



Defense: FY2010 Authorization and Appropriations

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Summary

For the Department of Defense (DOD) in FY2010, the Administration requested a total of \$663.8 billion in discretionary budget authority. This includes \$533.8 billion for the so-called “base budget”—all DOD activities other than combat operations—and \$130.0 billion for “overseas contingency operations,” including operations in Iraq and Afghanistan. The Administration also requested \$75.9 billion in supplemental DOD appropriations for FY2009 to cover war costs. The Administration’s DOD request, made public May 7, 2009, incorporated Defense Secretary Robert Gates’ April 6 recommendations to curtail funding for several major weapons programs focused on conventional warfare.

The FY2010 national defense authorization bills drafted by the House and Senate Armed Services Committees generally supported this shift in policy, which the Obama Administration’s budget request reflected. However, both committees added to their respective bills authorization to continue production of the Air Force’s F-22 fighter, and to continue development of an alternative engine for the F-35 Joint Strike Fighter. The Obama Administration warned that a bill that continued either program would be vetoed. On June 25, the House passed by a vote of 389-22 its version of the FY2010 national defense authorization act, H.R. 2647, which would authorize a total of \$534.0 billion for the DOD base budget—\$264.8 million more than requested—and \$129.3 billion for war costs. The bill also would authorize \$16.5 billion for defense-related nuclear activities of the Energy Department, which was \$83.3 million more than requested. On July 2, the Senate Armed Services Committee reported its version of the authorization bill, S. 1390, which would authorize \$534.6 billion for the DOD base budget, \$129.3 billion for war costs, and \$16.4 billion for the Energy Department. The Senate passed the bill July 23 by a vote of 87-7 after adopting several amendments, including two that would, in effect, end production of the F-22 and terminate the F-35 alternate engine programs, as the Administration had requested.

The conference report on the authorization bill authorizes a total of \$680.2 billion for military activities of the Department of Defense (DOD) and defense-related activities of other federal agencies, which is \$14.9 million more than the Obama Administration requested. The conference report, which terminates the F-22 but continues the alternate engine program, was adopted by the House on October 8 by a vote of 281-146. The Senate adopted the conference report October 22 by a vote of 68-29 and President Obama signed the bill (P.L. 111-84) on October 28.

The House passed its version of the FY2010 defense appropriations bill (H.R. 3326) on July 30, by a vote of 400-30. The bill would appropriate \$497.6 billion for the DOD base budget (covering all accounts except military construction) and \$128.2 billion for FY2010 war costs. As reported July 24 by the House Appropriations Committee, the bill would have continued F-22 production and the F-35 alternate engine programs. But the House adopted a floor amendment that would have the effect of terminating F-22 production.

The Senate Appropriations Committee reported September 10 an amended version of H.R. 3326 which would appropriate \$497.6 billion for the DOD base budget and \$128.2 billion for war costs. The committee bill funded neither continued F-22 production nor the F-35 alternate engine. During floor debate, the Senate rejected two amendments that would have eliminated \$2.5 billion for the purchase of 10 C-17 cargo planes, which the Senate committee added over the Administration’s objection. The Senate passed the bill October 6 by a vote of 93-7.

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Most Recent Developments

The conference report on the National Defense Authorization Act for FY2010 defense authorization bill (H.R. 2647), as well as both the House-passed and Senate-passed versions of the FY2010 defense appropriations bill (H.R. 3326), largely support proposals by the Obama Administration to terminate some major weapons programs designed for traditional combat—such as the Air Force’s F-22 fighter—so DOD could focus more resources on equipment better suited to the type of operations underway in Iraq and Afghanistan. However, the outcome of some Administration initiatives remains unsettled.

The House approved the authorization conference report on October 8 by a vote of 281-146. The Senate approved the conference report October 22 by a vote of 68-29 and the President signed the bill into law (P.L. 111-84) on October 28.

On July 30, the House passed by a vote of 400-30 its version of the FY2010 defense appropriations bill (H.R. 3326) which would appropriate \$497.6 billion for the DOD base budget (covering all accounts except military construction) and \$128.2 billion for FY2010 war costs. The Senate passed an amended version of the bill October 6, by a vote of 93-7.

The final version of the defense authorization bill—and the House version of the appropriations bill—would continue development of an alternate engine for the F-35 Joint Strike Fighter. The Office of Management and Budget has warned in its official Statement of Administration Policy (SAP) on each of the defense bills that the President might veto any bill that continues the alternate engine program. Defense Secretary Robert Gates echoed that warning in an October 13 letter to the chairman and ranking minority member of the House Defense Appropriations Subcommittee.

The Administration’s veto threats concerning the alternate engine program have been more ambiguous than the flat, unqualified declaration by President Obama earlier in the year that he would veto any bill that funded continued production of the F-22. In the case of the alternate engine program, both OMB and Secretary Gates said that the President’s senior advisors would recommend a veto of any bill that would “seriously disrupt” the F-35 program which, Administration officials contend, the alternate engine program might do. For details on the alternate engine issue, see “Defense Authorization Conference,” below.

The Administration has taken a less adamant stance in its opposition to provisions of the House and Senate versions of the appropriations bill that would continue production of the C-17, wide-body cargo jet. Like OMB, Secretary Gates said that he “strongly objects” to the Senate bill’s addition of \$1.5 billion for 10 C-17s and to the House bill’s addition of \$674 million for three of the planes. Neither OMB’s SAP nor Secretary Gates’ letter contains any explicit warning that President Obama might veto the defense bill over that issue.

On the other hand, both OMB and Secretary Gates warned that the President’s senior advisers would recommend that he veto the DOD appropriations bill if it included funds to continue procurement of VH-71 helicopters, which were intended to transport the President and other senior officials. The Administration cancelled the project because of cost overruns, but the House version of the appropriations bill added \$400 million to complete work on five of the aircraft which already are under construction. For details on the C-17 and VH-71 issues, see “Conference Issues in Defense Appropriations Bill (H.R. 3326),” below.

Defense Authorization Conference

The conference report on H.R. 2647 authorizes a total of \$680.2 billion for military activities of the Department of Defense (DOD) and defense-related activities of other federal agencies. The total authorization, which is \$14.9 million higher than the Obama Administration requested, includes \$550.2 billion for the so-called “base budget”—all DOD activities other than combat operations in Iraq and Afghanistan—and \$130.0 billion for “overseas contingency operations,” including operations in Iraq and Afghanistan.

The House and Senate Armed Services Committees each had added to the versions of the authorization bill they reported to their respective chambers authorization to continue production of the F-22 and to continue development of an alternative engine for the F-35 Joint Strike Fighter. In a July 13 letter to Senate Armed Services Committee Chairman Carl Levin, President Obama said he would veto any defense bill that continued F-22 procurement.¹ But regarding other programs that one or both chambers of Congress acted to fund over the Administration’s objections, the Administration stated its objections in terms that were less unequivocal.

For example, in the Statements of Administration Policy (SAPs) regarding versions of the defense authorization bill drafted by the House Armed Services Committee² and by the Senate Armed Services Committee³, OMB said the President’s senior advisors would recommend that he veto any bill that would “seriously disrupt” the F-35 program.

The version of H.R. 2647 passed June 25 by the House authorized both procurement of additional F-22s and development of the alternative F-35 engine. The Senate dropped both authorizations before passing its version of the bill (S. 1390) on July 23. The conference report on the authorization bill would terminate the F-22 but would allow the alternate engine program to continue.

The defense authorization conference report also incorporated, with some modifications, Senate-passed provisions that broaden federal jurisdiction over “hate crimes” to include crimes motivated by the victim’s actual or perceived gender, sexual orientation or gender identity. Previously, federal jurisdiction over hate crimes extended to crimes motivated by the victim’s real or perceived race, color, national origin, or disability. For additional information, see “Hate Crimes (Title XLVII),” below.

The conference report also included, with modifications, several provisions relating to the treatment of detainees, including those currently held at Guantanamo Bay Naval Station. Among these were provisions relating to the operation of military commissions established to adjudicate the cases of detainees. For additional information, see “Military Commissions, Detainees and Guantanamo Bay,” below.

¹ Letter from President Barack Obama to Senator Carl Levin, July 13, 2009, accessed at http://insidedefense.com/secure/data_extra/pdf8/dplus2009_1826.pdf.

² OMB Statement of Administration Policy regarding H.R. 2647, June 24, 2009, accessed at http://www.whitehouse.gov/omb/assets/sap_111/saphr2647h_20090624.pdf.

³ OMB Statement of Administration Policy regarding S. 1390, July 15, 2009, accessed at http://www.whitehouse.gov/omb/assets/sap_111/saps1390s_20090715.pdf.

(For additional highlights of H.R. 2647, see “National Defense Authorization Act (H.R. 2647, S. 1390), below.)

Conference Issues in Defense Appropriations Bill (H.R. 3326)

On October 6, 2009, by a vote of 93-7, the Senate passed H.R. 3326, the FY2010 defense appropriations bill, which would appropriate \$497.6 billion for DOD’s base budget. That amount is \$3.5 billion less than the Administration requested for programs covered by this bill. The bill also would provide \$128.2 billion for war costs, which is \$373.6 million below the Administration’s request.

The Senate Appropriations Committee had reported the bill on September 10 (S.Rept. 111-74).

The House had passed its version of H.R. 3326, on July 30, by a vote of 400-30. The House-passed version of the bill provides \$497.6 billion for all DOD base budget accounts except military construction, which is funded in another bill. The House version of the defense bill also provides \$129.2 billion for war costs. The House bill’s \$625.8 billion total is \$3.8 billion less than the President’s request.

Both the House-passed and Senate-passed versions of the defense appropriations bill concurred with most of the Obama Administration’s proposals to terminate or reduce funding for several high-profile weapons programs including production of the F-22 fighter and of the CSAR-X search and rescue helicopter. However, the House version of the bill added to the Administration’s request \$560 million to continue development of the alternate engine for the F-35 fighter and \$674 million to purchase three C-17 cargo jets (which would sustain a production line that was slated to shut down).

The Senate’s version of H.R. 3326 also included substantial additions to the DOD budget request, including \$2.5 billion to buy 10 C-17s, \$1.7 billion for a second DDG-51-class destroyer (in addition to the one requested), and \$400 million to complete the manufacture of five VH-71 helicopters intended to transport the President and other senior officials. The Administration had cancelled the VH-71 program because of cost overruns.

The Senate bill also would cut \$900 million from the \$7.46 billion requested to support the training and equipping of Afghanistan’s army and police force. In its report on the bill, the Senate Appropriations Committee said the funds it cut from the Afghan forces support account were not slated to be spent until FY2011. The committee added \$900 million to the \$5.46 billion requested for the purchase of Mine-Resistant, Ambush-Protected (MRAP) vehicles. (For additional highlights of H.R. 3326, see FY2010 Defense Appropriations Bill, below.)

Overview of the Administration’s FY2010 Request

The President’s FY2010 request of \$533.7 billion for the DOD base budget is \$20.4 billion higher than the total of \$513.3 billion the Obama Administration cites as the total appropriated for the DOD base budget in the regular FY2009 appropriations process.⁴ In an April 6 press conference,

⁴ Office of Management and Budget, *A New Era of Responsibility: Renewing America’s Promise*, Feb. 26, 2009, Table S-7, “Funding Levels for Appropriated (“Discretionary”) Programs by Agency,” p. 130. Based on data published by the (continued...)

Defense Secretary Robert M. Gates said this nominal increase of 4% would amount to an increase in real purchasing power of 2%, taking into account the cost of inflation.⁵ (See **Table 1.**)

**Table 1. DOD Base Budget Request
Discretionary Budget Authority, FY2009-2010**

(amounts in billions of dollars)

	FY2009 Enacted (Excluding War Funds)	FY2010 Requested (Excluding War Funds)	Percentage Change
Military Personnel	124.9	136.0	+8.9%
Operations and Maintenance	179.1	185.7	+3.7%
Procurement	101.7	107.4	+5.6%
Research and Development	79.5	78.6	-1.1%
Military Construction	21.9	21.0	-4.1%
Family Housing	3.2	2.0	-38.0%
Other	3.2	3.1	-1.1%
Total	513.5	533.8	+4.0%

Source: Department of Defense, Fiscal Year 2010 Budget Request, Budget Briefing, p. 16,
http://www.defenselink.mil/comptroller/defbudget/fy2010/fy2010_BudgetBriefing.pdf

The American Recovery and Reinvestment Act of 2009 (ARRA, H.R. 1, P.L. 111-5), also known as the “economic stimulus” package, provided an additional \$7.5 billion in DOD appropriations for FY2009, bringing the FY2009 discretionary appropriations for the Pentagon to a total of \$520.7 billion. Compared with this amount, the FY2010 request would amount to an increase of \$13.0 billion, a nominal increase of 2.5% (not adjusted for inflation).

Comparison of the FY2010 DOD base budget request with the corresponding appropriation for FY2009 is complicated by the fact that the Administration is funding in the FY2010 base budget several activities that were covered by war cost supplemental appropriations bills in FY2009 and prior years. In an April 7 conference call with Internet defense reporters, Secretary Gates said the total amount of funding shifted into the base budget was about \$13 billion, which included ongoing costs of expanding the Army and Marine Corps, increased funding for medical research and quality-of-life improvements for military personnel.⁶ However, in testimony before the Senate Defense Appropriations Subcommittee on June 9, after the Administration’s detailed

(...continued)

House Appropriations Committee summarizing amounts appropriated for FY2009 (Congressional Record, September 24, 2008, Part I, pp.H291-94) the total discretionary appropriation for DOD in FY2009 was \$512.7 billion. The Obama Administration’s February 26 FY2010 budget document, which provided only gross funding totals for Cabinet agencies, did not contain sufficient information to account for the fact that the Administration’s total for the FY2009 DOD base budget is higher by some \$600 million.

⁵ Defense Secretary Robert M. Gates, Budget Briefing , April 6, 2009 <http://www.defenselink.mil/speeches/speech.aspx?speechid=1341>.

⁶Department of Defense Conference Call with Secretary of Defense Robert M. Gates and Gen. James Cartwright with Internet Security Writers, April 7, 2009, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4398>.

budget request had been released, Secretary Gates said the amount of funding shifted into the base budget was \$8 billion, rather than the \$13 billion he had cited earlier.

Setting aside those funds allocated to costs that were not included in the FY2009 DOD base budget (for the sake of an apples-to-apples comparison), President Obama's FY2010 request for the DOD base budget includes about \$520.7 billion, which is roughly \$7.4 billion more than was appropriated for DOD in the regular appropriations process. If the \$7.4 billion provided to DOD in FY2009 by the economic stimulus package is added to the regular FY2009 appropriations, the FY2009 appropriation and the FY2010 request are roughly the same.

Comparison of President Obama's FY2010 DOD base budget request with the FY2010 budget projected by the Bush Administration is uncertain because the budget outline made public on February 26 listed only an aggregate total for the DOD base budget, without specifying whether or not that sum included each of several elements of DOD funding that might or might not reasonably be included and which could affect the total by several billions of dollars. In his April 7 conference call with reporters, Secretary Gates said that the comparable Bush Administration projection of the FY2010 DOD base was \$524 billion. By that standard, President Obama's FY2010 request is nearly \$10 billion higher. However, since the Obama request includes about \$8 billion for programs that the Bush Administration did not fund in the DOD base budget, the Obama request is about \$2 billion higher than the Bush projection, on an apples-to-apples basis.

In the fall of 2008, DOD reportedly drew up a projected FY2010 base budget request that was \$57 billion higher than the request the Bush Administration had projected in February 2008.⁷ That larger request, details of which were not published, was not subjected to the regular budget review process within the executive branch.

Status of Legislation

Although the Administration's detailed budget request was not transmitted to Congress until May 7, 2009, Congress began acting on the annual defense authorization bill only about a month later than it typically does.

The House Armed Services Committee reported its version of the bill (H.R. 2647) on June 18, 2009 and it was passed by the House on June 25. The Senate Armed Services Committee reported its version of the bill (S. 1390) on July 2 and the Senate passed the bill July 23. The conference report on H.R. 2647 was filed October 7 and the House adopted it on October 8 by a vote of 281-146.

⁷ Tony Capaccio, "Pentagon Seeks \$57 Billion More in 2010, says Jonas," *Bloomberg.com*, October 2, 2008.

Table 2. Status of FY2010 Defense Authorization Bills, H.R. 2647/S. 1390

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
6/17/09	6/25/09	H.Rept. 111-166	6/25/09 389-22	S.Rept. 111-35	7/23/09 87-7	H.Rept. 111-288	10/8/09 281-146	10/22/09 68-29	111-84

The House Defense Appropriations Subcommittee reported its version of the FY2010 defense appropriations bill on July 16. The House Appropriations Committee reported the bill H.R. 3326 on July 24 and House passed it on July 30.

The Senate Appropriations committee reported its amended version of the bill on September 10 and the Senate passed the bill September 6 by a vote of 93-7.

Table 3. Status of FY2010 Defense Appropriations Bills (H.R. 3326)

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
7/16/09	9/9/09	H.Rept. 111-230	7/30/09 400-30	S.Rept. 111-74	10/6/09 93-7				

War Costs and Issues⁸

The Obama Administration's request for \$130 billion for operations in Iraq and Afghanistan during FY2010 was submitted to Congress with the FY2010 base budget request on May 7, 2009 and has been considered as part of DOD's overall request for the year. The currently pending FY2010 war request reflects the Administration's review of U.S. strategy for both wars that was completed in March 2009, but not the new debate about President Obama's December 1, 2009 announcement that he intended to deploy about 30,000 additional troops to Afghanistan in the first half of 2010.

Although President Obama said in his speech that the additional deployments are "likely to cost us roughly \$30 billion for the military this year," some press reports have suggested the cost could run as high as \$35 billion.⁹ DOD is in the process of developing its supplemental request to cover additional costs in FY2010 according to testimony by Secretary of Defense Gates.¹⁰ While

⁸ Prepared by Amy Belasco, Specialist in U.S. Defense Policy and Budget.

⁹ The White House, "Remarks by the President in Address to the Nation on the Way Forward in Afghanistan and Pakistan," p. 7; delivered at West Point, December 1, 2009; <http://www.whitehouse.gov/the-press-office/remarks-president-address-nation-way-forward-afghanistan-and-pakistan>. For the \$35 billion cost estimate, see, for example, Reuters, "Q+A: Understanding Obama's Afghan Strategy," by Phil Stewart, December 8, 2009, accessed at <http://www.reuters.com/article/idUSTRE5B70QE20091208>.

¹⁰ House Foreign Affairs Committee, Transcript, "Hearing on U.S. Strategy in Afghanistan," December 2, 2009, p. 15.

there was some speculation that the Administration would propose that additional war funding be included in the still-pending FY2010 DOD Appropriations Act, both Congressman Murtha and Senator Inouye, chairs of the House and Senate Appropriations Committee, respectively, reportedly objected. The Administration is likely to submit a FY2010 Supplemental to Congress in early February 2010 along with DOD's regular and war requests for FY2011.¹¹

It is not clear whether DOD will assume in its war funding request for FY2011 any decrease in the number of troops in Afghanistan. The President said in his December 1 speech that the United States would "begin the transfer of our forces out of Afghanistan in July of 2011" as part of handing over responsibility to Afghan forces but did not specify any timeline, which may be decided after the Administration conducts a full-scale evaluation in December 2010.¹²

Debate About Potential Troop Increases in Afghanistan

The current debate about potential increases in troop levels in Afghanistan began with the appointment of General Stanley McChrystal to the position of overall U.S. and NATO Commander in Afghanistan on June 15, 2009 after the dismissal of his predecessor General David McKiernan, reportedly because of concerns about rising levels of violence in Afghanistan.

Tasked to re-assess U.S. military strategy, General McChrystal submitted his report to Secretary of Defense Gates on August 31, 2009, which Secretary Gates passed along to the President. Citing worse-than-anticipated conditions in Afghanistan, the report said that additional resources would be necessary to carry out a full-fledged counterinsurgency strategy focusing on population protection. In addition, the report argued that the "eventual success" of this proposed new strategy would require "capable Afghan governance capabilities and security forces."¹³ At the direction of the Secretary of Defense, this assessment did not include a specific request for additional resources.

In response to the McChrystal report, the White House began its own wide-ranging strategy review, which reportedly included not only General McChrystal's approach but may have also included a counter-terrorism approach focusing more on Pakistan where most al Qaeda are located, along with training of more Afghan Security Forces, an option that Vice President Biden was said to favor.¹⁴ According to White House National Security Advisor, General Jim Jones, the maximum al Qaeda presence in Afghanistan is "less than 100 operating in the country. No bases, No ability to launch attacks on either us or our allies," with the problem being "sanctuaries across the border" in Pakistan.¹⁵ According to Afghan government and U.S. military estimates, there are

¹¹ *The Hill*, "House Likely to Move Defense Bill; Senate plans less clear," by Roxanna Tiron, December 8, 2009, pp. 22, 26.

¹² *Ibid*, p.5; Senate Armed Services Committee, Transcript, "Hearing on Afghanistan Assessment," p. December 2, 2009, p. 24.

¹³ Commander NATO International Security Assistance Force, Afghanistan and U.S. Forces, Afghanistan, "Commander's Initial Assessment," August 30, 2009, p. 2-3 to 2-4. Available at http://media.washingtonpost.com/wp-srv/politics/documents/Assessment_Redacted_092109.pdf.

¹⁴ Wall Street Journal, "Gates Doubts U.S.'s Afghan Strategy," October 1, 2009.

