will be available in the near-term. H.R. 5122 would prohibit this retirement until the Department certifies to Congress that the U-2 program is not required to mitigate gaps in ISR capabilities.

Finally, H.R. 5122 underscores the need for operationally responsive space capabilities. Adversaries recognize that the backbone of the United States military's command, control, communication, computers, intelligence, surveillance and reconnaissance (C4ISR) system is space-based, making it vulnerable to asymmetric attack and not easily reconstituted. The committee believes that the United States must develop a responsive space infrastructure, including flexible space launch and rapidly deployable C4ISR platforms, to address this vulnerability and reduce the temptation for adversaries to attack our space assets. This legislation would establish an Office of Operationally Responsive Space in the DOD to contribute to the development of low-cost rapid reaction payloads to fulfill joint military operational requirements.

Fielding the Right Equipment at the Right Time

The rising cost and lengthening production schedules of major defense acquisition programs has led to more expensive platforms fielded in fewer numbers. The committee believes that internal DOD pressure to develop follow-on weapons systems that include all necessary and anticipated military capabilities may create an

over-reliance on individual “mega” systems that are potentially more expensive and time-consuming to develop than less sophisticated but capable systems. These increases in cost and development time generally result in smaller numbers of platforms purchased, creating a “high demand, low density” situation in which the needed platforms have higher operational tempos, wear out faster, increase stress on military personnel, undermine the ability to conduct traditional presence missions intended to shape the strategic choices of potential adversaries and limit the strategic depth of United States forces responding to multiple contingencies. Moreover, the shrinking pool of skills and experience maintained by the acquisition workforce and the inadequate prioritization of combatant commands’ requirements in deference to the military services’ priorities are strong concerns of the committee. At the end of the day, the Department needs to recognize that its acquisition process must result in cost-effectively ‘putting metal on targets’—which in some cases will not require costly, leading-edge technologies. H.R. 5122 would address these issues by requiring training programs, improving management oversight and internal controls and closely monitoring implementation of acquisition reform in the Department of Defense.

Developing Partnerships

The committee notes that international coalition partners have proven essential to military successes in Afghanistan, Iraq and elsewhere and appreciates the diplomatic, financial and military contributions made by foreign governments to the Global War on Terrorism. However, the committee believes that several key federal departments and agencies may lack the same operational commitment to success in the on-the-ground war effort.

Achieving United States security objectives requires the integration of all national power—political, military and economic. In many cases, non-military departments and agencies lack planning, surge and overseas deployment capabilities, and the interagency process—which coordinates national-level policy development—has not been effective in executing national security policy. As a result, our servicemembers routinely fill gaps in civil capabilities, such as reconstruction efforts, coordination of humanitarian relief and training and equipping police forces. These missions are in addition to the full range of military operational requirements and may, in some cases, place an unfair burden on our armed forces.

H.R. 5122 would require that the President assess the non-DOD elements required to achieve the full spectrum of U.S. national security interests, including organizational structures, planning and assessment capabilities, information-sharing policies, command and control systems, personnel policies and acquisition authorities. The President would also provide specific legislative proposals to improve interagency capacity and enhance civilian capabilities for national security purposes.

Supplemental Funding

The committee recommends authorization of \$50 billion in funds to support the defense activities principally associated with Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). These funds are designated for emergency contingency oper-

ations to support force protection equipment, operational needs and military personnel requirements of the units deployed and engaged in the Global War on Terrorism.

Included in the force protection recommendation is funding for up-armored Humvees, tactical wheeled vehicle recapitalization and modernization programs for the most heavily used vehicles in OIF and OEF, night vision devices and improvised explosive device jammers. In addition, the committee recognizes the need to replenish critical small-arms and ammunition procurement programs, including funding for the M16 rifle, M240 medium machine gun and M4 carbine modifications, and .50 caliber cartridges, 120mm tank ammunition canisters and 155mm high explosive projectiles. Incorporated in the day-to-day operation recommendation is funding to pay for food, fuel, spare parts, maintenance, transportation, base expenses, as well as costs incurred by stateside installations for increased mobilizations and demobilizations due to OIF and OEF.

Over the past four years, the committee has recommended increases in the active component manpower to sustain the full range of capabilities required of the mission assigned to the armed forces. The committee recommends funding a cumulative active component increase of 30,000 for the Army and 5,000 for the Marine Corps over the budget request.

HEARINGS

Committee consideration of the National Defense Authorization Act for Fiscal Year 2007 results from hearings that began on February 1, 2006, and that were completed on April 7, 2006. The full committee conducted fifteen sessions. In addition, a total of thirty-two sessions were conducted by 6 different subcommittees on various titles of the bill.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATION

TITLE I—PROCUREMENT

OVERVIEW

The budget request for fiscal year 2007 contained \$84.2 billion for procurement. This represents a \$6.2 billion increase from the amount authorized for fiscal year 2006.

The committee recommends authorization of \$85.9 billion, an increase of \$1.7 billion from the fiscal year 2007 request.

The committee recommendations for the fiscal year 2007 procurement program are identified in the table below. Major issues are discussed following the table.