¹⁵ *New York Times*, "Afghan War Debate Now Leans to Focus on Al Qaeda," October 8, 2009. *CNN*, "State of the Union with John King," Interview with General Jones, Senators Kyl and Barbara Boxer," October 4, 2009, p. 2.

some 10,000 to 15,000 Taliban in Afghanistan plus an additional 2,000 Afghan insurgents from other factions.¹⁶

On October 8, 2009, Secretary Gates passed along to the President General McChrystal's troop request, a document separate from the earlier strategy assessment. According to press reports, the White House ultimately considered several options for Afghanistan ranging from a low option of 10,000 to 15,000 to train Afghan forces and possibly conduct more counter-terrorism operations on the border to 40,000 to conduct counter-insurgency in the southern and eastern parts of the country to a high option of 80,000 to conduct counter-insurgency operations throughout the country.¹⁷ In all cases, high priority was placed on training and assisting Afghan Security Forces.

An October report by a UN monitoring commission that found widespread fraudulent voting affecting as much as one-third of the votes during the August 2009 presidential election in Afghanistan raised concerns about the legitimacy of the Karzai government, which played an important part in the White House policy debate over the last three and a half months. White House Chief of Staff Rahm Emanuel said that the main question is not "how many troops you send, but do you have a credible Afghan partner."¹⁸

On October 21st, under heavy U.S. pressure, President Karzai agreed to a run-off election with his chief rival Abdullah Abdullah to be conducted on November 7, 2009. The runoff was scheduled for November 7, 2009, but asserting that fraud was likely in the runoff, Abdullah dropped out of the race on November 1, and Afghanistan's Independent Election Commission declared Karzai the winner on November 2, 2009. Appearing to welcome a resolution of the issue, the United States congratulated Karzai and praised Abdullah for diplomatic restraint. Karzai was inaugurated on November 19, 2009 with Secretary of State Clinton in attendance.¹⁹

On December 1, 2009, President Obama announced his intention to deploy an additional 30,000 troops to Afghanistan in addition to the 68,000 already approved, almost all of which were in-country as of late November.²⁰ In testimony, Secretary of Defense Gates stated that the President had given him flexibility to deploy 10% more troops or a total of 33,000 to Afghanistan to provide "enablers," such as engineers, medevac, and road clearance teams.²¹ This could bring total U.S. forces in Afghanistan to 101,000.

In addition, NATO recently announced a commitment to deploy an additional 5,000 to 7,000 troops to Afghanistan, which could bring the total close to General McChrystal's 40,000

¹⁶ See Table 5 in CRS Report RL30588, *Afghanistan: Post-Taliban Governance, Security, and U.S. Policy*, by Kenneth Katzman.

¹⁷ New York Times, "How Obama Came to Plan for 'Surge' in Afghanistan," December 6, 2009; *New York Times*, "Obama Hears General's Request for Afghanistan," October 10, 2009. According to one expert, a strictly counter-terrorism option focusing on border operations could allow the United States to reduce troop levels to about 13,000 over several years; see *Foreign Policy*, "What a CT mission in Afghanistan would actually look like," by Austin Long; http://afpak.foreignpolicy.com/posts/2009/10/13/what_a_ct_mission_in_afghanistan_would_actually_look_like.

¹⁸ *Reuters*, "U.S. Decision Can't Wait for Afghan Legitimacy: Gates," October 20, 2009.

¹⁹ *Wall Street Journal*, "Security Fears Revive Ahead of Afghan Runoff," October 22, 2009; *Washington Post*, "Karzai Voiced Doubts About Runoff until Last Moment," October 21, 2009.

²⁰ DOD, "News Briefing with Press Secretary Geoff Morrell from the Pentagon," November 24, 2009, p. 6. <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4498>.

²¹ *Washington Post*, Obama to Let Pentagon Deploy Even More Troops But Number Remains Murky," December 3, 2009; *New York Daily News*, "Make it 33,000 Troops – Gates," December 4, 2009.

request.²² As of late October, 2009, NATO allies had about 36,000 troops in Afghanistan. The Afghan Army has about 89,000 troops.²³ That would bring the total number of troops in Afghanistan from the U.S., NATO allies, and the Afghan army to more than 190,000.

If 30,000 more U.S. troops are approved, plus NATO contributes an additional 5,000, that would bring the total to almost 230,000 Afghan and foreign troops in-country, with an additional 81,000 in the Afghan police forces also contributing to security.

Some Members of Congress have raised concerns about deploying additional troops, and recent public opinion polls suggest that a bare majority approve the President's new plan with Americans divided almost evenly about whether the buildup is too high or about right.²⁴

Basis and Status of War Cost Request in Pending Legislation

The FY2010 National Defense Authorization Act enacted on October 28, 2009 (P.L. 111-84) and the FY2010 DOD appropriations bill deal only with the \$130 billion war cost estimate that was based on the Administration's strategy review in the spring of 2009 and was included in the FY2010 budget request sent to Congress on May 7.

That request was based on the Administration's adoption, last spring, of a withdrawal plan for Iraq under which the number of troops in-country would be reduced from about 140,000 in February 2009 to between 35,000 and 50,000 by August 31, 2010. Under that plan, all U.S. troops are slated to be out of Iraq by December 31, 2011, to comply with the U.S.-Iraq Security Agreement that went into effect on January 1, 2009.

At the same time, President Obama decided to increase the number of troops in Afghanistan by 21,000 above the total already approved by former President Bush before he left office. (Before leaving office, President Bush approved an increase of about 13,000 troops in Afghanistan on top of the 33,000 in country as of September 2008.)²⁵ With President Obama's increase, the number of troops in Afghanistan is slated to average 68,000 during FY2010, which represents a 68% increase above the previous year.²⁶

²² The 7,000 figures appears to include 2,000 troops expected to go home. New York Times, "NATO Pledges 7,000 troops but avoids details," December 5, 2009.

²³ For latest U.S. troop levels, see DOD, "News Briefing with Press Secretary Geoff Morrell from the Pentagon," October 14, 2009; <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4498>. For Afghan troop levels, see DOD, *Report to Congress, Progress toward Security and Stability in Afghanistan*, Section 1230, P.L. 110-181 Report to Congress, June 2009, p. 26; http://www.defenselink.mil/pubs/pdfs/1230_June-2009Final.pdf. For non-U.S. NATO troops, see International Security and Assistance Force, "Troop Contributing Nations, at <http://www.nato.int/isaf/docu/epub/pdf/placemat.pdf>.

²⁴ Washington Post, "U.S. Deeply Split On Troop Increase For Afghan War," October 21, 2009.

²⁵ In a DOD press conference, spokesman Geoff Morrell cited an increase of 6,000 approved by President Bush before leaving office who deployed in February 2009; see Transcript, "Briefing with Geoff Morrell at the Pentagon," October 14, 2009; in addition, President Bush also approved an additional 7,000 troops for Afghanistan in the fall of 2009, which deployed before he left office and brought the number in-country from 33,000 in October 2008 to 38,000 by February 2009.

²⁶ See CRS Report R40682, *Troop Levels in the Afghan and Iraq Wars, FY2001-FY2012: Cost and Other Potential Issues*, by Amy Belasco.

The \$130 billion currently requested for operations in Iraq and Afghanistan in FY2010 is \$15.8 billion or 11% lower than the amount appropriated for FY2009 primarily because average troop strength for both wars was expected to be about 19% lower than the previous year; the reduction of troops deployed in Iraq was expected to more than offset the original plan to maintain troop strength in Afghanistan at 68,000.²⁷ War costs make up 21% of the \$629.7 billion requested for DOD, a share that is slightly lower than in FY2009.²⁸

On August 13, 2009, the Administration submitted an amended war funding request that reallocated \$1 billion within the original \$130 billion request to cover the cost of “temporarily” adding 22,000 Army military personnel in FY2010 and FY2011.²⁹ According to the Administration, the additional troops were intended to “increase the number of troops available to deploy while also helping the Army to end the practice of retaining soldiers beyond their period of obligated service,” a practice often referred to as “stop-loss.”³⁰

This budget amendment did not change the Administration’s plans for troop deployment levels to Afghanistan or Iraq. To cover the cost of the additional personnel, the budget amendment re-allocated \$1 billion from procurement funds to military personnel and operation and maintenance accounts. Of the additional 22,000 troops, 15,000 would be deployed in FY2010, and the remaining 7,000 the following year.

House and Senate authorization action on H.R. 2647 and S. 1390, respectively, and House appropriations action on H.R. 3326 were completed before this August 13 budget amendment was submitted and therefore reflect the original request. The Senate’s version of the DOD Appropriations Act does, however, reflect the amended request, and the conference is likely to do so as well.

According to DOD, its request includes \$60.8 billion for Operation Iraqi Freedom and \$65.4 billion for Afghanistan or Operation Enduring Freedom, and \$3.9 billion for non-DOD classified activities. DOD funding would be allocated 48% for Iraq and 51% for Afghanistan in FY2010, compared to a split in FY2009 of 65% for Iraq and 35% for Afghanistan.³¹

In testimony, Secretary of Defense Gates stated that this war funding request did not include about \$8 billion for activities that are expected to persist beyond the Afghanistan and Iraq wars but which had been included in earlier war-funding bills. According to the Secretary, DOD shifted funding to the base budget for activities considered likely to persist, such as monies for increased

²⁷ *Ibid.*, Table 1.

²⁸ In FY2009, war costs made up 24% of DOD’s total appropriations; CRS calculations based on *S.Rept. 111-74*, p. 1.

²⁹ OMB, FY2010 Budget Amendment, “Estimate No. 6, Overseas Contingency Operations,” August 13, 2009; http://www.whitehouse.gov/omb/assets/budget_amendments/amendment_08_13_09.pdf.

³⁰ The White House, “Letter Transmitting Department of Defense Budget Amendment,” August 13, 2009; http://www.whitehouse.gov/the_press_office/Letter-from-the-President-to-the-Speaker-of-the-House/. Under the Administration’s proposal, the cost of these additional Army personnel was offset by reducing by a total of \$1 billion the amounts requested for procurement of certain items including High Mobility Multipurpose Wheeled Vehicles, or HMMWVs, Hellfire missiles, and Family of Medium Tactical Vehicles, the requirements for which are being reassessed. See DOD, *Budget Amendment to the FY2010 President’s Budget Request for Overseas Contingency Operations (OCO), Summary and Explanation of Changes, Exhibits for FY2010, Amended Justification Material*, August 2009, p. 3-5; http://www.defenselink.mil/comptroller/defbudget/fy2010/fy2010_oco.pdf.

³¹ See Table 5-9 in Department of Defense, *Fiscal Year 2010 Budget Request, Summary Justification*, May 2009; http://www.defenselink.mil/comptroller/defbudget/fy2010/fy2010_SSJ.pdf.

strength levels in the Army, recruiting and retention, more funds for Intelligence, Surveillance and Reconnaissance, countering threats from Improvised Explosive Devices (IEDs), longer-term medical care such as Traumatic Brain Injury and psychological health, and “Global Train and Equip” funds for countries facing terrorist threats.³²

If Secretary Gates had not transferred this \$8 billion into the base budget in FY2010, on an “apples-to-apples” basis, with no other changes, the FY2010 war request would be \$8 billion lower than in FY2009. In addition, CRS estimates that reductions in average monthly troop strength from 186,000 in FY2009 to 152,000 in Iraq and Afghanistan could reduce war costs by an additional \$7.7 billion. Taking these two factors into account, CRS estimates that DOD’s FY2010 request of \$130 billion could be reduced by some \$15.7 billion.³³

In the current FY2010 request, total military personnel funding declines between FY2009 and FY2010, reflecting the fact that as previously planned, decreases in troop strength for Iraq pick up speed and more than offset increases in troop levels in Afghanistan. Operation and maintenance (O&M) funding, however, remains at the same level in FY2010 as in FY2009 and FY2008 despite the fall in overall troop levels in the coming year.

After remaining about the same in FY2008 and FY2009, overall troop strength for Iraq and Afghanistan is expected to fall by almost 20% in FY2010. According to DOD’s final FY2009 war cost report, O&M average monthly obligations averaged \$11.4 billion a month for both operations in FY2009 compared to 13.4 billion in FY2008, a 15% overall decline. Average monthly obligations for Iraq decrease by 30% from \$10.9 billion to \$7.5 billion while those for Afghanistan increase by 44% from \$2.7 billion to \$3.9 billion.³⁴

In the last month (September) of FY2009, DOD obligations spiked to \$11.9 billion, substantially above the \$6.7 billion average for the rest of the year, a pattern similar to last year when DOD obligated its remaining funds at the end of the fiscal year.³⁵ Despite the fact that average monthly troop strength for both operations was slated to decrease by 20%, DOD requested almost identical amounts for military personnel and operation and maintenance in FY2010.

The decline in FY2010 primarily reflects a lower DOD request for Mine Resistant Ambush Protected (MRAP) vehicles that cost \$16.8 billion in FY2009 to purchase the full requirement. Instead, DOD is funding a lighter, cheaper version of the MRAP – an all-terrain fighting vehicle – expected to be more effective in Afghanistan. Lower procurement spending also reflects a decision by DOD to return to its traditional definition of reconstitution, repairing equipment and

³² Senate Appropriations Committee, “Statement by Secretary of Defense,” Robert M. Gates, June 9, 2009, p. 2. In an earlier speech at the Army War College in Carlisle, Pennsylvania, Secretary Gates stated that \$13 billion had been transferred; see Transcript, “Remarks by Secretary of Defense Robert Gates at the Army War College, Carlisle, Pa,” April 16, 2009, pp. 2-3; <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4404>.

³³ See CRS Report R40682, *Troop Levels in the Afghan and Iraq Wars, FY2001-FY2012: Cost and Other Potential Issues*, by Amy Belasco, Table 3 and p. 18-p. 19. Average monthly troop strength takes into account increases and decreases each month in the number of deployed troops. This figure compares the request with the adjusted amounts.

³⁴ DOD, “Cost of War Card,” September 30, 2008 and September 30, 2009.

³⁵ DOD, “Summary Cost of War Obligations by Component, Appropriations and Operation,” in *FY2009 Cost of War for FY2009 Appropriations as of September 30, 2009*; monthly obligations in September 2008 were \$12.9 billion compared to an average for the rest of the year of \$6.5 billion; see DOD, *Supplemental & Cost of War Execution Report As of September 30, 2008*.

funding as war costs only the replacement of equipment lost in combat rather than using war funds to upgrade equipment.³⁶

Table 4 summarizes congressional action on the Administration's FY2010 war funding request. For congressional action at the account level, see **Table A-9**).

Table 4. Congressional Action on DOD's War FY2010 Budget Request

in billions of dollars

Title	FY2009 Enacted	FY2010 Revised Request ^a	House- passed Authoriz- ation H.R. 2647	Senate- passed Authoriz- ation S. 1390	Authoriz- ation Conference H.R. 2647	House- passed Approps Bill, H.R. 3326	Senate- Reported Approps Bill, H.R. 3326
Military Personnel	19.9	14.1	13.6	13.6	14.1	16.2	14.1
Operation and Maintenance ^b	80.5	81.0	80.7	80.1	80.8	80.5	80.3
Procurement ^c	32.0	21.4	23.0	22.3	21.8	20.4	22.2
Research, Development, Test and Evaluation	1.2	.3	.4	.3	.3	.2	.3
Revolving and Management Funds	.9	.4	.4	.4	.4	.4	.4
Other Department of Defense Programs ^d	2.5	1.6	1.5	1.5	1.6	1.4	1.9
Special Funds ^e	10.1	9.8	9.0	9.7	9.6	9.0	8.6
Military Construction	2.7	1.4	1.4	1.4	1.4	1.4	1.4
General Provisions and Rescissions	-4.0	0	0	0	0	0	.3
Cap on Transfer Authority ^f	[6.5]	[4.0]	[4.0]	[4.5]	[4.0]	[3.0]	[4.0]
Total, Department of Defense	145.8	130.0	130.0	129.3	130.0	129.6	129.6

Sources: Revised request from DOD, *Budget Amendment to the FY 2010 President's Budget Request for Overseas Contingency Operations (OCO)*, August 2009; http://www.defenselink.mil/comptroller/defbudget/fy2010/fy2010_oco.pdf. Congressional action from H.R. 2647 as passed by the House, S. 1390 as passed by the Senate, H.Rept. 111-166, S.Rept. 111-35, H.Rept. 111-230, H.R. 3326 as passed by the House and the Senate Appropriations Committee, H.Rept. 111-230, S.Rept. 111-74; and for FY2009, House Appropriations Committee Table, *Congressional Record*, June 16, 2009, p. H6871.

- a. Reflects amended budget request for war funding to cover adding 22,000 military personnel to the Army temporarily in order to reduce stress on the force from deployments that is to be financed by shifting \$800 million from procurement to military personnel and operation and maintenance within the \$130 billion original request. Authorization action and House appropriation action took place before this amendment, and Senate appropriation action after the change.
- b. Operations and Maintenance total excludes the Afghanistan Security Forces Fund, Iraq Security Forces Fund, and the Pakistan Counterinsurgency Capabilities Fund, which are included under Special Funds.

³⁶ *Ibid.*

- c. Procurement total includes Mine Resistant Ambush Protected Transfer Fund, and excludes Joint Improvised Explosive Device Fund, which is included under Special Funds.
- d. Other Defense Department Programs includes Defense Health Program, Drug Interdiction, and the Office of the Special Inspector General.
- e. Special Funds includes Afghanistan Security Forces Fund, Iraq Security Forces Fund, Pakistan Counterinsurgency Capability Fund, Iraq Freedom Fund, and Joint Improvised Explosive Device Fund.
- f. Congress sets annual caps or ceilings on the amounts that DOD can transfer between accounts after enactment.

Authorization Action on War Funding Request

The Conference report on the FY2010 Authorization request (H.R. 2647/H.Rept. 111-288) largely supports DOD's funding request as did both the House and Senate authorizing committees. (See **Table A-9**)

Changes to DOD's Request

Significant instances in which the conference report on the authorization bill changed DOD's funding request include:

- reducing funding in procurement accounts by \$625 million from the original request to provide for the temporary 22,000 increase in Army end-strength requested in a budget amendment;
- reducing DOD's \$1.5 billion request for the Commanders' Emergency Response Program to \$1.3 billion, following the Senate recommendation;
- adding \$600 million to DOD's request for \$5.5 billion (thus authorizing \$6.1 billion) in funding for a new lighter-weight Mine Resistant Ambush Protected Program (MRAP) vehicles for Afghanistan to meet DOD's revised requirement; together with an additional \$600 million in DOD's base budget, these funds would purchase the requirement of 6,466 vehicles; and
- funding almost all of the \$1.4 billion in military construction for Afghanistan but adding funds for several projects at Bagram Air Force Base the cost of which was offset by reduced funding for troop or contingency housing at various bases in Afghanistan.

Significant policy changes made in the authorization conference report include:

- deleting DOD funding requested for the Pakistan Counterinsurgency Capability Fund but allowing transfers from funds appropriated to the State Department;
- transferring the \$600 million requested in DOD's base budget for the Joint Improvised Explosive Device Defeat Fund from DOD's base budget, considered to be an "enduring" requirement, to Title XV war funding, because the authorizers consider the organization to be a temporary one; and
- not providing \$115 million for Guantanamo Bay detainee relocation because of lack of a plan, which was the position taken by both the House and the Senate.

Extensions of Special War-Related Authorities

The authorization conference report also extends several war-related authorities and associated reporting requirements created since the 9/11 attacks, including:

- a one-year extension of the Commanders' Emergency Response Program requiring 15-day advance notifications for expenditures, setting a \$1.3 billion cap on the program, and allowing funds to be used to reintegrate individuals renouncing violence into Afghan society in section 1222 (a program similar to the Sons of Iraq or Concerned Local Citizens groups in Iraq);
- a one-year extension (and a \$1.6 billion cap) on coalition support funds with an expansion in the types of logistical support that can be provided to nations aiding U.S. military operations to include specialized training, supplies, and equipment as requested by the Administration; Section 1223 of the conference report continues to require 15-day advance notifications of specific expenditures and quarterly reports on the program; this authority appears similar to that in the Pakistan Counterinsurgency Fund;³⁷
- an expansion and modification of reporting requirements in Section 1202 for DOD support for special operations support to foreign nations;
- an extension in Section 1203 of reporting requirement for foreign-assistance related programs carried out by DOD;
- a requirement in Section 1204 for a report by March 1, 2010 on the relationship between DOD authorities to train, equip and build the capacity of foreign nations compared to Foreign Assistance Act authorities; and
- a limitation in Section 1206 of funds that can be used to build the capacity of foreign military forces to \$75 million in FY2010 and \$75 million in FY2011.

Extensions and Additional Reporting Requirements

Based on recommendations of both chambers, the Authorization conference report extends and adds various reporting requirements for Afghanistan, Iraq, and Pakistan as described below.

New Pakistan Reporting Requirements

H.R. 2647 includes new reporting requirements (or extends current requirements) relating to Pakistan including the following:

- Section 1232 requires a new DOD report assessing Pakistan's progress toward long-term security and stability, including timelines for Pakistan to demonstrate effectiveness in defeating, eliminating safe havens for, and preventing the return of Al Qaeda in Pakistan. The report is to be submitted every 180 days concurrently with the Afghanistan security report (originally required under

³⁷ Office of Management and Budget, *Fiscal Year 2010 Budget Appendix*, p. 350; <http://www.whitehouse.gov/omb/budget/Appendix/>.

Section 1217, P.L. 110-417 and under Section 1230, P.L. 110-181, that was most recently submitted in June 2009);

- Section 1231 requires that DOD and State Department assess alternatives to reimbursements to Pakistan for logistical, military and other support that would encourage Pakistan to focus on counterterrorism and counterinsurgency operations. The report is due 180 days after enactment;
- Section 1224 requires a quarterly report listing individual projects using funds transferred to DOD from the State Department's new Pakistan Counterinsurgency Fund (which the Administration and both chambers agreed would be appropriated to the State Department rather than DOD beginning in FY2010), as well as an assessment by DOD of whether Pakistan is making "concerted efforts" to confront the Al Qaeda, Taliban and insurgent threats.³⁸

New Reports and Extensions of Reporting Requirements Regarding Afghanistan

H.R. 2647 adds or extends existing requirements for the following reports relating to Afghanistan.

- Section 1236 expands and extends to FY2011 the semi-annual report, "Progress Toward Security and Stability in Afghanistan" with new sections on agreements or commitments by NATO and non-NATO ISAF countries on goals, strategies, resource and force requirements and pledges of troops and resources, along with an assessment of progress in ending the ability of the insurgency to establish safe havens in Afghanistan, as well as coordination of reconstruction and development activities.
- Section 1235 requires that DOD contract for a study of force levels needed to secure the southern and eastern regions of Afghanistan.
- Section 1225 requires that DOD certify that it has established a program to register and monitor the end use of defense articles and services transferred to Afghanistan and Pakistan before making transfers although the requirement can be waived for 120 days by the Secretary of Defense for vital U.S. interests;
- Section 1228 requires an assessment and report on the scope, character, and DOD funding of "community-based security programs" in Afghanistan within 120 days of enactment.

New Reports and Extensions of Reporting Requirements Regarding Iraq

H.R. 2647 requires the following reports on Iraq:

- Section 1227 requires a report within 90 days of enactment or by December 31, 2009 that estimates within the following 90 days: personnel levels in Iraq, DOD equipment remaining in the country, and the likelihood of completing transfer or removal of equipment by the December 31, 2011 deadline, along with an assessment of U.S. detainee operations, and a listing of factors used by DOD to assess risks associated with the drawdown and any decisions to modify the pace;

³⁸ S.Rept. 111-35, p. 191 and 210 and H.Rept. 111-166, p. 415ff.

- Section 1230 requires a report within 180 days of enactment on the feasibility and desirability of establishing uniform procedures to provide monetary assistance to civilian foreign nationals for losses, injuries, or death related to U.S. combat activities, as well as the types of guidelines that could be established and the total amount disbursed thus far.

Reports on Both Wars

The bill also requires the following reports concerning Iraq, Afghanistan, and Pakistan:

- Section 1226 requires within 180 days of enactment a report by the Government Accountability Office (GAO) assessing DOD's campaign plans, which is to be updated periodically through December 2011 for Iraq and through September 30, 2012 for Afghanistan;
- Section 1234 requires notification 15 days in advance of transferring U.S. equipment to Iraq and Afghanistan, and a quarterly report describing the equipment, requirement, and any potential impact on U.S. forces; the section also limits to \$750 million the total value of the equipment that can be transferred,

House-Passed and Senate-Passed Appropriations Action

The House and Senate are negotiating differences between their respective versions of H.R. 3326. The House-passed and Senate-reported versions of H.R. 3326 both provide \$129.6 billion for war in FY2010, some \$400 million below the DOD's request.³⁹ Each chamber, however, took somewhat different actions on portions of the request.

Assessing Uncertainties In Operations Funding

Concerned that the services "cannot accurately budget for Operations Enduring Freedom and Operations Iraqi Freedom," in light of the fact that the nature of military operations is likely to change significantly,⁴⁰ the House-passed version of H.R. 3326 puts aside some \$14.6 billion or 20% of DOD's requested Operation and Maintenance funds in the Overseas Contingency Operations Transfer Fund and requires that DOD inform the four congressional defense committees 15 days in advance of any transfers from the fund.⁴¹ The Senate version of H.R. 3326 does not transfer any funds to this account.

Funding for Force Protection Vehicles

The House and the Senate versions of H.R. 3326 also differ in their treatment of funding for vehicles designed to improve force protection. The House cuts \$1.9 billion from DOD's \$5.44

³⁹ This includes funding provided in both H.R. 3326, DOD appropriations, and in H.R. 3082 and S. 1407 for military construction.

⁴⁰ *H.Rept. 111-230*, p. 327; House Rules Committee, http://www.rules.house.gov/111/CommJurRpt/111_defenseappropr_rpt.pdf.

⁴¹ Overseas Contingency Operations Transfer Fund, *H.R. 3326* as reported; House Rules Committee, http://www.rules.house.gov/111/CommJurRpt/111_defenseappropr_rpt.pdf.

billion request for a Mine-Resistant Ambush Protected Vehicle Fund arguing that the FY2009 Supplemental included advance funding for MRAP vehicles. In the Senate version of H.R. 3326, an additional \$1.2 billion is added to cover purchase of additional Mine All-Terrain vehicles (M-TV) for Afghanistan based on a recently identified “urgent unfunded need.”⁴²

In other actions, the Senate version reduces funding in other procurement accounts (e.g., Army Aircraft Procurement, Army, Other Procurement, and Marine Corps Procurement) for items considered excess to needs or premature requests. At the same time, the Senate bill adds \$1.3 billion to purchase nine F/A-18 E/F aircraft because of concerns about the aging of the Navy aircraft fleet, which may not be considered a war-related requirement.⁴³ With the exception of the decrease in MRAP funding, the House makes smaller adjustments to DOD’s war procurement request.

Transfers from Funding in the Base Budget

Both the House and Senate versions of the bill transfer funds from the base budget to Title IX’s war funding. In the case of the House, there is a largely undistributed transfer of \$2.6 billion from military personnel funding in DOD’s base budget to Title IX’s war funding to reflect the “significant Military Personnel costs of U.S. Overseas Contingency Operations.”⁴⁴

The Senate version, on the other hand, transfers about \$250 million in O&M funds from activities for supporting soldiers and their families (e.g., Wounded Warrior, childcare centers, family services) and from the Joint Improvised Explosive Device Fund (JIEDDF) into Title IX, which would reverse DOD’s proposal to transfer funds to the base budget for activities expected to be long-term.

Coalition Support and Commanders Emergency Response Program Funding

The House version of H.R. 3326, endorses DOD’s proposed cap of \$1.5 billion for coalition support as well as broadening the range of purposes for which coalition support funds could be used, as requested, to include specialized training, supplies and the loaning and buying of equipment.⁴⁵ The Senate did not expand the purposes for coalition support funding and included Sec. 9011, a general provision permitting coalition support funding but did not set a cap on the amount that could be spent for that purpose from the Operation and Maintenance, Defense wide, account, as has been done in the past.

Both the House and Senate Appropriations Committee reports cited concerns about management and oversight of the Commanders Emergency Response Program (CERP), from which commanding officers can distribute funds for small reconstruction projects. Both versions of the

⁴² *S.Rept. 111-74*, p.253, p. 264.

⁴³ *S.Rept. 111-74*, p. 257.

⁴⁴ *H.Rept. 111-230*, p. 328; House Rules Committee, http://www.rules.house.gov/111/CommJurRpt/111_defenseappropr_rpt.pdf.

⁴⁵ Title IX, Operation and Maintenance, Defense-Wide, *H.R. 3326* as reported; House Rules Committee, http://www.rules.house.gov/111/CommJurRpt/111_defenseappropr_rpt.pdf.

bill cut DOD's \$1.5 billion CERP request. The House cut the request by \$200 million and the Senate by \$300 million. Both houses also require additional reporting on the use of the funds.⁴⁶

Like the defense authorizing committees, the House and Senate Appropriations Committees did not provide funds for the Pakistan Counterinsurgency Capability Fund, assuming this program would be funded in the State Department.

Funding for Training Afghan Security Forces and for Guantanamo Bay

While the House version of H.R. 3326 approved the Administration's request for an additional \$7.5 billion to train Afghan Security Forces, the Senate version cuts that request by \$900 million, transferring the funds to purchase additional MRAP All Terrain vehicles. The Senate argued that these funds are not needed now because they would not be spent in FY2010.⁴⁷

Both the House and the Senate Appropriations Committees denied the request for funding to transfer detainees from Guantanamo Bay on the grounds that the Administration has not identified a plan for the future of the detention facility. DOD included these funds in the Iraq Freedom Fund.⁴⁸

War Funding

For congressional action on the Administration's FY2009 supplemental appropriations request for war costs, see CRS Report R40531, *FY2009 Spring Supplemental Appropriations for Overseas Contingency Operations*, coordinated by Stephen Daggett and Susan B. Epstein. Congressional action on authorization of the FY2009 supplemental funds and on both authorization and appropriation of the FY2010 war cost request is covered in this report. For an analysis of the relationship between war costs and troop levels, see CRS Report R40682, *Troop Levels in the Afghan and Iraq Wars, FY2001-FY2012: Cost and Other Potential Issues*, by Amy Belasco. For further information on war costs, see CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by Amy Belasco.

Base Budget: Comparison and Context⁴⁹

In recent years, some senior military officers⁵⁰, as well as research groups and advocacy organizations, have argued that defense spending needs to be substantially higher in the next few years to avoid drastic cuts in major weapons programs or in the size of the force. Many have called for a baseline defense budget, not including war-related costs, pegged to about 4% of Gross Domestic Product (GDP)—an amount that would be anywhere from \$62 to \$169 billion per year higher over the next few years than the Administration plan.

⁴⁶ H.Rept. 111-230, p. 348 and S.Rept. 111-74, p. 244.

⁴⁷ H.Rept. 111-230, p. 346, and S.Rept. 111-74, p. 252.

⁴⁸ H.Rept. 111-230, p. 349 and S.Rept. 111-74, p. 251.

⁴⁹ Prepared by Stephen Daggett, Specialist in U.S. Defense Policy and Budget.

⁵⁰ During a Pentagon press briefing on November 17, 2008, Joint Chiefs of Staff Chairman Admiral Michael Mullen said he thought that spending 4% of GDP on defense was, "about right." See DOD News Transcript, "Department of Defense News Briefing with Admiral Michael Mullen at the Pentagon, Arlington, VA," November 17, 2008, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4318>.

Table 5. Actual and Projected DOD Base Budgets Compared with 4% of Gross Domestic Product (GDP)

(amounts in billions of dollars)

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
actual/projected DOD base budget	513.3	533.7	541.8	550.7	561.1	574.5
Gross Domestic Product	14,291	14,902	15,728	16,731	17,739	18,588
DOD base budget as percentage of GDP	3.59%	3.58%	3.44%	3.29%	3.16%	3.09%
4% of GDP	571.6	596.1	629.1	669.2	709.6	743.5
amount by which 4% of GDP exceeds actual/projected DOD base budget	58.3	62.4	87.3	118.5	148.5	169.0

Source: Actual/projected DOD base budget figures from Office of Management and Budget, *A New Era of Responsibility: Renewing America's Promise*, February 26, 2009, Table S-7. "Funding Levels for Appropriated ('Discretionary') Programs by Agency," p. 130; Gross Domestic Product estimates from *Ibid.*, Table S-8, "Comparison of Economic Assumptions," p. 132.

Senator James M. Inhofe and Representative Trent Franks—members, respectively, of the Senate and House Armed Services committees—summarized the case for such an increase in identical joint resolutions (S.J.Res. 10 and H.J.Res. 3) introduced on Feb. 12, 2009 which call for a base defense budget equal to at least 4% of GDP. The fundamental case for meeting the 4% target is that, since the end of the Cold War, DOD's budget and force structure have declined significantly while the tempo of operations has increased—to include sustained combat operations—and the geographic scope of operations has broadened.⁵¹

These arguments for a substantial increase in the defense budget, however, come at a time when, by historical standards, military spending seems very robust. Between FY1998, when the post-Cold War decline in defense spending hit bottom, and FY2009, the baseline Department of Defense budget, not including war costs, increased by almost 40% above inflation (see **Table 5**). Adjusting for inflation, the FY2009 baseline DOD budget was more than \$100 billion, or about 20%, greater than the average during the Cold War (measured from the end of the Korean War in FY1954 through FY1990). Funding for weapons acquisition (procurement plus R&D) in FY2009 was more than \$45 billion—or about one-third—higher than the annual Cold War average.

Table 6. DOD Discretionary Budget Authority, FY1998-FY2009

(amounts in billions of current year and constant FY2009 dollars)

	Current Year Dollars			Constant FY2009 Dollars		
	Total DOD	Base DOD	Supplemental	Total DOD	Base DOD	Supplemental
FY1998	260	257	3	359	355	4
FY1999	275	266	9	370	358	12
FY2000	287	279	9	377	366	11

⁵¹ Senator Inhofe elaborated on this argument in a Senate floor speech on February 12, 2009. See *Congressional Record*, February 12, 2009, pp. S-2246-48.

	Current Year Dollars			Constant FY2009 Dollars		
FY2001	316	297	19	403	379	24
FY2002	345	328	17	428	407	21
FY2003	437	365	72	526	439	87
FY2004	468	377	91	544	438	106
FY2005	479	400	79	535	447	88
FY2006	535	411	124	579	445	134
FY2007	601	432	169	633	455	178
FY2008	667	480	187	683	491	191
FY2009	662	510	152	662	510	152

Source: FY2001-FY2009 current year dollar figures from Department of Defense, *Fiscal Year 2009 Supplemental Request: Summary Justification*, April 2009, Figure 1, p. 1. FY1998-FY2000 total DOD from Office of Management, Budget Public Budget Database, supplemental amounts by CRS. Deflators from Department of Defense, *National Defense Budget Estimates Fiscal Year 2009*, March 2008; Data thru FY2007 are actual amounts. Figures for FY2009 include requested additional FY2009 supplemental appropriations and rescissions.

The apparent disconnect between the size of the budget and the appeals for more money appears even more striking when amounts that have been appropriated for war costs are added to the equation. On top of a baseline DOD budget that grew from \$255 billion in FY1998, in FY2009 prices not adjusted for inflation, to \$528 billion in FY2009, supplemental appropriations for war-related costs climbed from \$19.4 billion in FY2001, as an initial response to the 9/11 attacks, to \$63 billion in FY2003, the year of the Iraq invasion, to an estimated \$189 billion in FY2008. While large portions of the supplementals have been consumed by war-related operating costs, substantial amounts have also been devoted to buying new equipment, particularly for the Army and the Marine Corps. Although the bulk of this acquisition has been for force protection, communications, and transportation, the effect has been to modernize much of the basic equipment stock of both services, in effect augmenting their baseline budgets. The fact that so large a level of spending appears to the military services to be so inadequate has several explanations—and the policy implications are, accordingly, matters of varying interpretation.

Following are some of the contributing factors.⁵²

- Future baseline budgets are widely expected to decline: The Administration plan to cut the deficit in half by the end of President Obama's first term includes limits on defense as well as non-defense spending. White House budget projections accommodate an increase of about 5% above inflation in the FY2009 DOD budget, but project a cumulative decline of about 3% between FY2009 and FY2012. Many unofficial projections of the deficit situation are less sanguine than the Administration's, so many analysts expect, at best, a flat baseline defense budget for the foreseeable future. Increased costs in part of the budget,

⁵² These issues were discussed in testimony before the House Budget Committee by Stephen A. Daggett, CRS Specialist in U.S. Defense Policy and Budget, on February 4, 2009. See prepared testimony on the House Budget Committee website at http://budget.house.gov/hearings/2009/02.04.2009_Daggett_Testimony.pdf with supporting charts at http://budget.house.gov/hearings/2009/02.04.2009_Daggett_charts.pdf. Daggett's analysis was summarized in the April 2009 edition of *Air Force* magazine, "The Cost of the Force," *Air Force*, April 2009, pp. 37-39, <http://www.airforce-magazine.com/MagazineArchive/Documents/2009/April%202009/0409cost.pdf>.

therefore, will necessarily come at the expense of resources available in other areas.

- Supplemental appropriations are expected to decline: Although plans to withdraw from Iraq are uncertain, the military services expect that supplemental appropriations will come down within a few years. Costs for training and equipment maintenance that have been covered in supplementals would, then, migrate back into the baseline budget at the expense of other programs, and money to further upgrade ground forces would have to be found elsewhere.
- Costs of military personnel have grown dramatically in recent years: Since the end of the 1990s, Congress has approved substantial increases in military pay and benefits, including pay increases of ½ percent above civilian pay indices in seven of the past eight years, three rounds of “pay table reform” that gave larger raises to personnel in the middle grades, increased housing allowances to eliminate on base and off-base disparities, DOD-provided health insurance for Medicare-eligible military retirees (known as Tricare for Life), concurrent receipt of military retired pay and veterans disability benefits that had earlier been offset, elimination of a reduction in retiree survivor benefits that had occurred at age 62, and large increases in enlistment and reenlistment bonuses and special pays. Although bonuses and some other payments may decline in the future, most of the past increases in pay and benefits have been built into the basic cost of personnel. CRS calculates that uniformed personnel now cost 40% more, per capita, after adjusting for inflation, than in FY1999.
- Operating costs continue to grow above base inflation: Historically, military operation and maintenance budgets, which pay for everything from personnel training, to weapons repairs, to facility operations, to health care, have increased relative to the size of the force by about 2.7% per year above inflation. These increases are not as large as in some areas of the civilian economy, such as health care, but they do not reflect gains in productivity that are common in other sectors of the economy. Continued growth in operating costs, which is now widely seen as a fact of life in defense planning, erodes the availability of resources for weapons modernization and other priorities.
- Increasing generational cost growth in major weapons programs: It is generally expected that new generations of weapons will be more expensive than the systems they replace as weapons technology advances. The rate of generational cost growth, however, is becoming a matter of increasing concern within the Defense Department. New stealthy aircraft, multi-mission ships, advanced space systems, and networked missiles, guns, and vehicles appear to be getting more expensive than their predecessors at a greater rate than in the past. Unless budgets increase more rapidly than costs, trade-offs between the costs of new weapons and the size of the force may be required.
- Poor cost estimates: The difficulties engendered by accelerating intergenerational weapons cost growth are exacerbated by poor cost estimation. The Government Accountability Office has documented frequent, substantial increases in costs of major defense systems compared to original development estimates. A side-effect of inaccurate cost projections is an increased instability in the overall defense

budget, which entails inefficient production rates for major weapons programs and increased costs due to changing production plans.⁵³

- New requirements based on the lessons of Iraq and Afghanistan: The wars in Iraq and Afghanistan have led to very large increases in equipment requirements for ground forces, particularly for force protection, communications, and transportation. National Guard combat units that earlier were equipped with older systems cascaded from active units are now seen as part of the rotation base that require equally modern equipment. Full sets of current equipment are expected to be available not only for next-to-deploy units, but also for units as they begin to reset from overseas rotations. A key lesson of the war is that what used to be called “minor procurement” for ground forces was substantially undercapitalized.
- A broader range of national security challenges: A common presumption before 9/11 was that forces trained and equipped for traditional conflicts between national armies would be able to cope with what were seen as less demanding other challenges such as stability operations. Now Secretary Gates and other prominent defense leaders maintain that forces must be designed not only for traditional conflicts, but for insurgencies and other irregular wars, support of allies, threats of catastrophic attacks by non-state actors with weapons of mass destruction, and entirely new kinds of disruptive attacks on specific U.S. and allied vulnerabilities. The effect has been to broaden requirements without, necessarily, an attendant offsetting reduction in older force goals. When these factors are taken as a whole, it is not so surprising that military planners discover some shortfalls.

For Congress, it may not be so certain that the principal answer to all these problems is to provide more money for defense. More money is one alternative. Other alternatives may include backing away from plans to add 92,000 active duty troops to the Army and Marine Corps; shifting resources among the military services to reflect new challenges rather than allocating them roughly the same proportions every year; reviewing requirements for expensive new technologies in view of the presence or absence of technologically peer or near peer competitors; and shifting resources from military responses to global threats toward non-military means of prevention.

Defense Priorities: Budget and Strategy

Secretary Gates stated that the budget decisions that he announced on April 6, 2009, were intended to “reshape the priorities of America’s defense establishment.”⁵⁴ Those decisions focused almost exclusively on “means,” rather than on desired “ends” based on policy decisions, or “ways” designed to utilize given means to achieve desired ends. That emphasis on resources, together with the relatively broad scope of the announced programmatic decisions, raises key questions about the relative weight of strategy and budget in driving defense priorities.

⁵³ For GAO’s more recent annual overview of defense acquisition cost growth, see U.S. Government Accountability Office, *Defense Acquisitions: Assessments of Selected Weapon Programs*, GAO-09-326SP, March 30, 2009.

⁵⁴ Secretary of Defense Robert M. Gates, Defense Budget Recommendation Statement, April 6, 2009, available at <http://www.defenselink.mil/speeches/speech.aspx?speechid=1341>.

Background: Strategic Direction

Secretary Gates stressed that the April 6 announcement reflected a line of strategic thinking dating back 18 months, and captured in the June 2008 *National Defense Strategy*, other Department of Defense official documents, and speeches and statements.⁵⁵ This continuum of strategic thought appears to be based on several major premises:

- The “wars we’re in”—Iraq and Afghanistan—are broadly indicative of the kinds of challenges that the United States is most likely to face in the future. Those challenges include preparing for “hybrid warfare,” in which both state and non-state actors blend cutting-edge technologies (usually associated with state-based militaries) with irregular approaches and/or non-conventional approaches usually associated with guerrilla groups. Recent examples of hybrid warfare cited by DOD officials include Hezbollah’s operations against Israel in 2006 and the use of sophisticated Explosively-Formed Penetrators by insurgents in Iraq.⁵⁶
- DOD should enhance and better institutionalize the capabilities required to meet these sorts of challenges by adjusting investments and by rebalancing the force accordingly.⁵⁷
- While conventional challenges persist, the nation’s current and projected advantages allow room for assuming greater risk in that area. On April 6, Secretary Gates echoed the 2008 *National Defense Strategy*: “Although U.S. predominance in conventional warfare is not unchallenged, it is sustainable for the medium term given current trends.”⁵⁸
- DOD is operating in a resource-constrained environment, in which “running up the score” in one area—maintaining unnecessary redundancy—requires a decision not to do something else.

⁵⁵ See for example Department of Defense Conference Call with Secretary of Defense Robert Gates and Gen. James Cartwright with Internet Security Writers, April 7, 2009, available at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4398>. Key sources include Department of Defense, *National Defense Strategy*, June 2008; Department of Defense Directive 3000.07, “Irregular Warfare (IW),” December 1, 2008; Secretary of Defense Robert M. Gates, speech at Kansas State University, “Landon Lecture,” November 26, 2007, available at <http://www.defenselink.mil/speeches/speech.aspx?speechid=1199>; Secretary of Defense Robert M. Gates, remarks to U.S. Global Leadership Campaign, July 15, 2008, available at <http://www.defenselink.mil/speeches/speech.aspx?speechid=1262>; Robert M. Gates, “A Balanced Strategy: Reprogramming the Pentagon for a New Age,” *Foreign Affairs*, January 2009, pp. 28-40.

⁵⁶ See for example Media Roundtable with Secretary of Defense Robert M. Gates and General James Cartwright, Vice Chairman, Joint Chiefs of Staff, April 7, 2009, available at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4399>. On “hybrid warfare,” see for example Frank Hoffman, *Conflict in the 21st Century: the Rise of Hybrid Wars*, Potomac Institute for Policy Studies, December 2007.

⁵⁷ For example, see Secretary of Defense Robert M. Gates, Defense Budget Recommendation Statement, April 6, 2009, <http://www.defenselink.mil/speeches/speech.aspx?speechid=134>: “We must rebalance this department’s programs in order to institutionalize and enhance our capabilities to fight the wars we are in today and the scenarios we are most likely to face in the years ahead...”

⁵⁸ Secretary of Defense Robert M. Gates, Defense Budget Recommendation Statement, April 6, 2009, <http://www.defenselink.mil/speeches/speech.aspx?speechid=1341>; and DoD, *National Defense Strategy*, June 2008, p.21.

- Partnerships—with other U.S. Government agencies and with international friends and allies—will play an increasingly important role in the preparation for, and execution of, future operations.

Strategic Processes

The decisions Secretary Gates announced April 6, timed to inform the FY 2010 budget request, were somewhat off cycle with Congressionally-mandated defense strategic review processes. This lack of synchronization raises some questions about the extent to which the decisions were strategically informed.

In theory, national security strategy issued by the White House sets the parameters for the national defense strategy issued by DOD as part of the Quadrennial Defense Review (QDR) process, and defense strategy in turn shapes budget choices. The *Goldwater-Nichols Act of 1986* established the permanent requirement for the President to submit a national security strategy report to Congress annually. That report is ordinarily due on the date the President submits the budget for the following fiscal year, but in the first year of a new Administration, it is due 150 days after the President takes office.⁵⁹ The due date this year fell on June 19, 2009. In turn, legislation requires that DOD conduct a QDR during the first year of every Administration, with a requirement to submit a report based on that review to Congress in the year following the year in which the review is conducted, but not later than the President submits the budget for the next fiscal year.⁶⁰ The due date for this QDR would fall in early February 2010. The QDR is intended to be a rigorous, inclusive review process that weighs assessments of the strategic environment, requirements, and gaps and overlaps in current capabilities. Further, by law, the QDR report must include “a comprehensive discussion of the national defense strategy of the United States.” That defense strategy, in turn, is required to be “consistent with the most recent national security strategy.”⁶¹

In practice, the Obama Administration appears to be broadly on track with the prescribed strategy cycle. However, that cycle may not be well-adapted for informing budget priorities in the first year of a new Administration. The most recent *National Security Strategy (NSS)* was issued by the Bush Administration in March 2006. Senior Administration officials have noted that the Obama Administration is unlikely to publish a new *NSS* in time to help shape the 2010 QDR. However, officials have indicated that an ongoing national security review process—led by the National Security Council and intended to establish priorities and produce classified, internal guidance to departments and agencies—would likely set parameters for the QDR process.⁶² DOD issued the most recent *National Defense Strategy* in June 2008, under the signature of Secretary Gates, as a stand-alone document, separately from a QDR process.⁶³ Secretary Gates has stressed repeatedly

⁵⁹ See *Goldwater-Nichols Department of Defense Reorganization Act of 1986*, P.L. 99-433, §603.

⁶⁰ The permanent requirement to conduct a QDR was introduced by the *National Defense Authorization Act* for FY2000, October 5, 1999, P.L. 106-65, which amended Title 10 of U.S. Code. See Title 10, U.S. Code, Subtitle A, Part I, Chapter 2, §118. Subsequent legislation amended parts of the mandate, see the *NDAA* for FY2002, December 28, 2001, P.L. 107-107, §921; and the *Bob Stump NDAA* for FY2003, December 2, 2002, P.L. 107-314, §922 and 923.

⁶¹ See Title 10, U.S. Code, Subtitle A, Part I, Chapter 2, §118 (b) (1).

⁶² See Christopher J. Castelli, “Senior Official: QDR Will Take Cues from NSC Review,” *Inside Defense*, April 23, 2009; and Christopher J. Castelli, “NSC Crafting Classified, National Security Planning Guidance,” *Inside Defense*, March 19, 2009.

⁶³ DOD had established a precedent for such separation by issuing the previous NDS in 2005, at the beginning of the QDR process that yielded the February 2006 *QDR Report*.

that the 2008 *NDS* will undergird the 2010 QDR process, the findings of which would be used to inform budget decision-making for FY2011.⁶⁴

DOD officials have stated that, despite the absence of a concurrent QDR or *NDS* process, the budget decisions announced on April 6 were developed over the course of three months, in a rigorous, inclusive way that included “not only the chiefs and secretaries of the Services, but also the [Combatant] Commanders.”⁶⁵ DOD has reportedly continued the practice launched under the previous Administration, following the 2006 QDR, of holding frequent, inclusive sessions with senior DOD civilian and military leaders, chaired by the Deputy Secretary of Defense and the Vice Chairman of the Joint Chiefs of Staff, to consider strategic priorities, specific programs and initiatives, and Departmental processes.

Senior DOD leaders have also stated that the scope of the April 6 decisions was not comprehensive, and that several categories of issues were deferred to the forthcoming QDR process. Secretary Gates indicated that he had deferred consideration of some specific issues—including amphibious capabilities, a follow-on bomber, and strategic (nuclear) requirements—for which sufficient “analysis and understanding” had not yet been available. Vice Chairman of the Joint Chiefs of Staff General James Cartwright added that some broader and more fundamental issues had also been deferred to the QDR—including “how to shift and manage risk,” including, for example, how to think about potential trade-offs between very different sets of capabilities.”⁶⁶

Issues for Congress: Secretary Gates’s Proposals

On April 6, 2009, roughly a month before the details of the FY2010 budget were released, Secretary Gates announced several key recommendations all of which were incorporated into the Administration’s FY2010 budget request released May 7. Gates said this “unorthodox” procedure was warranted by the scope and significance of the decisions and by his desire to publicize them as elements of his effort to change DOD’s strategic direction.

Quality of Life Issues

To improve the quality of life for military personnel and their families, Gates announced four recommendations which, in sum, required \$13 billion in the FY2010 base budget for activities that previously had been funded in supplemental appropriations bills.

⁶⁴ Christopher J. Castelli, “Gates Poised to Sign Key Guidance for QDR, NPR,” *Inside Defense*, April 23, 2009.

⁶⁵ See Department of Defense Conference Call with Secretary of Defense Robert Gates and Gen. James Cartwright with Internet Security Writers, April 7, 2009, available at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4398>; Media Roundtable with Secretary of Defense Robert M. Gates and General James Cartwright, Vice Chairman, Joint Chiefs of Staff, April 7, 2009, available at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4399>; and Secretary of Defense Robert M. Gates, Defense Budget Recommendation Statement, April 6, 2009, available at <http://www.defenselink.mil/speeches/speech.aspx?speechid=1341>.

⁶⁶ See Media Roundtable with Secretary of Defense Robert M. Gates and General James Cartwright, Vice Chairman, Joint Chiefs of Staff, April 7, 2009, available at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4399>.

End-Strength Increase⁶⁷

Secretary Gates recommended that the FY2010 budget complete the ongoing expansion of the Army and Marine Corps, halt further personnel reductions in the Air Force and Navy (possibly at end-strength levels of 330,000 and 329,000 respectively), and fund these end strength levels at a cost of \$11 billion.

Until recently, the Army had a permanent active component end strength of 482,400 while the active component Marine Corps had a permanent end strength of 175,000. As recently as the 2006 Quadrennial Defense Review (QDR), DOD maintained that these strengths were adequate. However, the reality of fighting a multi-front war for more than five years with an all volunteer force eventually compelled the administration to reexamine its end strength position. Having resisted previous congressional calls to permanently increase the end strength for the Army and the Marine Corps, on January 19, 2007 DOD announced that it would seek approval to increase the permanent end strength of both services.

As reflected in both the FY2008 President's budget request and the FY2008 National Defense Authorization Act (NDAA), the Army's revised authorization cap is 547,400 by 2012, an increase of 65,000 over the previous baseline of 482,400. The Marine Corps' revised authorization cap is 202,000 by 2011, an increase of 27,000 over the previous baseline of 175,000. It was anticipated that both services might achieve their higher authorization levels by the end of FY2009, three years earlier than required for the Army and two years earlier than required for the Marine Corps.

The Air Force has been drawing down personnel for the past several years to fund equipment modernization programs. At the end of FY2004, the Air Force had a personnel strength of 376,600 with a plan to reduce by 60,000 personnel and achieve an end strength of 316,600 by the end of FY2009. However, on June 8, 2008, the Secretary of Defense announced the end of the Air Force drawdown. While the FY2009 NDAA authorized and funded the Air Force at 317,050, DOD is committed to stabilizing the Service at a strength of approximately 330,000.⁶⁸

The Navy, on the other hand, has been downsizing by 8,000 to 10,000 personnel a year for the past six to seven years, attempting to reach a goal of 329,000, the number required to sustain 313 ships and approximately 3,800 aircraft. The Navy ended FY2008 with a personnel strength of 332,228 and projects achieving the goal of 329,000 by the end of FY2009.⁶⁹

Health Care and Family Support⁷⁰

Secretary Gates stated his intention to provide increased funding for troops and their families by requesting increases of:

- \$400 million above the FY2009 level for medical research and development;

⁶⁷ Prepared by Charles A. Henning, Specialist in Military Manpower Policy.

⁶⁸ Lt. Gen. Richard Y. Newton, III, Deputy Chief of Staff, Manpower and Personnel, United States Air Force, "Presentation to the Subcommittee on Military Personnel, Committee on Armed Services, United States House of Representatives," March 3, 2009.

⁶⁹ Gary J. Gilmore, "Navy Stabilizes Force as it Nears End-Strength Goal," Armed Forces Press Service, March 20, 2009.

⁷⁰ Prepared by Don J. Jansen, Analyst in Military Health Care Policy.

- \$300 million above the FY2009 level for programs addressing the wounded, ill and injured, traumatic brain injury, and psychological health; and
- \$200 million above the FY2009 level for improvements in child care, spousal support, lodging, and education.

Existing programs that previously had been funded through supplementals would be funded in the base defense budget in FY2010. Secretary Gates stated that the department would spend over \$47 billion on healthcare in FY2010.

In his April 6 statement, Secretary Gates did not mention any proposals to include cost saving proposals in the FY10 budget submission. The earlier pre-decisional budget document released by the White House on March 6, 2009 did not reference any such proposal either. However, in an April 7 press conference, Secretary Gates stated that the Defense Health Program request would be fully funded in the FY2010 budget request, unlike previous years in which legislative proposals for cost savings had been included in the budget as offsets to budgetary needs. Secretary Gates further stated his intention to work with Congress to enact legislation to better control health care spending.

In its FY2007, FY2008, and FY2009 budget submissions, the DOD proposed increases in Tricare enrollment fees, deductibles, and pharmacy co-payments for retired beneficiaries not yet eligible for Medicare. These actions were justified by DOD as necessary to constrain the growth of health care spending as an increasing proportion of the overall defense budget in the next decade. Congress has passed legislation each year to prohibit the proposed fee increases.⁷¹

Study Groups Recommend Various Benefit Reforms

Congress sought advice on how to constrain military health care cost growth in crafting the FY 2007 John Warner National Defense Authorization Act. The FY2007 national defense authorization⁷² required the establishment of a DOD Task Force on the Future of Military Health Care, composed of military and civilian officials with experience in health-care budget issues, to examine and report on efforts to improve and sustain defense health care over the long term including the “beneficiary and Government cost sharing structure required to sustain military health benefits.” Another provision of the same act (section 713) required the Government Accountability Office (GAO) in cooperation with the Congressional Budget Office (CBO) to prepare an audit of the costs of health care to both DOD and beneficiaries between 1995 and 2005.

The Task Force on the Future of Military Health Care submitted its final report in December 2007.⁷³ It found that existing cost-sharing provisions jeopardize long-term taxpayer support and recommended phased-in changes in enrollment fees and deductibles that would restore cost-sharing relationships that existed when Tricare was created. For instance, this would mean that

⁷¹ For additional information, see CRS Report RS 22402, *Increases in Tricare Costs: Background and Options for Congress*, by Don J. Jansen.

⁷² Section 711 of P.L. 109-364.

⁷³ Task Force on the Future of Military Health Care Final Report, December 2007 (available at http://www.dodfuturehealthcare.net/images/103-06-2-Home-Task_Force_FINAL_REPORT_122007.pdf).

average enrollment fees for the average under-65 retiree family would gradually rise from \$460 per year to \$1,100 per year.

In July, 2008, the Presidentially directed Tenth Quadrennial Review of Military Compensation (QRMC) issued its report on deferred and noncash compensation for members of the uniformed services. The QRMC recommended that Tricare Prime⁷⁴ premiums for single retirees under age 65 be set at 40% of Medicare Part B premiums (which vary by the enrollee's adjusted gross income). Tricare Standard/Extra⁷⁵ premiums for single retirees would be set at 15% of Part B premiums. Family rates would be set at twice the single rate regardless of family size. Tricare deductibles would be linked to Medicare rates with copayments waived for preventative care and prescription drug payments limited to no more than two thirds of the average copayment faced by civilians at retail pharmacies. In addition, the QRMC recommended that health care for retirees under age 65 be financed through accrual accounting in order to illuminate how current staffing decisions will affect future costs.

In January, 2009, DOD's Military Health System Senior Oversight Committee (SOC) issued a report responding to the recommendations of the Task Force on the Future of Military Health Care. The SOC response rejected some of the Task Force's specific cost-sharing recommendations, but did state that "DOD will continue to ask for congressional authority to charge fees and copays in an effort to maintain both a generous health care benefit and a fair and reasonable cost-sharing arrangement between beneficiaries and DOD."⁷⁶ If the Obama Administration decides to pursue this option, details might be included in the official budget submission expected in May or in the DOD's national defense authorization legislative package.

Preparing for "The Wars We're In"

Asserting that DOD is culturally conditioned to focus on preparation for conventional combat against forces similar to those fielded by the United States, Secretary Gates said a second set of his recommendations were intended to institutionalize within the defense establishment capabilities that are vital to waging irregular warfare, as U.S. forces currently are doing in Iraq and Afghanistan.

Intelligence, Reconnaissance, and Surveillance (ISR)⁷⁷

Secretary Gates, himself a former Director of Central Intelligence, has indicated his intention to increase intelligence, surveillance, and reconnaissance (ISR) support to the warfighter by some \$2 billion within the base budget. This initiative reflects the expanding use of ISR systems, especially unmanned aerial vehicles (UAVs), in Iraq and Afghanistan to locate targets that can be attacked with minimal damage to innocent civilians or property. DOD notes that "the number of deployed UAS [unmanned aerial systems] has increased from approximately 167 aircraft in 2002

⁷⁴ Tricare Prime is DOD's HMO-like health plan option.

⁷⁵ Tricare Standard and Tricare Extra are DOD's fee-for-service and preferred provider type health plan options.

⁷⁶ Department of Defense Military Health System Senior Oversight Committee, "Response to the Recommendations of the Task Force on the Future of Military Health Care," January 2009, p. 103.

⁷⁷ Prepared by Richard A. Best Jr., Specialist in National Defense, Christopher Bolkcom, Specialist in Military Aviation, and Allan Hess, National Defense Fellow.

to over 6,000 in 2008, while defense investment in UAS capabilities has dramatically grown from \$284 million in Fiscal Year 2000 to \$2.5 billion in Fiscal Year 2008.”⁷⁸

Gates recommended funding to field and sustain 50 continuous orbits of *Predator*-class and the more capable *Reaper*-class UAVs, along with manned ISR platforms, such as the turbo-prop aircraft used by Army brigade-level commanders in Iraq (as part of Task Force Odin), to provide situational awareness—locating adversaries and even IEDs. The Gates initiative is designed to include the acquisition of key tactical ISR systems in the base budget rather than in supplementals. Reliance on supplemental funding is seen as resulting in insufficient ISR resources to meet ongoing operational demands in Iraq and Afghanistan and elsewhere.

Gates also announced plans for more extensive R&D on ISR systems, with emphasis on systems that provide links between warfighters and national systems. No details were provided.

The day after Gates set forth his ISR recommendations, the Director of National Intelligence (DNI), Dennis Blair, announced that his office and DOD have agreed on a plan to deploy new imagery satellites whose design will evolve from current satellites and increase the use of commercially available imagery. Current satellites are approaching the end of their operational lifespan; a previous replacement approach (known as Future Imagery Architecture) was cancelled in 2005 as a result of technical difficulties and cost-overruns and thus new systems are required. Media reports indicate, however, that some Members favor an alternative approach to the one approved by the DNI, one based on new systems that the Administration currently judges to be technologically immature. Although Blair’s announcement did not mention the cost of the satellite program (which will be funded in the classified National Intelligence Program (NIP)), some media accounts suggest that costs of the new systems will approach \$10 billion.⁷⁹

Developing Partner Capacity (Section 1206)⁸⁰

In his April 6 statement, Secretary Gates said he was recommending an increase of \$500 million “to boost global capacity efforts... training and equipping foreign militaries to undertake counter terrorism and stability operations.” Such an increase in funding for building global partnership capacity under “Section 1206” of the FY2006 National Defense Authorization Act (NDAA), P.L. 109-163, as amended, would require Congress to once again raise the authorized limit. The current authorized amount is \$350 million. Some expect that DOD may also propose extending Section 1206 authority to allow support of a wider array of partner nation security forces than currently is permitted.

Both the proposed increase in the Section 1206 authorized funding level and an expansion of the types of foreign security personnel eligible for Section 1206 assistance would be consistent with DOD’s original proposal for building global partnership capacity legislation in 2005. At that time, DOD requested authority, beginning in FY2006, to spend up to \$750 million per fiscal year to assist foreign military and security forces, including armies, guard, border security, civil defense, infrastructure protection, and police forces.

⁷⁸ Department of Defense, *Quadrennial Roles and Missions Review Report*, January 2009, p. 25.

⁷⁹ Andy Pasztor and Siobhan Gorman, “Satellite Proposals Gain Traction After North Korea’s Launch,” *Wall Street Journal*, April 5, 2009.

⁸⁰ Prepared by Nina Serafino, Specialist in International Security Affairs.

From the start, Section 1206 authority has been highly controversial, with some policymakers judging that the Secretary of State should retain authority over foreign military and security force training. As a result of disagreements over bestowing a new, global “train and equip” authority on DOD, Congress substantially scaled back DOD’s request in 2005 action. As originally enacted in P.L. 109-163, Section 1206 spending authority was limited to \$200 million per year and only foreign military forces were eligible for assistance. The new Section 1206 authority also contained several restrictions, making it subject to existing human rights and other restrictions elsewhere in law.

Congress has amended Section 1206 authority twice. In the FY2007 NDAA (P.L. 109-364), Congress raised the authorized spending limit to \$300 million. P.L. 109-364 also amended Section 1206 to require the concurrence of the Secretary of State for all expenditures.⁸¹ In action on the FY2009 Duncan Hunter National Defense Authorization Act (P.L. 110-417), Congress extended Section 1206 authority through FY2011, raised the spending limit to \$350 million, and made those funds available across fiscal years, and included maritime security forces among those eligible to receive assistance. It rejected the Bush Administration’s proposal to make Section 1206 authority permanent, to extend eligibility to broad array of foreign police and other security forces, and to increase the funding cap to \$750 million.⁸²

Army Brigade Combat Teams⁸³

Secretary Gates proposed reducing from 48 to 45 the number of active duty Brigade Combat Teams the Army will create as it reorganizes its combat force from 10 divisions (each numbering between 10,000 and 18,000 soldiers) to a larger number of brigades, each comprising between 3,000 and 5,000 troops. Unlike older brigades, which typically have to borrow various specialists from other units in order to deploy overseas, the new Brigade Combat Teams are intended to be organizationally independent, including on their rosters all the personnel they would need for deployment. By reorganizing its force into a larger number of smaller units, the Army hoped to give soldiers more time at their home bases between deployments (called “dwell time”). Moreover, since the new units are self-sufficient, the Army also hoped to eliminate the use of Stop Loss orders, which require personnel to remain on active duty after the end of their enlistment when their particular skills are needed.

The Army began restructuring from a division-centric organization to brigade-centric units shortly after September 11, 2001. The original concept, as outlined in the FY2006 Quadrennial Defense Review (QDR) was to transform the active Army into 42 Brigade Combat Teams and 75 Modular Support Brigades. In 2007, when a decision was made to add 65,000 soldiers to the Army’s force structure (increasing active duty end strength from 482,400 to 547,400), six Brigade Combat Teams and eight Modular Support Brigades were added to the planned brigade-centric reorganization. At that point, the plan was to create 48 Brigade Combat Teams and 83 Modular Support Brigades by 2013.

⁸¹The original legislation called only for the Secretaries of Defense and State to jointly formulate any Section 1206 program and for the Secretary of Defense to coordinate program implementation with the Secretary of State. This provision remains in current law.

⁸² For further information, see CRS Report RS22855, *Security Assistance Reform: “Section 1206” Background and Issues for Congress*, by Nina M. Serafino.

⁸³ Prepared by Charles A. Henning, Specialist in Military Manpower Policy.

Special Operations Forces⁸⁴

Secretary Gates recommended increasing by 2,800 or 5% the number of personnel assigned to Special Operations Forces, which are units trained to perform small-scale, often clandestine military operations. How the proposed personnel increase will be spread among the Services and a target date for completing the expansion were not announced. Gates also recommended unspecified increases in the purchase of transport and aerial refueling aircraft that are adapted to special operations missions.⁸⁵

The FY2006 Quadrennial Defense Review (QDR) increased the number of active duty Special Forces Battalions by one-third and established a 2,600-strong Marine Corps Special Operations Command, a capability that did not previously exist in the Marine Corps.

The qualification and training requirements for special operations personnel are lengthy and have a high failure rate. As a result, manning an enlarged force structure for special operations personnel takes more time than manning conventional combat units.

Helicopter Crew Training

Secretary Gates recommended adding to the base budget \$500 million to increase the number of helicopters that could be deployed, with most of the funds intended to increase the number of Army helicopter pilots recruited and trained.

Gen. Martin Dempsey, USA, chief of the Army's Training and Doctrine Command (TRADOC) is reported to have said the additional funds would address the complaints of U.S. commanders in Afghanistan, who say they have the helicopters they need but not enough trained personnel to fly and maintain them. Currently, the Army trains about 1,200 helicopter pilots annually, but it needs nearly 1,500, Dempsey reportedly said, adding that an additional \$500 million would allow him to close the gap in two years.⁸⁶

Shipbuilding—Request⁸⁷

Navy shipbuilding plans have emerged in recent years as a matter of particular congressional concern. The ship-procurement rate for the last 17 years has been well below the average annual rate that would be needed over the long term to achieve and maintain the Navy's planned 313-ship fleet. Many observers believe the Navy's long-term shipbuilding plan is unaffordable. Certain Navy shipbuilding programs in recent years have experienced significant cost growth, construction delays, and construction deficiencies. Some Members of Congress who track Navy shipbuilding have expressed growing concern and frustration about the situation.

Secretary Gates linked various shipbuilding proposals to different aspects of his overall strategic vision, justifying some of them in terms of conventional force modernization requirements, others

⁸⁴ Prepared by Charles A. Henning, Specialist in Military Manpower Policy.

⁸⁵ For additional information, see CRS Report RS21048, *U.S. Special Operations Forces (SOF): Background and Issues for Congress*, by Andrew Feickert.

⁸⁶ Amy Butler, "Army Shifts Focus to Helo Pilot Training," *Aviation Week and Space Technology*, April 20, 2009.

⁸⁷ Prepared by Ronald O'Rourke, Specialist in Naval Affairs.

in terms of acquisition reform, and still others in terms of his effort to institutionalize within DOD thinking a higher priority for irregular warfare. His proposed actions concerning Navy ships did not go as far as some observers had expected or speculated in terms of proposed reductions or cutbacks. In particular, Secretary Gates did not propose a near-term and permanent reduction in the size of the Navy's aircraft carrier force from 11 ships to 10, and he did not propose the cancellation of second and third Zumwalt (DDG-1000) class destroyers. Some of Secretary Gates's proposed actions simply confirmed existing Navy plans for certain shipbuilding programs, or were consistent with recent press reports about emerging Navy plans for those programs.

The following section discuss in more detail Secretary Gates's recommendations concerning various classes of vessels under development or under construction.

Aircraft Carriers

Instead of proposing a near-term and permanent reduction in the size of the carrier force from 11 ships to 10, Secretary Gates proposed that the schedule for procuring new carriers be stretched out somewhat, to a rate of one carrier every five years. The previous schedule called for procuring one carrier approximately every 4.5 years (a combination of four- and five-year intervals). The stretching out of the carrier procurement schedule, Secretary Gates said, would place carrier procurement "on a more fiscally sustainable path." He stated that his proposed schedule would permit the Navy to maintain an 11-carrier force through about 2040, after which the force would decrease to 10 ships.⁸⁸

In announcing the proposal to stretch out the carrier procurement schedule (and his proposals regarding the CG(X) cruiser, the 11th LPD-17 amphibious ship, and the Mobile Landing Platform ship), Secretary Gates stated, "The healthy margin of dominance at sea provided by America's existing battle fleet makes it possible and prudent to slow production of several major surface combatants and other maritime programs."⁸⁹

Although the Navy under Secretary Gates's proposed carrier-procurement schedule is generally to maintain an 11-carrier force through 2040, the force is projected to temporarily drop to ten ships for a 33-month period in 2012-2015. This temporary drop has been projected for years and is not a result of Secretary Gates's proposed carrier-procurement schedule. The drop would occur because the aircraft carrier Enterprise (CVN-65) is scheduled to retire in 2012 at age 51, and its replacement, the Gerald R. Ford (CVN-78), is not scheduled to enter service until 2015.

Secretary Gates's proposal for shifting carrier procurement to one ship every five years would defer the procurement of the next aircraft carrier, CVN-79, by one year, from FY2012 to FY2013. Such a one-year deferral could increase the cost of both CVN-79 and Virginia-class submarines under construction at that shipyard. A one-year deferral in the procurement date of CVN-79 could

⁸⁸Secretary of Defense Robert M. Gates, Defense Budget Recommendation Statement, April 6, 2009, available at <http://www.defenselink.mil/speeches/speech.aspx?speechid=1341>. Reducing the carrier force in the near term and permanently from 11 ships to 10 could have involved cancelling the mid-life nuclear refueling overhaul scheduled in FY2013 for the aircraft carrier Abraham Lincoln (CVN-72), and retiring the Lincoln in 2015, at about age 26, instead of keeping the ship in operation to about age 50.

⁸⁹ Ibid.

also reduce the amount of advance procurement funding that is to be requested for the ship in FY2010.⁹⁰

DDG-1000 and DDG-51 Destroyers

The FY2010 budget request included funds to complete the third destroyer of the DDG-1000 class, which was authorized but only partially funded in FY2009, as well as funds to purchase an additional destroyer of the DDG-51 class. In his April 6 press conference, Secretary Gates stated that the plan to fund both ships in FY2010 depended on, “being able to work out contracts to allow the Navy to efficiently build all three DDG-1000 class ships at Bath Iron Works in Maine and to smoothly restart the DDG-51 Aegis Destroyer program at Northrop Grumman’s Ingalls shipyard in Mississippi. Even if these arrangements work out, the DDG-1000 program would end with the third ship and the DDG-51 would continue to be built in both yards.” He added that “If our efforts with industry are unsuccessful, the department will likely build only a single prototype DDG-1000 at Bath and then review our options for restarting production of the DDG-51. If the department is left to pursue this alternative, it would unfortunately reduce our overall procurement of ships and cut workload in both shipyards.”⁹¹

Secretary Gates’s proposal regarding destroyer procurement was one of several program actions that he cited after saying, of DOD’s acquisition and contracting processes: “The perennial procurement and contracting cycle—going back many decades—of adding layer upon layer of cost and complexity onto fewer and fewer platforms that take longer and longer to build must come to an end,” he told reporters April 6. “There is broad agreement on the need for acquisition and contracting reform in the Department of Defense. There have been enough studies. Enough hand-wringing. Enough rhetoric. Now is the time for action.”⁹²

Soon after Secretary Gates’s April 6 news conference, it was reported that the Navy had reached an agreement with Bath Iron Works and Northrop to have Bath build all three DDG-1000s. Under the agreement, Northrop would build the first two DDG-51s to be procured under the DDG-51 restart, and Bath would build the third DDG-51.⁹³

CG(X) Cruiser

Secretary Gates proposed a delay in the start of the CG(X) cruiser program “to revisit both the requirements and acquisition strategy” for the program. The Navy wants to procure CG(X)s to replace its 22 Ticonderoga-class Aegis cruisers, which are projected to reach their retirement age of 35 years between 2021 and 2029. In announcing this proposal (and his proposals on the aircraft carrier procurement schedule and on delaying procurement of the 11th LPD-17 amphibious ship and the Mobile Landing Platform ship), Secretary Gates said, “The healthy margin of dominance

⁹⁰ Aircraft carrier procurement is discussed further in CRS Report RS20643, *Navy Ford (CVN-78) Class Aircraft Carrier Program: Background and Issues for Congress*, by Ronald O'Rourke.

⁹¹ Secretary of Defense Robert M. Gates, Defense Budget Recommendation Statement, April 6, 2009, available at <http://www.defenselink.mil/speeches/speech.aspx?speechid=1341>.

⁹² Ibid.

⁹³ Procurement of DDG-1000 and DDG-51 destroyers is discussed further in CRS Report RL32109, *Navy DDG-51 and DDG-1000 Destroyer Programs: Background and Issues for Congress*, by Ronald O'Rourke.

at sea provided by America's existing battle fleet makes it possible and prudent to slow production of several major surface combatants and other maritime programs."⁹⁴

Littoral Combat Ship (LCS)

Secretary Gates recommended continuation of the planned procurement of Littoral Combat Ships (LCSs) which he described as, "a key capability for presence, stability, and counterinsurgency operations in coastal regions." This was one of several recommendations he made after stating: "Our contemporary wartime needs must receive steady long-term funding and a bureaucratic constituency similar to conventional modernization programs. I intend to use the FY10 budget to begin this process."⁹⁵

The FY2010 budget requested funding for three more LCSs, consistent with prior Navy planning and represent no change to the program: The LCS program was scheduled to increase from two ships in FY2009 to three ships in FY2010 as part of a plan to ramp up the annual LCS procurement rate to an eventual level of five or more ships per year, and the Navy has planned a total of 55 LCSs since 2006.

The LCS program was restructured in 2007 following revelations of significant cost growth and construction problems. The program continues to be a program of particular oversight focus for Congress. The Seapower and Expeditionary Forces subcommittee of the House Armed Services Committee, for example, held a hearing on March 10, 2009, to review the status of the program.⁹⁶

On September 16, 2009, the Navy announced another restructuring of the LCS program, cancelling its plan to build several ships to each of two competing designs before selecting one of the two for further production. Under the Navy's new plan, it would choose between the two designs during FY2010 and would procure two LCS ships in FY2010 (instead of the three included in the FY2010 budget request).⁹⁷

LPD-17, Mobile Landing Platform (MLP), and Joint High Speed Vessel (JHSV)

Laying the groundwork for a potentially dramatic change in DOD planning, Secretary Gates proposed deferring from FY2010 to FY2011 the procurement of two ships intended to support amphibious landings, saying he wanted to, "assess costs and analyze the amount of these capabilities the nation needs."⁹⁸

Secretary Gates drew the point more sharply during a speech to the Naval War College on April 17, citing amphibious landings as one example of areas in which he wanted the QDR to be "realistic about the scenarios where direct U.S. military action would be needed." As recently as

⁹⁴ Secretary of Defense Robert M. Gates, Defense Budget Recommendation Statement, April 6, 2009, available at <http://www.defenselink.mil/speeches/speech.aspx?speechid=1341>.

⁹⁵ Ibid.

⁹⁶ The LCS program is discussed further in CRS Report RL33741, *Navy Littoral Combat Ship (LCS) Program: Background, Issues, and Options for Congress*, by Ronald O'Rourke.

⁹⁷ Department of Defense, News Release, "Littoral Combat Ship Down Select Accounced," No. 722-09, September 16, 2009.

⁹⁸ Secretary of Defense Robert M. Gates, Defense Budget Recommendation Statement, April 6, 2009, available at <http://www.defenselink.mil/speeches/speech.aspx?speechid=1341>.

1991, he acknowledged, the threat of a large-scale amphibious assault by U.S. Marines on the coast of Kuwait played a useful role in tying down Iraqi forces while the actual U.S.-led attack came overland from Saudi Arabia. But he added: “We have to take a hard look at where it would be necessary or sensible to launch another major amphibious action again. In the 21st century, how much amphibious capability do we need?”⁹⁹

Pending analysis of that issue by the QDR, Secretary Gates recommended deferring the planned funding in FY2010 of an 11th San Antonio (LPD-17) class amphibious ship and the first Mobile Landing Platform—a ship intended to function as a pier on which cargo ships could transfer their loads to amphibious landing craft. Procurement of LPD-17s has been a topic of congressional interest in recent years. Secretary Gates’s proposal could increase the cost of the 11th LPD-17 and the MLP in then-year dollars, if not also in real (inflation-adjusted) dollars.¹⁰⁰

Secretary Gates did not recommend any change in planned procurement of Joint High Speed Vessels (JHSVs), high-speed sealift ships the production of which is just beginning. He announced that, “to improve our inter-theater lift capability,” pending delivery of the first JHSV, DOD would charter two existing ships of this kind, in addition to two it currently has under charter.¹⁰¹ The chartered ships of this type all have been foreign-built.

Aircraft—Request

As with his shipbuilding recommendations, Secretary Gates cited different rationales for his various recommendations about aircraft programs, justifying some of them in terms of the need to affordably modernize U.S. conventional forces and citing others as necessary steps toward acquisition reform.

Tactical Combat Aircraft (F-35, F-22, F/A-18)

Secretary Gates basically reaffirmed the existing plan for fighter procurement, except for a slight reduction in the number of F/A-18-type planes for the Navy to be funded in FY2010. He thus rejected a vigorous campaign by proponents of the Air Force’s F-22 to continue production of that aircraft which supporters maintain has a uniquely potent blend of speed and stealthiness. Instead, Secretary Gates and Joint Chiefs of Staff Vice Chairman Gen. James E. Cartwright, called for a force made up of the planned 187 F-22s, plus thousands of the cheaper and less stealthy F-35s, and several hundred missile-armed *Reaper* and *Predator* UAVs. The UAVs would replace many of the 250 older fighters, mostly F-16s, that Secretary Gates plans to retire.¹⁰² This marks the first time that senior DOD officials have identified UAVs as major components of the U.S. combat force rather than as support equipment.

⁹⁹ DOD News transcript: “Remarks by Secretary of Defense Robert Gates at the Naval War College, Newport, Rhode Island,” April 17, 2009 accessed at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4405>.

¹⁰⁰ LPD-17 procurement is discussed further in CRS Report RL34476, *Navy LPD-17 Amphibious Ship Procurement: Background, Issues, and Options for Congress*, by Ronald O'Rourke.

¹⁰¹ Secretary of Defense Robert M. Gates, Defense Budget Recommendation Statement, April 6, 2009, available at <http://www.defenselink.mil/speeches/speech.aspx?speechid=1341>.

¹⁰² DOD News Transcript, “Media Roundtable of Secretary of Defense Robert Gates and General James Cartwright, Vice Chairman, Joint Chiefs of Staff and Selected Reporters, April 7, 2009, accessed at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4399>.

F-35 Joint Strike Fighter

Secretary Gates recommended buying 30 F-35s in FY2010, an increase from the 14 funded in FY2009, with an increase in funding from \$6.9 billion to \$11.2 billion. He called for buying 523 F-35s in FY2010-14 and a total of 2,443 of the aircraft over the program's life. This procurement profile matches the current F-35 program of record for FY09 and FY10, although \$11.2 billion is higher than the \$8.4 billion originally planned for FY2010. Purchasing 513 aircraft over the five year defense plan is a slight increase (28 aircraft) over the current program, but the projected total purchase of 2,443 remains the same as previously planned.¹⁰³

The Government Accountability Office (GAO) reported in March that DOD sought to increase the five-year purchase plan by 169, and criticized the \$33 billion effort as creating "very significant financial risk" in part due to a lack of flight testing prior to procuring large numbers of the aircraft.¹⁰⁴

F-22 Raptor

Secretary Gates recommended no further procurement of F-22s, thus ending the program at 187 planes—the 183 funded thus far plus four planes requested in the FY2009 supplemental appropriation.

Ending production at 183 matches the program of record for the F-22 *Raptor*; the four additional aircraft requested are intended to replace combat aircraft losses. In follow-on comments, Secretary Gates stated that advice from Combatant Commanders and the Air Force indicated "no military requirement for F-22s beyond.... 187."¹⁰⁵ Air Force Chief of Staff, General Norton Schwartz, stated during his confirmation hearings in 2008, that his personal position was that the right number of F-22 aircraft was greater than 183 but less than the 381 that the Air Force had been arguing for. However, he subsequently avoided public statements on the matter.¹⁰⁶ Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, said in December 2008 that the Air Force had discussed with him a plan to purchase 60 additional aircraft, but deferred further discussions to the new Presidential administration.¹⁰⁷

On April 13, 2009 the Air Force's civilian and military leadership, acknowledging the difficult budget environment and new risk assessments by DOD, formally endorsed Secretary Gates's proposal to complete F-22 procurement at 187 aircraft.¹⁰⁸ Congress has generally supported the F-22 in the past. In FY2009, Congress added to the budget request \$523 million that could be used

¹⁰³ For further analysis on the F-35, see CRS Report RL30563, *F-35 Joint Strike Fighter (JSF) Program: Background and Issues for Congress*, by Jeremiah Gertler.

¹⁰⁴ U.S. Government Accountability Office, *Joint Strike Fighter: Accelerating Procurement before Completing Development Increases the Government's Financial Risk*, GAO-09-303, March 12, 2009, <http://www.gao.gov/new.items/d09303.pdf>.

¹⁰⁵ DOD news transcript, DOD News Briefing with Secretary Gates from the Pentagon, April 6, 2009, accessed at <http://www.defense.gov/Transcripts/Transcript.aspx?TranscriptID=4396>.

¹⁰⁶ U.S. Congress, Senate Committee on Armed Services, *Nomination Hearing*, US Air Force Chief of Staff, 110th Cong., 2nd sess., July 22, 2008.

¹⁰⁷ U.S. Department of Defense, "DOD News Briefing with Adm. Mullen From the Pentagon," press release, December 10, 2008, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4330>.

¹⁰⁸ Michael Donley and Norton Schwartz. "Moving Beyond the F-22." *Washington Post*. April 13, 2009.

for advanced procurement of an additional lot of F-22s should the administration choose to do so.¹⁰⁹

F/A-18s

Secretary Gates recommended buying 31 F/A-18 *Super Hornets* for the Navy in FY2010, without specifying the mix of models. FY2009 Navy budget documents indicate a planned FY2010 request for 18 F/A-18E/F *Super Hornets* and 22 EA-18G *Growlers*—a version of the plane modified for electronic warfare—in all, a total of 40 aircraft. If, as most observers believe, Secretary Gates includes EA-18Gs in his recommendation for a revised FY-10 purchase, then 31 aircraft represent a reduction of nine *Super Hornets* and *Growlers* from the previous DOD budget.¹¹⁰

Congress has generally funded the F/A-18 as requested, with some modification to the mix of “E,” “F,” and “G” models to be procured.

Air Mobility (KC-X, C-17)

Secretary Gates recommended that the Air Force remain on its current schedule to develop a new aerial refueling tanker (KC-X) to replace the KC-135, which is the Air Force’s top acquisition priority. A contract to develop and build the KC-X was awarded to Northrop Grumman in February 2008, but after the GAO upheld a formal protest by competitor Boeing, Secretary Gates cancelled the competition and called for a “cooling off” period, deferring all program decisions to a new presidential administration.¹¹¹ The new competition began September 24, 2009, with the issuance of a draft Request for Proposals, the final version of which is expected in January, 2010. While some in Congress support a “split” buy, i.e., having both companies build new tankers, Secretary Gates remains opposed, citing high costs and potential problems the Air Force might encounter by maintaining two separate training programs and logistics operations for the tanker fleet.¹¹²

Congress has expressed strong support for replacing the aging KC-135 fleet, but has disagreed with DOD on how this might best be accomplished. Over the past three legislative sessions, Congress urged DOD to increase the proposed rate of KC-X production and has created a *Tanker Replacement Transfer Fund* to give DOD flexibility in using procurement, O&M, and R&D funds to support KC-X acquisition.¹¹³

¹⁰⁹For further analysis on the F-22, see CRS Report RL31673, *Air Force F-22 Fighter Program: Background and Issues for Congress*, by Jeremiah Gertler, and CRS Report RS22684, *Potential F-22 Raptor Export to Japan*, by Christopher Bolkcom and Emma Chanlett-Avery.

¹¹⁰For further analysis on these aircraft, see CRS Report RL30624, *Navy F/A-18E/F and EA-18G Aircraft Procurement and Strike Fighter Shortfall: Background and Issues for Congress*, by Jeremiah Gertler.

¹¹¹U.S. Department of Defense, “DOD Announces Termination of KC-X Tanker Solicitation,” press release, September 10, 2008, <http://www.defenselink.mil/releases/release.aspx?releaseid=12195>.

¹¹²U.S. Department of Defense, “DOD News Briefing with Secretary Gates From the Pentagon,” press release, March 18, 2009, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4381>.

¹¹³For further analysis of this issue see CRS Report RL34398, *Air Force KC-X Tanker Aircraft Program: Background and Issues for Congress*, by Jeremiah Gertler.

Secretary Gates recommended ending procurement of the C-17 Globemaster III long-range cargo jet after production of the 205 planes already in service or funded. Ending production at 205 aircraft matches the program of record for the C-17 Globemaster III. Potential questions may arise over what analysis was used for this conclusion. In 2008, the incoming commander of United States Transportation Command, General Duncan McNabb, stated that the strategic airlift requirement (33.95 million ton miles/day (MTM/D)) set by mobility studies in 2005 could be met with 205 C-17s, 52 modernized C-5Bs, and 59 C-5As.¹¹⁴

Acquisition Reform (VH-71, CSAR-X)

Secretary Gates recommended termination of two high-profile helicopter programs, justifying both proposals as part of his effort to reform DOD's acquisition process.

He recommended terminating the VH-71 helicopter, intended to transport the President and other senior officials, on the basis of its troubled acquisition history and large cost overruns. While post-9/11 security concerns gave the program a certain "urgency," the long timelines for delivery of fully capable helicopters (slated for initial deployment in 2017) work against that argument, he said. He also decided against purchasing the first lot of less capable "Increment 1" aircraft, stating they would only last five to ten years, although it is unclear why their useful life would be so much less than other models of helicopters.¹¹⁵

Over the past three legislative sessions, Congress has expressed concern over noteworthy cost increases, schedule delays, and foreign influence on the program. Over this time period, Congress cut approximately \$300 million of the \$2 billion from the Navy's R&D accounts for the VH-71.¹¹⁶

Secretary Gates also recommended terminating the Air Force Combat Search and Rescue helicopter (CSAR-X) and called for reviewing the requirement the aircraft was designed to meet. His rationale for terminating the CSAR-X helicopter program jibes with a commonly held belief that the process by which DOD defines the requirements a new weapon is supposed to meet does not adequately force the military services to make hard decisions or trade off capabilities among themselves. The debate over whether search and rescue (SAR) missions require a specialized aircraft has been in progress for several years and was most recently raised by former Pentagon Acquisition Chief John Young.¹¹⁷ In an interview in November 2008, Mr. Young stated that DOD "... [has] a lot of assets that can be used in rescue missions with planning, so I don't necessarily just automatically rubber-stamp the CSAR-X requirement." The Air Force countered that it has twice won approval for a dedicated CSAR aircraft from the Joint Requirements Oversight

¹¹⁴ "Modernized" C-5s are those modified under the Reliability Enhancement Re-engining Program (RERP). For a discussion of the RERP, see U.S. Congress, Senate Committee on Armed Services, *Advance Questions for General McNabb*, US Transportation Command, 110th Cong., 2nd sess., July 22, 2008. For further analysis of this program see CRS Report RS22763, *Air Force C-17 Aircraft Procurement: Background and Issues for Congress*, by Jeremiah Gertler.

¹¹⁵ U.S. Department of Defense, "DOD News Briefing with Secretary Gates From the Pentagon," press release, March 18, 2009, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4381>.

¹¹⁶ For background, see CRS Report RS22103, *VH-71/VXX Presidential Helicopter Program: Background and Issues for Congress*, by Jeremiah Gertler.

¹¹⁷ All references in this paragraph come from an investigation by the reporting staff of *Aviation Week and Space Technology*, an aerospace trade journal. See Michael Fabey, "Young Opinion on CSAR Questioned," *Aerospace Daily & Defense Report*, January 28-30, 2009.

Council (JROC), the high-level DOD panel that approves the requirements a new weapons program is supposed to meet. The service argued that CSAR was a critical shortfall at the beginning of combat operations in Afghanistan in 2001, that specially-trained CSAR forces were used far more often than recognized, and that using non-specialized forces for CSAR missions would result in increased U.S. casualties. Further statements by Secretary Gates indicate that DOD might also consider making CSAR a joint capability, thereby changing the organization and acquisition process for any dedicated assets.

Missile Defense—Request¹¹⁸

Secretary Gates recommended in his April 6 statement that DOD restructure the ballistic missile defense (BMD) program to focus more on rogue-state and theater ballistic missile threats and maintain and improve existing long-range BMD capabilities.¹¹⁹

These recommendations seem to align with Secretary Gates's broader strategic thinking about the types of foreign threats the United States is most likely to face (e.g., "hybrid warfare," where U.S. troops could be threatened by state and non-state actors armed with short-range ballistic missiles). Additionally, Secretary Gates's stated objective is to adjust DOD investments and rebalance the overall force, especially in the resource constrained era he acknowledges. This seems to reflect his argument that the United States should focus more attention on shorter range BMD investments. He also wants to improve our existing U.S. long-range BMD system without necessarily acquiring more of that same capability pending DOD review of the need for additional interceptors and whether more future-oriented programs could better supplement the overall BMD capability.¹²⁰

Theater Defenses (THAAD, SM-3, Aegis)

To accelerate deployment of defenses against theater ballistic missiles—those without intercontinental range—Secretary Gates recommended adding to the FY2010 budget \$700 million to field more SM-3 (Standard Missile 3) and THAAD (Terminal High Altitude Area Defense) BMD interceptors, and about \$200 million more to convert six additional Aegis ships to provide BMD capabilities. He added that this would basically fund the maximum production capacity of the production lines for the SM-3 and THAAD, which are coming out of the testing phase and moving into full-rate production. The SM-3 is the anti-missile interceptor used by Navy cruisers and destroyers equipped with the powerful Aegis radar and missile control system.¹²¹

¹¹⁸ Prepared by Stephen A. Hildreth, Specialist in Missile Defense.

¹¹⁹ U.S. Department of Defense, "DOD News Briefing with Secretary Gates From the Pentagon," press release, March 18, 2009, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4381>.

¹²⁰ For additional analysis of the missile defense issue see CRS Report RS22120, *Ballistic Missile Defense: Historical Overview*, by Steven A. Hildreth and CRS Report RL33240, *Kinetic Energy Kill for Ballistic Missile Defense: A Status Overview*, by Steven A. Hildreth.

¹²¹ U.S. Department of Defense, "DOD News Briefing with Secretary Gates From the Pentagon," press release, March 18, 2009, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4381>.

Ground-Based National Missile Defense

Secretary Gates recommended not increasing the current number of long-range ground-based interceptors deployed in Alaska, as had been planned. Currently, there are slightly more than two dozen of these interceptors deployed in Alaska and California in the event of missile attacks against the United States from North Korea or Iran. Secretary Gates said it was important “to robustly fund continued research and development to improve the capability we already have to defend against long-range missile threats.” In response to questions about plans to construct a third missile defense site in Europe, Joint Chiefs of Staff Vice Chairman Gen. James Cartwright, USMC, said there are “sufficient funds in ’09 that can be carried forward to do all of the work that we need to do at a pace that we’ll determine as we go through the program review, the quadrennial defense review, and negotiations with those countries.”¹²² Further details were not offered at that time.¹²³

Secretary Gates also recommended cancelling the Multiple Kill Vehicle (MKV) program¹²⁴ because of its significant technical challenges and the fresh need to look at the requirements for that system. The MKV is seen by some as enhancing the capability of long-range interceptors for mid-course BMD in the future.

On September 17, 2009, President Obama cancelled the plan to deploy a long-range missile defense system in Poland and the Czech Republic. Instead, DOD plans to acquire a network of mobile radars and interceptor missiles, including the SM-3 intended to defend Europe against Iranian missiles of short and medium range. The President said U.S. intelligence agencies had concluded that Iran’s effort to develop long-range ballistic missiles was taking longer than had been assumed while it was moving more quickly than had been forecast to develop missiles that could fly far enough to hit Europe, but not far enough to hit U.S. territory.¹²⁵

Boost-Phase Defenses (Airborne Laser and KEI)

Secretary Gates recommended on April 6 various program changes regarding boost-phase defense (i.e., efforts aimed at destroying attacking ballistic missiles shortly after they launch). He recommended cancelling the second ABL (Airborne Laser) prototype aircraft and shifting the focus of that program to further research and development. He said the ABL program was not ready for production, that it had “significant affordability and technology problems, and the program’s proposed operational role is highly questionable.” Also, in response to a question about whether there might be changes in the BMD acquisition process, Gen. Cartwright, said that “what will change is we’re going to start to shift and understand in that first phase what the leverage and potential opportunities are in the boost-phase, focus on the threats.... and start to reassess what it is and what we can do in the boost-phase for long-range.”¹²⁶

¹²² DOD transcript, “News Briefing With Secretary of Defense Robert Gates, April 6, 2009, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4396>.

¹²³ For further analysis of this issue, see CRS Report RL34051, *Long-Range Ballistic Missile Defense in Europe*, by Steven A. Hildreth and Carl Ek.

¹²⁴ The MKV program is an effort to equip a single interceptor missile to destroy several incoming warheads.

¹²⁵ The White House, Office of the Press Secretary, “Fact Sheet on U.S. Missile Defense Policy; A “Phased, Adaptive Approach” for Missile Defense in Europe,” September 17, 2009.

¹²⁶ DOD transcript, “News Briefing With Secretary of Defense Robert Gates, April 6, 2009, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4396>.

Congressional Perspectives

In response to Secretary Gates's recommendations, several senators wrote to the Secretary expressing their approval of the increases to THAAD and SM-3, but voicing concern about the proposed cut to missile defense funding, stating that it could "undermine our emerging missile defense capabilities to protect the United States against a growing threat."¹²⁷ At a media roundtable on April 7, 2009, Secretary Gates said "perhaps we can persuade them that all is not as bad as they seem to think" if he could show them the proposed changes to THAAD and SM-3, the sustained work on long-range systems for mid-course BMD, and the continued funding of R&D for boost-phase interception.

Ground Combat Systems (FCS and EFV) — Request¹²⁸

On April 6, 2009, Secretary Gates announced that he intended to significantly restructure the Army's Future Combat Systems (FCS) program, the Army's plan to modernize its entire suite of combat equipment. Specifically, he said, DOD would accelerate the process of "spinning out" to all brigade combat teams (BCTs) technologies developed in the FCS program that were ready for deployment. However he said he would cancel the manned ground vehicle (MGV) component of FCS, which was intended to field eight separate tracked combat vehicle variants built on a common chassis that would eventually replace several existing combat vehicles, including the M-1 *Abrams* tank, the M-2 *Bradley* infantry fighting vehicle, and the M-109 *Paladin* self-propelled artillery system.¹²⁹

Secretary Gates said he was concerned that there were significant unanswered questions in the FCS vehicle design strategy and that despite some adjustments to the MGVs, that they did not adequately reflect the lessons of counterinsurgency and close quarters combat in Iraq and Afghanistan. Secretary Gates was also critical that the FCS program did not include a role for Mine-Resistant, Ambush-Protected (MRAP) vehicles that have been used successfully in current conflicts.¹³⁰

There are a number of policy implications flowing from Secretary of Defense Gate's decision to restructure the FCS program. In essence, the Army was told to "go back to the drawing board" on this almost decade-old program once described as the "centerpiece" of Army modernization. Because the Army has focused exclusively on FCS for well over a decade, there has probably been little thought given to alternatives to the eight MGVs that were to be developed under the FCS program. DOD officials expressed misgivings that the Army had neither taken into account "the lessons learned of the operational realities in Iraq and Afghanistan" in the design of FCS MGVs nor carefully considered whether "one class of vehicles could in fact cover the range of operations that we envision are going to be the reality of the future."¹³¹ Another point of

¹²⁷ The April 6 letter, signed by Senators Joseph Lieberman, John Kyl, Lisa Murkowski, Mark Begich, Jeff Sessions, and James Inhofe, can be viewed at <http://lieberman.senate.gov/newsroom/release.cfm?id=311225&&>.

¹²⁸ Prepared by Andrew Feickert, Specialist in Military Ground Forces.

¹²⁹ For further analysis of FCS see CRS Report RL32888, *Army Future Combat System (FCS) "Spin-Outs" and Ground Combat Vehicle (GCV): Background and Issues for Congress*, by Andrew Feickert and Nathan Jacob Lucas.

¹³⁰ DOD transcript, "News Briefing With Secretary of Defense Robert Gates, April 6, 2009, <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4396>.

¹³¹ U.S. Department of Defense News Transcript, Department of Defense Conference Call with Secretary of Defense Robert Gates and Gen. James Cartwright with Military Bloggers," April 7, 2009.

contention is that the FCS program did not adequately address the role of MRAPs—a vehicle that the Army considers interim protection for soldiers in combat. MRAPs, while providing excellent protection to soldiers, are transport vehicles and are not fighting vehicles like the *Abrams*, *Bradleys*, *Strykers*, or the proposed FCS MGVs, so determining a more permanent role for these vehicles may prove challenging. Another implication will likely be developmental timelines. Should a decision eventually be made to develop and procure new non-MGV-based variants to replace the *Abrams*, *Bradley*, and *Paladins*, there will likely be questions raised about a decade long or greater development and procurement cycle, as was the case of the FCS program. There might also be resistance to an all-encompassing “systems of systems” FCS-like developmental effort for Army vehicle modernization, although commonality between platforms to reduce costs and improve maintainability and support could likely be viewed favorably.

Secretary Gates left unchanged the current plan to continue development and production of the Expeditionary Fighting Vehicle (EFV), an amphibious armored combat vehicle for the Marine Corps. But he said a decision on the future of that program, like the future of planned amphibious landing ships, would await the results of the QDR.¹³²

Congressional Perspectives

Congress has generally viewed the FCS program with a degree of skepticism due to its ambitious scope, significant price tag, and heavy reliance on theoretical and unproven technologies. In addition, the FCS program’s reliance on defense industry lead systems integrators (LSIs) to develop and manage much of the program has also come under significant congressional scrutiny.¹³³ Congress has been supportive of the Army’s recent decision to focus the FCS program on “spinning out” sensor and unmanned aerial and ground systems, and networking technology to its Infantry Brigade Combat Teams and might be expected to support DOD’s decision to accelerate these efforts. Congress has also been concerned about the development of the FCS Network, including complimentary programs to develop new software-programmable radios and satellites to accommodate the vast amounts of information needed by FCS-equipped units. In this regard, Congress has legislated a number of studies and testing requirements to insure that the FCS Network will be fully functional and not vulnerable to either attack or disruption. Secretary Gates did not mention restructuring the FCS Network, so it is possible that work on the network not related to FCS manned ground vehicles will continue with a commensurate level of congressional oversight.

The decision to not fund the development of FCS MGVs could be a more contentious issue in Congress. One combat vehicle in the FCS MGV family—the Non-Line-of-Sight Cannon (NLOS-C)—is a congressionally-mandated program,¹³⁴ requiring the Army to produce a total of 18 NLOS-C Initial Production Platforms by the end of 2011. One possible point of contention could be the necessity to build all 18 of these NLOS-Cs if DOD does not intend to procure additional NLOS-Cs. Other potential issues include the possible resumption and continuation of the M-1 *Abrams* and M-2 *Bradley* lines if the Army does not identify successors during the re-

¹³² The Expeditionary Fighting Vehicle is discussed further in CRS Report RS22947, *The Marines’ Expeditionary Fighting Vehicle (EFV): Background and Issues for Congress*, by Andrew Feickert.

¹³³ For further analysis of the LSI issue see CRS Report RS22631, *Defense Acquisition: Use of Lead System Integrators (LSIs)—Background, Oversight Issues, and Options for Congress*, by Valerie Bailey Grasso.

¹³⁴ See Section 216 of the FY 2003 National Defense Authorization Act (P.L. 107-314) and Section 8121 of the FY 2003 Department of Defense Appropriations Act (P.L. 107-248).

evaluation of its vehicle modernization program. In regards to the Army's re-evaluation of its vehicle modernization program, Congress might be expected to play a significant role in this process, as it not only may provide them with an opportunity to shape Army capabilities and force structure, but could also ensure that the eventual acquisition of any new ground combat systems is in line with proposed acquisition reform measures.

Bill-by-Bill Synopsis of Congressional Action to Date

FY2010 Congressional Budget Resolution

The conference report on the annual congressional budget resolution (S.Con.Res. 13) includes a recommended ceiling on FY2010 budget authority and outlays for the "national defense" function of the federal budget that matches President Obama's request. The budget resolution's ceilings on budget authority and outlays for national defense and other broad categories (or functions) of federal expenditure are not binding on the Appropriations committees, nor do they formally constrain the authorizing committees in any way.

However, the budget resolution's ceilings on the so-called "050 function"—the budget accounts funding the military activities of DOD and the defense-related activities of the Department of Energy and other agencies—have in the past indicated the general level of support in the House and Senate for the President's overall defense budget proposal.

The House version of the budget resolution (H.Con.Res. 85), adopted April 2, set the FY2010 budget authority ceiling for the 050 "national defense" function at \$562.0 billion and provided a separate allowance of \$130.0 billion—the amount requested for war costs—under function 970 ("overseas deployments and other activities"). Those two ceilings add up to \$692.0 billion. The Senate version of the budget resolution (S.Con.Res. 13), also adopted April 2, set the budget authority ceiling for the 050 national defense function at \$691.7 billion and did not set a separate ceiling for overseas deployments. In the reports accompanying their respective resolutions, the House and Senate Budget committees each indicated that the ceilings recommended were intended to accommodate President Obama's FY2010 DOD budget request.

The conference report on the final version of the budget resolution (H.Rept. 111-89) follows the House version's pattern of setting separate ceilings for a national defense base budget and for overseas deployments. The House adopted the joint resolution April 29 by a vote of 233-193. The Senate adopted it the same day by a vote of 53-43.

National Defense Authorization Act (H.R. 2647, S. 1390)

The conference report on the defense authorization bill (H.Rept. 111-288) was filed on October 7, 2009 and was adopted by the House on October 8 by a vote of 281-146. The Senate adopted the conference report October 22 by a vote of 68-29 and the President signed it into law (P.L. 111-84) on October 28.

The conference report authorizes a total of \$680.2 billion for military activities of the Department of Defense (DOD) and defense-related activities of other federal agencies. The total

authorization, which is \$14.9 million higher than the Obama Administration requested, includes \$550.2 billion for the so-called “base budget”—all DOD activities other than combat operations in Iraq and Afghanistan—and \$130.0 billion for “overseas contingency operations,” including operations in Iraq and Afghanistan.

The House version of the FY2010 defense authorization bill, H.R. 2647, was reported by the House Armed Services Committee on June 18, 2009 (H.Rept. 111-166) and passed by the House June 25 with relatively few changes. It would have authorized \$550.5 billion for the DOD base and defense-related programs of the Energy Department, which is \$348.0 million more than the President requested. For war costs, the House bill would have authorized \$130 billion, as requested, but would redistribute some funds within that total bringing the total authorized by the House-passed bill to \$680.5 billion.

On July 2, 2009, the Senate Armed Services Committee reported its version of the FY2010 defense authorization bill, S. 1390 (S.Rept. 111-35), which would have authorized \$551.1 billion for the DOD base budget and related Energy Department programs, \$864.8 million more than the President requested. The Senate bill would have authorized \$129.3 billion, for war costs, which is \$740 million less than the request, bringing the total authorized by S. 1390 to \$680.3 billion. The Senate bill also would require the Administration to cut a total of \$500 million (to reflect unspecified “management efficiencies”) from the total DOD authorization, thus reducing the bill’s total authorization to \$679.8 billion. The Senate passed the bill July 23.

Funding levels authorized by H.R. 2647 as passed by the House, by S. 1390 as passed by the Senate, and by the conference report on H.R. 2647 are presented in **Table 7**. Funding levels authorized for selected programs by each version of the authorization bill are summarized in **Appendix**.

Following are highlights of the versions of the FY2010 defense authorization bill passed by the House and Senate as well as the conference report:

Ballistic Missile Defense—Authorization¹³⁵

Both the House and Senate versions of the authorization bill supported most elements of the Obama Administration’s plan to shift the focus of anti-missile defense efforts by slowing or terminating work on some technologically advanced systems while increasing the planned procurement of Aegis and THAAD interceptors designed to cope with near-term missile threats.

During House action on H.R. 2647, the \$9.3 billion missile defense program was the component of the DOD budget request that was most extensively debated, both in the Armed Services Committee and on the House floor. Several Republican-sponsored amendments that would have increased funding for various missile defense programs were rejected in both venues.

The Senate bill also supported the Administration’s principal missile defense decisions.

¹³⁵ For additional background on the Administration request, see above, “Missile Defense—Request.” For appropriations action, see below, “Ballistic Missile Defense—Appropriation.”

Ground-Based Interceptors.

Like both House and Senate versions of the bill, the conference report supports Secretary Gates's proposals to cap the number of Ground-based Interceptors (GBI) deployed in Alaska and California at 30, instead of deploying a total of 44. Secretary Gates, Missile Defense Agency chief Lt. Gen. Patrick J. O'Reilly and other military commanders have said that 30 operationally effective GBIs are sufficient given the current and prospective threat over the next five years or so from Iran and North Korea. Secretary Gates has said that the cap at 30 would be revised upward if the threat assessment changes. Others, however, believe the threat of long-range ballistic missile attack from Iran and North Korea is more imminent and question whether 30 deployed GBIs are sufficient.

However, the conference report would add to the budget request authorization for \$20 million to sustain the vendor base for components that could be used to manufacture additional GBIs. The conferees said a GBI test plan adopted by DOD late in the summer of 2009 would require purchase of seven additional GBIs. The conference report also would require the Secretary of Defense not to allow a break in the GBI production line until DOD completes a detailed review of the ground-based missile defense system, including an assessment of the number of GBI's needed to sustain it over 20 years of service (Sections 232-233).

Boost-phase Interception.

Like both House and Senate versions of the bill, the conference report supports the Administration's proposal to cancel the Multiple Kill Vehicle (MKV) and Kinetic Energy Interceptor (KEI) programs and construction of a second Airborne Laser (ABL) prototype aircraft (although the existing ABL plane would be retained for research). The Government Accountability Office (GAO) has faulted each of these programs for significant technical, cost and operational challenges. Some missile defense supporters contend that cancelling the KEI and relegating the ABL to a research program will leave the country without an active program to destroy attacking ballistic missiles in their boost-phase or shortly after their launch. Secretary Gates has said that the requirement for a boost-phase BMD program is being looked at as part of the current BMD Review and the Quadrennial Defense Review (QDR), expected to be completed later this year.

Meanwhile, the Administration has said it wants to pursue an Ascent Phase BMD program designed to destroy attacking missiles shortly after their rocket motors burn out in the boost-phase. Because this effort is new, few details are available. Like the House version of the bill, the conference report on H.R. 2647 would require the Defense Secretary to report to Congress the details and strategy behind the Ascent Phase effort (Section 238).

European Missile Defense Site

When the Obama Administration released its FY2010 defense budget request, it still was reviewing the Bush Administration's plan to deploy in Europe a radar in the Czech Republic and interceptor missiles in Poland that are intended to intercept missiles launched from Iran at Europe or the United States. According to Secretary Gates, unspent funds appropriated in FY2009 for the so-called "third site" (the other two being the GBI sites in Alaska and California) plus an additional \$50.5 million requested in the FY2010 budget would allow the project to go forward if the Polish and Czech parliaments ratify basing agreements reached with the United States in

2008. But the Administration also said that the proposed third site is one of several options on the table for dealing with potential missile attacks from Iran.

The House and Senate bills both would authorize a total of \$353.1 million from funds available for fiscal years 2009 and 2010 to develop missile defenses in Europe either to continue with research, development, test and evaluation of the proposed radar and interceptor site in Poland and the Czech Republic pending Czech and Polish ratification of the agreements, or to develop an alternative integrated missile defense system to protect Europe from threats posed by all types of ballistic missiles, subject to certain conditions.

On September 17, 2009, President Obama cancelled the plan to deploy a long-range missile defense system in Poland and the Czech Republic. Instead, DOD plans to rely on a network of mobile radars and interceptor missiles, including cruisers and destroyers equipped with the Aegis radars and SM-3 missiles to defend Europe against Iranian missiles of short and medium range. The President said U.S. intelligence agencies had concluded that Iran's effort to develop long-range ballistic missiles was taking longer than had been assumed while it was moving more quickly than had been forecast to develop missiles that could fly far enough to hit Europe, but not far enough to hit U.S. territory.¹³⁶

The conference report authorizes DOD to use a total of \$309.0 million from funds available in fiscal years 2009 and 2010 for the European defense system proposed by the President in September, except for any required military construction. The conference report also would require an independent assessment of the cost and effectiveness of the new plan. As for military construction for the European defense system, the conference report would rescind \$151.2 million authorized in FY2009 for construction in Poland and Czech Republic associated with the old plan. Construction projects required by the new European missile defense plan would have to be requested and authorized by Congress in the year the work was expected to begin, the conferees said.

The conference report also adds \$23.2 million to the \$168.7 million requested for procurement of SM-3 missiles. It also requires from the Navy (as one part of a broader, long-term plan for shipbuilding) a report on the number of additional Aegis warships required by the new European defense plan based on the SM-3 missile.

Shipbuilding—Authorization¹³⁷

Both House and Senate versions of the authorization bill supported the Administration's budget proposal for major shipbuilding programs. However, the Senate Armed Services committee was more critical than its House counterpart of the Navy's management of its shipbuilding program for surface combatant ships. The Senate version, which was debated as S. 1390, included a provision that would require the Navy to prepare an detailed acquisition strategy for purchasing surface combatants, supported by a battery of analyses. The conference report expanded the scope of the required report.

¹³⁶ The White House, Office of the Press Secretary, "Fact Sheet on U.S. Missile Defense Policy; A "Phased, Adaptive Approach" for Missile Defense in Europe," September 17, 2009.

¹³⁷ For additional background on the Administration request, see above, "Shipbuilding—Request," p. 31. For appropriations action, see below, "Shipbuilding—Appropriation," p. 70.

The Senate bill also would have repealed a provision of the FY2008 national defense authorization act (P.L. 110-181) that would require that future cruisers, destroyers and large amphibious landing ships be nuclear-powered.¹³⁸ The conference report did not include that provision.

Surface Combatants: DDG-1000 and DDG-51 Destroyers, CG(X) Cruiser

Both versions of the bill accepted the decision, recommended by senior Navy leaders in 2008 and embraced by the Obama Administration, to buy only three guided missile destroyers of the DDG-1000-class, instead of the seven ships that had been planned, and to resume procurement of DDG-51 class destroyers, 62 of which are in service or under construction. Accordingly, the House and Senate versions each would have authorized, as requested, \$1.08 billion to complete the third DDG-1000, \$539 million to continue development of that class and \$1.91 billion for one DDG-51. The House bill would have added \$100 million to the \$329.0 million requested for components to be used in DDG-51s to be funded in future budgets, but this was dropped from the conference report.

Both versions of the bill authorized, as requested, \$340.0 million to continue development of the CG(X) class of cruisers to replace existing Aegis cruisers which are slated for retirement beginning in the early 2020s. However, the conference report retains a Senate provision that would allow the Navy to spend only half those funds until the service produces the surface combatant acquisition plan (and supporting analyses) that the bill requires. The conference report would add \$15 million to the portion of the CG(X)-related R&D budget that funds development of the very powerful radar planned for the ship (instead of adding \$50 million as the Senate bill did).

Aircraft Carriers

As requested, both bills temporarily waived a law requiring the Navy to keep 11 carriers in service, thus allowing the number of flattops to drop to 10 between 2013, when the *Enterprise* is slated for retirement after 48 years of service, and 2015, when the *Gerald R. Ford* is scheduled to enter the fleet. The older ship would have required a very expensive overhaul if it had to be kept in service during those two years.

The House Armed Services Committee questioned Secretary Gates's recommendation to slow the rate at which future carriers are built to replace those being retired, a policy that would permanently reduce the carrier force from 11 ships to 10 after 2040. The House committee added to H.R. 2647 a provision (Section 122) requiring the Navy to submit a report on the effects of funding a new carrier at the proposed slower rate of one ship every five years instead of the previous plan under which some future carriers would have been funded only four years apart. The House provision also bars the Navy from spending funds authorized by the bill in a way that would make it impossible to fund the next two carriers four years apart, as had been planned.

The conference report requires the report on the effect of slowing the rate of carrier construction, as described in the House bill. The conference report did not include the associated House

¹³⁸ For background, see CRS Report RL33946, *Navy Nuclear-Powered Surface Ships: Background, Issues, and Options for Congress*, by Ronald O'Rourke.

provision restricting the use of funds, but conferees included report language saying they “expect” the Navy not to take any action that would preclude building the next two carriers at four-year intervals until it completes the required report.

Littoral Combat Ships

Both versions of the bill authorized construction of three additional Littoral Combat Ships, as requested. H.R. 2647 also included a provision, requested by the Administration, that would liberalize the cost-cap of \$460 million per LCS set by existing law, by allowing the cap to be adjusted for inflation and by excluding certain costs. However, the House committee also added to that bill a provision (Section 121) authorizing the Navy to compile a technical data package that would allow it to put the contracts for these ships up for bid by other contractors if the two shipyards currently building LCS ships would not contract to build the FY2010 ships within the limits of the revised cost cap.

On September 16, 2009, the Navy announced a restructuring of the LCS program, cancelling its plan to build several ships to each of two competing designs before selecting one of the two for further production. Under the Navy’s new plan, it would choose between the two designs during FY2010. In addition, the Navy announced that, instead of buying three LCS ships in FY2010 (as provided for in the budget request), it would contract with the winning contractor to buy two ships in FY2010 as part of a so-called “block buy” of up to 10 ships to be funded through FY2014.¹³⁹

The conference report authorizes the revised program, including two ships to be funded in FY2010 for which it authorizes the same amount as had been requested for three LCS vessels (\$1.38 billion). It also would raise the cost-cap on the ships (while giving the Secretary of the Navy significant discretion to waive the cap) and it would require the competing shipyards’ bids to include delivery to the Navy of a technical data package that would allow it to put the contracts for these ships up for bid by other contractors.

Combat Aircraft—Authorization

The House and Senate versions of the bill both concurred in Secretary Gates’s recommendations to terminate development of the CSAR-X combat rescue helicopter and the VH-71 presidential

¹³⁹ Department of Defense, News Release, “Littoral Combat Ship Down Select Accounted,” No. 722-09, September 16, 2009.

A block buy contract is similar to a multi-year procurement (MYP) arrangement in that the U.S. government uses a single contract (rather than a series of annual contracts) to procure several units of a given weapon system that are planned for procurement over a period of up to five years. As with an MYP arrangement, the use in a block-buy arrangement of a single contract covering up to five years of procurement gives the contractor the confidence about future business that is needed for the contractor to make investments to optimize its workforce and capital plant that can result in a lower unit price for the weapons being procured. Unlike an MYP arrangement, a block buy contract does not include a large termination penalty to be paid in the event that the government breaks the contract because it has changed its mind about procuring all the items covered under the contract. Since the termination liability is part of what gives contractors confidence that the government will not change its mind and break the contract, the lack of such a penalty in a block buy contract means that the contractor does not have as much confidence about future business as it would under an MYP arrangement. A block buy contract, however, can be used on acquisition programs that do not meet the strict qualification tests for an MYP arrangement that are set forth in the statute governing MYP arrangements (10 USC 2306b). The first block buy contract was used to procure the first four Virginia (SSN-774) attack submarines during the five-year period FY1998-FY2002.

helicopter and to end procurement of C-17 wide-body cargo jets. Each bill rejected several of Gates's recommendations concerning combat aircraft.

F-22 Raptor

Neither the House nor Senate version of the bill authorized funds for procurement in FY2009 of additional F-22 fighters—funding for which was adamantly opposed by the President.

By a vote of 31-30, the House Armed Services Committee had added to the Administration's request an authorization of \$368 million to buy long lead-time components that would allow procurement in FY2011 of 12 additional F-22 fighters. H.R. 2647 would have funded the F-22 add-on without increasing the total amount authorized by cutting \$368.8 million from the \$5.5 billion requested for environmental cleanup of Energy Department sites associated with the nuclear weapons program.

The Senate Armed Services Committee voted 13-11 to include in S. 1390 authorization of \$1.75 billion to purchase seven additional F-22s in FY2010. Of that total, \$32.3 million was money appropriated for F-22 procurement in FY2009 but not spent by the Obama Administration. In floor action, however, by a vote of 58-40, the Senate adopted an amendment to the bill that would reverse the committee's action, stripping the \$1.75 billion from the F-22 program and reallocating it to the budget accounts the Armed Services Committee had reduced to cover the cost of the F-22 addition. The Senate acted after President Obama said unequivocally that he would veto any bill that would fund additional F-22s.

The conference report dropped the \$368 million for long lead-time procurement the House bill would have authorized. However, it retained in modified form a House provision that would require the Secretary of the Air Force to ensure the preservation of unique tooling that would be needed to resume F-22 production in the future.

F-35 Joint Strike Fighter

Rejecting a position taken by both the Bush and Obama Administrations, the conference report added to the budget request authorization of funds (\$560 million) to continue developing an alternate engine for the single-engine F-35 Joint Strike Fighter.

H.R. 2647 would have added a total of \$603 million to continue developing the alternate engine and prepare for its production. The bill would have offset that increase by cutting from the request two of the 30 F-35s requested (a \$308 million reduction) and approving only two-thirds of a proposed management reserve fund for the program (a further reduction of \$156 million).

The Senate Armed Services Committee included in S. 1390 an increase of \$438.9 million to continue development of the alternate engine, offsetting that addition by cutting the proposed management reserve by \$156 million, the same amount the House bill cut from that request. Facing an Administration threat to veto any defense bill that funded continuation of the alternate engine project,¹⁴⁰ the Senate adopted by voice vote an amendment to S. 1390 eliminating

¹⁴⁰In the Statements of Administration Policy (SAPs) regarding versions of the defense authorization bill drafted by the House Armed Services Committee and by the Senate Armed Services Committee, OMB said the President's senior advisors would recommend that he veto any bill that would "seriously disrupt" the F-35 program. This was less (continued...)

authorization to continue work on the alternate engine. This came after it rejected by a vote of 38-59 an amendment that would have reaffirmed the Armed Services Committee's action.

Retirement and Continued Production of Older Jets

The House bill would have delayed Secretary Gates's plan to retire 249 older combat jets, most of which are assigned to Air Force Reserve and Air National Guard units. It would have shifted from other parts of the Air Force budget request a total of \$344.6 million to continue operating those planes. The bill (Section 1047) also would have prohibited their retirement until 90 days after the Secretary of the Air Force submits to the Senate and House Armed Services committees a report detailing how the Air Force will fill the gaps left by the retirement of those planes and what missions it will assign to the bases and personnel associated with the aircraft.

The conference report retains the requirement for a report, but would bar retirement of the planes for 30 days after the report (rather than 90) and does not fund continued operation of the planes in the interim.

The House version of the bill also would have required (Section 133) the Secretary of Defense to report on alternative plans to prevent a prospective shortfall in Air Force fighters (as the service retires old planes more quickly than it fields new F-35s) by purchasing so-called "4.5 generation" fighters, that is, types currently in service, such as F-15s, F-16s and F/A-18s, that are equipped with improved radars and other upgrades. The conference report retains that provision with modifications (Section 131).

F/A-18E/F Super Hornet

The House and Senate versions of the bill each included provisions designed to put pressure on DOD to sign a multi-year contract for additional F/A-18E/F fighters, in order to reduce a prospective shortfall in carrier-based fighters.

The House bill would have authorized a multi-year contract to buy additional F/A-18 variants (including the single-seat "E" model, the dual-seat "F" model and the EF-18G, which is a version of the plane equipped to jam enemy radars). It also would have increased from \$51.4 million to \$159.4 million the amount authorized in FY2010 for long lead-time components to be used in planes that could be funded in FY2011. The House bill directed the Congressional Budget Office to compare, in terms of cost and effectiveness, the purchase of new F/A-18E/Fs with the refurbishing of older model F/A-18s. It also added to the bill a provision (Section 1051) expressing the sense of Congress that the Navy should field at least 10 carrier air wings, each equipped with at least 44 strike fighters.

The Senate Armed Services Committee, predicting that ongoing DOD studies would make the case for a signing a multi-year contract to buy new F/A-18E/Fs rather than refurbishing older planes, argued that the Navy should buy 18 of the "E" and "F" model planes in FY2010 – as it earlier had planned to do – rather than reducing the production run to nine planes, as the

(...continued)

unequivocal than the President's flat assertion that he would veto any bill that funded continued production of the F-22 fighter.

Administration's budget proposed. Accordingly, S. 1390 would have authorized \$1.57 billion for 18 F/A-18E/Fs, an increase of \$560 million over the request.

The conference report authorizes a multi-year contract for F/A-18 type aircraft and authorizes funding in FY2010 for 18 of the planes, rather than the 9 requested, adding \$512.3 million to the amount requested.

Ground Combat Systems—Authorization¹⁴¹

Future Combat Systems (FCS)

The House and Senate Armed Services committees both endorsed Secretary Gates's recommendation to terminate development within the Army's Future Combat Systems (FCS) program of several new kinds of manned ground combat vehicles, including a self-propelled howitzer. However, both panels proposed reductions in the amounts authorized for the payments required to cancel existing contracts on those projects.

The House version of the bill authorized \$100 million of the \$426.8 million requested to terminate those parts of the program, arguing that unspent FCS funds appropriated for FY2009 would cover the balance of the termination costs. The Senate committee cut \$381.8 million of the FCS termination request and authorized the remaining \$45 million to continue developing "active protection systems"—small weapons mounted on combat vehicles to intercept approaching missiles.

The conference report made smaller reductions in the proposed FCS termination costs than either the House or Senate bill, authorizing \$215.8 million of the \$426.8 million requested to terminate the ground combat vehicles projects. Like the House and Senate versions of the bill, the conference report authorizes the \$2.12 billion requested to continue developing other components of FCS.

The conference report incorporates a Senate provision (which was very similar to a House provision) requiring the Army to create two new programs—one to develop a new self-propelled cannon and one to develop a family of other ground combat vehicles – and to report on its plans to acquire those new systems. Like the Senate bill, the conference report also would require DOD to contract with a non-governmental organization to assess the research needed to develop technologies that would be required by a new generation of ground combat vehicles.

In its report on H.R. 2647, the House Armed Services Committee offered specific recommendations for how the Army should modernize its combat vehicle fleet in the absence of FCS, taking into account the large amounts spent to modernize existing vehicles in recent years. The committee recommended that current fleet of M-1 tanks, Paladin cannons and Stryker armored combat vehicles should be given upgrades—including some technologies developed as part of FCS, such as the "active defense system" intended to shoot down approaching anti-tank missiles. Two other types of armored carriers—Bradleys and the older M-113s—should be candidates for replacement by new vehicles, the committee said.

¹⁴¹ For additional background on the Administration request, see above, "Ground Combat Systems (FCS and EFV)—Request." For appropriations action, see below "Ground Combat Systems—Appropriation."

The conference report directed the Army to give priority to upgrading the existing Paladin howitzer.

Expeditionary Fighting Vehicle

As authorized by both the House and Senate versions of the bill, the conference report authorizes, as requested, \$293.5 million to continue development of the Marine Corps' Expeditionary Fighting Vehicle (EFV), an armored amphibious troop carrier designed to carry Marines ashore from transport ships more than 20 miles offshore.

The House Armed Services Committee, which has criticized the EFV design as being too vulnerable to so-called improvised explosive devices (IEDs), insisted that the Marines explore various modifications that would give troops inside an EFV at least the same level of protection against IEDs as they would have riding in the heaviest Mine-Resistant, Ambush-Protected (MRAP) vehicles. The committee directed the Secretary of the Navy to give the congressional defense committees a report on EFV survivability options.

Military Personnel Policy: End-Strength, Pay Raise

Like the House and Senate bills, the conference report authorizes, as requested, a total end-strength of 1.41 million personnel for active-duty members of the four armed forces, an increase of 40,227 over the FY2009 level. This total includes limits of 547,400 for the Army and 202,100 for the Marine Corps, which mark the achievement by those two services three years earlier than planned of a decision to increase their combined end-strengths by a total of 92,000 personnel over their FY2007 levels.

The conference report, like the House and Senate bills, also authorizes the Army to increase its end-strength by an additional 30,000 active-duty personnel through FY2012.

Like the House and Senate versions, the conference report also authorizes a 3.4% increase in basic pay for military personnel, which is one-half of a percentage point above the Administration's request. This would be the eleventh consecutive year that legislation has given the military a pay raise that equals or exceeds the Labor Department's Employment Cost Index (ECI), a measure of private sector wage growth.

DOD Civilian Employees: NSPS, A-76

The House bill would freeze implementation of the National Security Personnel System (NSPS) and the parallel Defense Civilian Intelligence Personnel System (DCIPS), both of which are pay-for-performance systems affording managers more flexibility in hiring and determining compensation for employees than the federal government's General Schedule.

The Senate version of the bill, was silent on the DCIPS but would have eliminated NSPS unless the Secretary of Defense certified that its termination would not be in the best interest of DOD and provided a schedule for making changes "to improve the fairness, credibility and transparency" of NSPS.

The conference report terminated NSPS and required that all employees currently covered by that system transition by January 1, 2012 back to their previous personnel system.

The House bill would have terminated all on-going “A-76” competitions to determine whether jobs currently performed by federal employees should be out-sourced to private contractors. The Senate bill would have terminated A-76 competitions that had exceeded certain time limits. The conference report terminates no on-going competitions, but imposes a moratorium on beginning new A-76 competitions until DOD complies with certain existing legal requirements, a contingency which, in effect, would bar new competitions through October 15, 2010, according to the conferees.

Military Personnel Policy Issues

For additional analysis of selected military personnel policy issues in the FY2010 defense authorization bills, see CRS Report R40711, *FY2010 National Defense Authorization Act: Selected Military Personnel Policy Issues*, coordinated by Don J. Jansen.

Concurrent Receipt

The House version of the bill would have funded an initial increment of an initiative, proposed by President Obama, to expand the number of disabled military retirees entitled to “concurrent receipt” of both their military retired pay and disability-based stipends from the Department of Veterans Affairs. Since 2001, Congress has taken several steps to liberalize a general policy (the roots of which date from 1891) requiring disabled military retirees to forego an amount of their retired pay equal to the amount of any veterans disability stipend.

Under congressional budget rules, the cost of the Administration proposal would have to be offset by either a reduction in already-mandated expenditures or an increase in revenue. A funding offset large enough to cover the cost of the President’s concurrent receipt proposal through FY2010 was provided by a bill (H.R. 2990) the House passed June 24 by a vote of 404-0. The text of H.R. 2990 was incorporated into the defense authorization bill by H.Res. 572, the rule governing floor action on the defense bill, which the House adopted June 24 by a vote of 222-202.

Neither the Senate version of the bill nor the conference report acted on the concurrent receipt issue.

Military Commissions, Detainees and Guantanamo Bay¹⁴²

The conference report includes, in modified form, several provisions in the Senate version of the bill that amend the Military Commissions Act of 2006 (P.L. 109-366), which codified rules under which military tribunals could try non-U.S. citizens detained in the course of the war against terrorism (Sections 1801-07).

Regarding military commissions, some key provisions of the final version of H.R. 2647 include the following:

¹⁴² Prepared by Jennifer K. Elsea, Legislative Attorney and Michael John Garcia, Legislative Attorney, Courts and International Section, American Law Division, Congressional Research Service. For additional background on military commissions, see CRS Report R40752, *The Military Commissions Act of 2006 (MCA): Background and Proposed Amendments*, by Jennifer K. Elsea.

- Military commissions would have jurisdiction over “alien unprivileged enemy belligerents,” a class of persons defined somewhat differently from “alien unlawful enemy combatants,” the class of persons subject to military commissions under current law. Under the provision in the conference report, membership in al Qaeda at the time an offense occurred would be sufficient to meet the definition, even if the person did not engage in or support hostilities against the United States.
- Confessions allegedly elicited through cruel, inhuman, or degrading treatment, would be inadmissible even if they were made prior to the enactment of the Detainee Treatment Act of 2005 (42 U.S.C. § 2000dd), which bars the use of such confessions only if they were made after its enactment. The conference report also bars the admission of any other statement of the accused unless the military judge finds it reliable and voluntarily given. The requirement that the statement be voluntary would be waived if it were taken in a combat circumstances.
- In the case of hearsay evidence, the party offering the evidence would have the burden of demonstrating that it is reliable, whereas under current law, the opponent has the burden of proving that it is unreliable. The conference report includes a requirement that the judge consider whether the declarant’s will was overborne.
- The prosecutors’ obligation to disclose exculpatory information would include mitigating evidence, and the obligation would extend to all information that is known or reasonably should be known to any government officials who participated in the investigation and prosecution of the case.
- The conference report provides for additional counsel for those charged with capital crimes, and recommends that the defense be fully resourced, particularly in capital cases.
- The conference report retained the Court of Military Commission Review, created by the 2006 Military Commissions Act to review any judgment rendered by a military commission. The Senate bill would have assigned that role to the Court of Appeals for the Armed Forces.
- The conference report contains a detailed provision governing the use of classified information, establishing procedures for military commissions that are similar to the procedures used in federal courts and courts-martial.

Detainees and Guantanamo Bay

The conference report on H.R. 2647 retained, with modifications, a provision of the Senate bill that would prohibit the use of contract employees to conduct interrogations of individuals detained during hostilities (Section 1038). Unlike the Senate version of the bill, in which the prohibition was absolute, the conference report would allow the Secretary of Defense to waive the ban, with the proviso that he notify Congress within five days of issuing such a waiver.

The conference report would prohibit the President (thru December 31, 2010) from releasing in the United States, its territories or possessions any non-U.S. citizen detainee held at the Guantanamo Bay Naval Station. It also would prohibit, for the same time period, transfer of any Guantanamo detainee to those areas until 45 days after the President has submitted to the

congressional defense committees a plan for the disposition of such person, including an assessment of the risks entailed by the proposed action and a plan for mitigating those risks (with an estimate of the associated costs), and the location or locations to which the detainee would be transferred. The House version of the bill included a prohibition that was similar except that it was open-ended (i.e., did not lapse on December 31, 2010) and it would have required 120 days' prior notice to Congress.

The conference report also incorporated several provisions of the House-passed version of the bill (some of them with modifications) that deal with the treatment of detainees. These provisions would:

- Prohibit of reading Miranda rights to any foreign belligerent, privileged or unprivileged, captured outside the United States, unless a court rules otherwise; and require a report on how the reading to detainees of their "Miranda rights" may affect military operations in Afghanistan, including any effects on intelligence collection through interrogations (Section 1040);
- Require DOD to videotape or otherwise electronically record strategic intelligence interrogations of persons in its custody, under its effective control, or under detention at a DOD theater-level detention facility, with the proviso that the Secretary of Defense could waive the requirement and notify Congress (Section 1080);
- Require that the International Committee of the Red Cross (ICRC) be notified whenever a detainee comes into U.S. custody or under U.S. control at the detention facility at Bagram Air Base in Afghanistan. The ICRC would have access to such detainees "as soon as practicable" after submitting a request to visit a detainee. The House version of the bill had required notification of the ICRC within 24 hours of the detainee's coming into U.S. custody (Section 1039).

Hate Crimes (Title XLVII)¹⁴³

The conference report included, with modifications, provisions of the Senate-passed bill relating to so-called hate crimes. The Senate provisions, in turn, largely mirrored the provisions of H.R. 1913, passed by the House April 29, 2009.

Current law defines hate crime as any crime against either person or property in which the offender intentionally selects the victim because of the victim's actual or perceived race, color, religion, national origin, ethnicity, gender, disability, or sexual orientation. Hate crimes are not separate and distinct offenses. Rather, hate crimes are traditional crimes, during which the offender is motivated by one or more biases that are considered to be particularly reprehensible and damaging to society as a whole. Federal jurisdiction over hate crime, however, is limited to certain civil rights offenses, which are considered to be "hate crimes" when it is determined that the offender was motivated by a bias against race, color, religion, national origin, and, in limited instances, disability.

During Senate debate on the defense authorization bill, it adopted by voice vote an amendment – similar to H.R. 1913—that would broaden federal jurisdiction over hate crimes by authorizing the

¹⁴³ Prepared by William J. Krouse, Specialist in Domestic Security and Crime Policy.

Attorney General to provide assistance (technical, forensic, prosecutorial, or other), when requested by a state, local, or tribal official, for crimes that (1) would constitute a violent crime under federal law or a felony under state or tribal law, and (2) are motivated by the victim's actual or perceived race, color, religion, national origin, gender, sexual orientation, gender identity, or disability.

The Senate also adopted, by a vote of 78-13, an amendment to the hate crimes amendment that would prohibit the implementation of any provision of the amendment in a manner that would violate or burden the exercise of an individual or group's First Amendment rights to free speech and association provided the actions in question were not intended to plan or incite violence against another individual.

Although supporters of the amendment argued that greater federal involvement would ensure that hate crimes are systematically addressed, some opponents contended that additional federal penalties for hate crimes would be redundant and largely symbolic, as penalties for those crimes already exist under state law. The Senate rejected by a vote of 29-62 an alternative amendment that would have required a report on state-level hate crimes investigations, prosecutions, and sentencing.

The conference report on H.R. 2647 dropped a Senate provision authorizing the death penalty for certain hate crimes, but retained a Senate provision prohibiting assault and battery against a person on account of their military service or status as a member of the U.S. Armed Forces. The conference report also added to the Senate-passed language provisions that would (1) define the term "state" to include the District of Columbia, Puerto Rico, and any other territory or possession of the United States, (2) establish a seven-year statute of limitations for hate crimes that did not result in death, and (3) require the U.S. Sentencing Commission to produce a report on mandatory minimum sentencing provisions under federal law.

Economic Development Conveyance of Surplus Real Property (BRAC)

Current statute (Section 2905 of the Defense Base Closure and Realignment Act of 1990) requires the Secretary of Defense to seek fair market value prior to conveying real property (land or permanent structures) declared surplus during the current round of military base closures to local authorities. Section 2705 of the conference report eliminated this requirement on condition that the authority to which the property is transferred adhere to certain restrictions in its redevelopment. The bill also allows the Secretary to accept, as consideration for the property's value, a portion of the third-party sale or lease revenues collected by the property's redevelopment authority, payment in kind (in the form of goods and services), other real property or property improvements, or other considerations the Secretary considers to be appropriate.¹⁴⁴

Guam Realignment

Sections 2831 through 2837 contain provisions related to military force realignment on Guam, which includes the movement of forces forward from domestic bases and the redeployment of

¹⁴⁴ For a discussion of economic redevelopment conveyances, see CRS Report R40620, *Military Installation Real Property and Services: Proposed Legislation in the 111th Congress*, coordinated by Daniel H. Else.

Marine units from their garrisons in the Japanese Prefecture of Okinawa to new locations in the Territory.

The bill appoints the Deputy Secretary of Defense as leader of the interagency Guam Executive Council. It also labels any corporation, agency, etc., able to build military family housing or provide utilities to military installations on Guam as “special purpose entities” (SPE) and requires the Secretary of Defense to report on how he intends to employ SPEs in support of the redeployment. The bill requires the use of DOD’s “unified facilities criteria” (UFC) as the minimum construction standard for all projects funded by contributions made by the Government of Japan for the relocation.¹⁴⁵

Local wage rates would apply to construction workers employed on relocation projects, and the bill stipulates a number of measures that would emphasize the recruitment of the US construction workers before H2B visa waivers could be issued to foreign laborers. The bill also creates an Interagency Coordination Group for Guam Realignment, chaired by the DOD Inspector General (IG) that includes the IGs of other federal agencies. The Group would report annually to the congressional defense committees on realignment activities.¹⁴⁶

Other Senate Provisions

Following are among the other issues on which the Senate took action during debate on the FY2010 defense authorization bill. None of them were dealt with in the conference report on H.R. 2647.

“Concealed Carry” Permits

The Senate rejected an amendment that would allow citizens who have obtained permits from their home states to carry concealed firearms to carry concealed firearms in any other state that issues such permits. The amendment garnered 58 “aye” votes and 39 “nays”; however, it was debated under an agreement stipulating that the amendment would be agreed to only if it obtained 60 or more “yeas.”

Strategic Arms Treaty

By voice vote, the Senate adopted an amendment expressing the sense of the Senate that the follow-on agreement to the expiring Strategic Arms Reduction Treaty (START) should not include limitations on ballistic missile defense, military capabilities in space or advanced conventional weapons. The amendment also requires a presidential report on plans to improve the safety and reliability of U.S. nuclear weapons and to modernize the Energy Department’s nuclear weapons complex.

¹⁴⁵ UFC is a series of documents that delineates all technical criteria and standards pertaining to planning, design, construction, and operation and maintenance of real property facilities within DOD. These may be downloaded from the U.S. Army Corps of Engineers Protective Design Center library <https://pdc.usace.army.mil/library/ufc> and reviewed.

¹⁴⁶ Additional discussion on the Guam realignment may be found in CRS Report R40731, *Military Construction, Veterans Affairs, and Related Agencies: FY2010 Appropriations*, coordinated by Daniel H. Else.

The version of the amendment that was adopted supplanted an earlier version which would have barred the use of funds to implement a START follow-on agreement unless (1) the treaty placed no limits on missile defenses, space capabilities or advanced conventional weapons and (2) the Administration's FY2011 budget provides sufficient funding for the Energy Department's nuclear complex to maintain the reliability and safety of remaining U.S. nuclear forces and to modernize the weapons complex.

North Korean Sanctions

The Senate rejected by a vote of 43-54 an amendment expressing the sense of the Senate that North Korea should be officially designated as a state sponsor of terrorism. North Korea had been so-designated by the State Department, but that designation was rescinded in October 2008. Subsequently, the Senate adopted, by a vote of 66-31, an amendment requiring a review of North Korea's conduct to determine whether it should be re-listed as a state sponsor of terrorism.

Table 7. FY2010 National Defense Authorization Act, House and Senate Action by Title, H.R. 2647, S. 1390

(amounts in millions of dollars)

	Administration Request	House- Passed H.R. 2647	Senate- Passed S. 1390	Conference Report H.R. 2647
National Defense Authorization – Base Budget				
Procurement	105,819.3	105,198.2	105,749.7	105,029.4
Research, Development, Test & Evaluation	78,634.3	79,654.5	79,617.8	79,251.6
Operation and Maintenance	156,444.2	157,276.6	156,393.0	156,179.9
Military Personnel	136,016.3	135,723.8	136,016.3	136,016.3
Other Authorizations	33,915.1	33,011.9	33,552.6	34,033.9
Subtotal, DOD (non-MilCon) – Base Budget	510,829.2	510,865.0	511,329.4	510,511.1
Military Construction	13,111.1	13,635.3	12,733.8	13,692.1
Family Housing	1,958.7	1,958.7	2,308.7	2,235.5
Base Realignment and Closure (BRAC)	7,876.3	7,666.3	7,876.3	7,952.3
Prior year savings	—	-85.3	-112.5	-175.8
General Reduction	—	—	—	-529.1
Subtotal, MilCon, Family Housing, BRAC – Base Budget	22,946.0	23,175.0	22,806.3	23,175.0
Total, DOD – Base Budget	533,775.3	534,040.0	534,135.7	533,686.1

	Administration Request	House- Passed H.R. 2647	Senate- Passed S. 1390	Conference Report H.R. 2647
Atomic Energy Defense Programs	16,424.0	16,507.3	16,424.0	16,512.5
Total Base Budget, National Defense Authorization (Budget Function 050)	550,199.3	550,547.3	550,559.7	550,198.5
Overseas Contingency Operations				
Procurement	23,741.2	24,416.0	24,370.1	23,878.6
Research, Development, Test & Evaluation	310.3	410.3	310.3	293.3
Operation and Maintenance	80,793.5	80,718.7	80,239.2 ^a	80,794.7
Military Personnel	13,586.3	13,586.3	13,586.3	14,146.3
Other Authorizations ^a	10,163.7	9,463.7	9,351.5	9,481.9
Military Construction	1,405.0	1,405.0	1,405.0	1,399.0
Total, DOD Overseas Contingency Operations	130,000.0	129,325.0	129,260.0	129,993.7
Error correction		-120.0		
Grand Total, National Defense Authorization	680,177.3	679,752.3	679,819.7	680,192.2

Sources: CRS calculations based on House Armed Services Committee, Report to Accompany H.R. 2647, the National Defense Authorization Act for Fiscal Year 2010, H.Rept. 111-166, June 18, 2009; Senate Armed Services Committee, Report to Accompany S. 1390, the National Defense Authorization Act for Fiscal Year 2010, S.Rept. 111-35, July 2, 2009.

- a. The Senate Armed Services Committee includes in this line \$7.46 billion requested by the administration and authorized by both bills for the Afghanistan Security Forces Fund. This table, like the House Armed Services Committee's summary chart, includes that program in the line entitled, "Other Authorizations."

FY2010 Defense Appropriations Bill

The FY2010 defense appropriations bill which the House passed July 30 by a vote of 400-30 (H.R. 3326) would challenge the Obama Administration's proposals to terminate or reduce funding for three major weapons programs. The bill would continue development of an alternate engine for the F-35 Joint Strike Fighter (\$560 million), continue production of the C-17 cargo plane (\$674 million), and spend an additional \$400 million on the VH-71 executive helicopter program, all of which actions the Administration opposed and two of which – the alternate engine and the VH-71 – drew threats that the President might veto a bill that funded them.

The bill also would add to the budget request nine F/A-18E/F fighters (\$495 million) one Littoral Combat Ship (\$540 million) plus \$240 million to fully fund the three LCS ships requested, and a

third high-speed transport ship (\$180 million) in addition to the two requested (one apiece for the Army and Navy).

As reported by the House Appropriations Committee, H.R. 3326 also would have added to the budget request funds to continue production of the F-22 fighter, which the Obama Administration—like the preceding Bush Administration—had decided to terminate. President Obama also had said, in unusually explicit terms, that he would veto any defense bill that provided funding for continued F-22 production. Before the House passed the bill, it adopted by a vote of 269-165 an amendment deleting the additional F-22 procurement funds.

In its report, the House committee noted that the Administration had not submitted to Congress the annual Selected Acquisition Reports (SARs), which provide cost and schedule data on major equipment purchases. Noting that the Government Accountability Office (GAO) relied on data from these reports to perform its annual assessment of major weapons programs, the committee directed the Secretary of Defense to provide “SAR-like” data—including future budget projections—to GAO in time for that agency to present Congress with its annual program review in March 2010.

Like the House-passed version of H.R. 3326, the version of the FY2010 defense appropriations bill passed by the Senate on October 6 (which the Senate Appropriations Committee had reported September 10; S.Rept. 111-74), concurred with most of the Obama Administration’s proposals to terminate or reduce funding for several high-profile weapons programs including production of the VH-71 White House helicopter and F-22 fighter. However, the Senate’s version of the bill also concurred in the Administration’s decision to terminate development of an alternate engine for the F-35 fighter, whereas the House version of the bill added funding to continue that effort.

Like the House-passed bill, the Senate version also would add funds to buy 18 F/A-18E/F Navy fighters, instead of the nine planes requested by the Administration. The Senate version would fund these aircraft (\$512.3 million) in the section of the bill that funds war costs. It also would sustain the production line for the C-17 cargo plane, which is slated to shut down, by adding to the budget request funds for 10 C-17s (\$2.50 billion). The House bill added funds for three C-17s.

The Senate bill would cut \$900 million from the \$7.5 billion requested for training and equipping Afghan security forces, and \$300 million from the \$1.5 billion requested the Commanders Emergency Response Fund (CERP), from which U.S. forces in Iraq and Afghanistan pay for local security and economic development projects. The committee used those cuts to fund its \$1.2 billion addition to the Administration’s request for Mine-Resistant, Ambush-Protected (MRAP) vehicles.

The Senate bill also would add to the budget request \$1.5 billion for equipment for National Guard and reserve forces.

Funding levels appropriated by H.R. 3326 as enacted by the House and Senate are summarized in **Table 8**, below. Funding levels authorized and appropriated for selected programs are summarized in the **Appendix**.

Following are highlights of the versions of H.R. 3326, which the House passed July 30 by a vote of 400-30 (H.Rept. 111-230) and which the Senate passed October 6 by a vote of 93-7 (S.Rept. 111-74):

Ballistic Missile Defense—Appropriation¹⁴⁷

Both versions of the bill generally supported the Administration's decisions to slow or terminate some technologically advanced anti-missile systems while increasing the procurement of Aegis and THAAD interceptor missiles designed to cope with near-term missile threats. However, there were some important differences between the two bills. (For additional background on the Administration request, see "Missile Defense—Request," above.)

Theater Defenses (THAAD, SM-3, Aegis)

The Senate bill adds a total of \$133.6 million to the amounts requested for THAAD and Aegis, including:

- \$57.6 million (in addition to \$168.7 million requested) for SM-3 interceptor missiles used by the Navy's shipborne Aegis system;
- \$35 million (in addition to \$222.4 million requested) for development of improved variants of the SM-3; and
- \$41 million for the radar component of the land-based THAAD system (for which no funds were requested).

In OMB's September 25 Statement of Administration Policy (SAP) regarding the Senate bill, the Administration opposed the additional funding for the THAAD radar, saying it was premature.

The House bill provided the amounts requested for those programs.

Kinetic Energy Interceptor (KEI)

One program on which the House-passed appropriation bill H.R. 3326 differed from the budget request and from the Senate version of H.R. 3326 (and from the two authorization bills) was the Kinetic Energy Interceptor (KEI)—a very fast missile intended to intercept enemy missiles early in their flight. Defense Secretary Gates had recommended cancelling the program on cost and technical grounds. The House-passed version of H.R. 3326 adds to the budget request \$80 million so that some KEI technologies could be adapted to other missile defense programs.

The House rejected by a vote of 124-307 an amendment that would have dropped the KEI funding from the bill.

European Missile Defense Site

According to the Statement of Administration Policy (SAP) on H.R. 3326 issued by the Office of Management and Budget (OMB) on July 29, the Administration "strongly objects" to a provision of the House bill that would rescind \$114.7 million that had been appropriated in FY2009 for work on a European missile defense site and \$40.2 million that had been appropriated for the projected Space Tracking and Surveillance System (STSS) which is intended to be a network of

¹⁴⁷For additional background on the Administration request, see "Missile Defense—Request." For authorization action, see "Ballistic Missile Defense—Authorization."

missile tracking satellites.¹⁴⁸ These were among rescissions of prior appropriations included in the H.R. 3326 with a total value of \$1.39 billion which reduced the budgetary impact of the bill by that amount.

The Senate bill does not include the European site or STSS among the programs from which it rescinds a total of \$1.28 billion in prior-year appropriations.

On September 17, 2009, President Obama cancelled the plan to deploy a missile defense system in Poland and the Czech Republic, designed to intercept long-range missiles launched from Iran at U.S. territory. The system would have used a two-stage version of the three-stage “ground-based interceptor” (GBI), 30 of which currently are deployed in Alaska and California. In place of that system, the Administration announced plans to acquire a network of mobile radars and interceptor missiles, including the SM-3 intended to defend Europe against Iranian missiles of short and medium range. The President said U.S. intelligence agencies had concluded that Iran’s effort to develop long-range ballistic missiles was taking longer than had been assumed while it was moving more quickly than had been forecast to develop missiles that could fly far enough to hit Europe, but not far enough to hit U.S. territory.¹⁴⁹

Although the Administration cancelled the plan to deploy in Europe a two-stage version of the GBI, it planned to continue developing that weapon. The Senate Appropriations Committee added to the appropriations bill \$50 million to sustain a production capacity for those weapons. By voice vote, the Senate adopted an amendment by Senator Joseph I. Lieberman that would require DOD to spend on development of the two-stage GBI at least \$50 million (and would give DOD discretion to spend as much as \$151 million) of the funds appropriated for missile defense in Europe by H.R.3326 and by the FY2009 DOD appropriations bill.

Shipbuilding—Appropriation¹⁵⁰

The House committee warned that the FY2010 request for Navy ships would continue a pattern of buying too few ships annually to sustain a fleet of 313 vessels, which is the DOD goal. While the 313-ship fleet would require buying an average of 10 ships per year to replace vessels as they reach the end of their service-life, the Obama Administration’s \$13.8 billion shipbuilding request would buy eight ships, slightly above the average for the past decade.¹⁵¹

The House bill adds two ships and a total of \$944.7 million to the Administration’s shipbuilding request.

The Senate bill cuts two ships but adds one for a total increase in shipbuilding funds of \$1.2 billion.

¹⁴⁸ Executive Office of the President, Office of Management and Budget, “Statement of Administration Policy: H.R. 3326 – Department of Defense Appropriations Act, 2010,” July 28, 2009.

¹⁴⁹ The White House, Office of the Press Secretary, “Fact Sheet on U.S. Missile Defense Policy; A “Phased, Adaptive Approach” for Missile Defense in Europe,” September 17, 2009. For additional background, see CRS Report RL34051, *Long-Range Ballistic Missile Defense in Europe*, by Steven A. Hildreth and Carl Ek.

¹⁵⁰ For additional background on the Administration request, see “Shipbuilding—Request.” For authorization action, see “Shipbuilding—Authorization.”

¹⁵¹ For additional background, see CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by Ronald O'Rourke.

Surface Combatants (DDG-1000, DDG-51, CG(X), LCS)

Both the House-passed bill and the Senate version basically approved the \$1.07 billion requested for a third destroyer of the DDG-1000-class, which is the last ship of this type the Navy plans to acquire. The House bill would trim the request by \$11 million while the Senate bill would shift into the DDG-1000 funding line \$320.6 million the budget request includes in a separate line to cover costs associated with building this class of ships that are not allocated to any one vessel.

The Senate bill also adds to the request \$1.74 billion for a second DDG-51 destroyer, in addition to providing the \$1.91 billion requested for one ship of this class.

The House version of the bill cuts \$40 million from the \$150.0 million requested for development of a new class of cruisers, designated CG(X), intended to replace existing Aegis cruisers. The Senate version cuts \$64 million from the request.¹⁵²

The House and Senate Appropriations Committees agreed that the three Littoral Combat Ships the Administration plans to purchase are not fully funded by the accompanying \$1.38 billion budget request. But, whereas the House committee added to the bill passed by the House \$240 million to fully fund the three ships requested plus an additional \$540 million for a fourth LCS, the Senate committee cut \$300 million from the request in the Senate bill and directed the Navy to buy only two of the ships.

On September 16, 2009, the Navy announced a restructuring of the LCS program, cancelling its plan to build several ships to each of two competing designs before selecting one of the two for further production. Under the Navy's new plan, it would choose between the two designs during FY2010 and would procure two LCS ships in FY2010 (instead of the three included in the FY2010 budget request).¹⁵³

Other Ships (LHA, Joint High Speed Vessel, T-AKE)

The House bill adds to the budget request \$180 million for a third Joint High Speed Vessel, in addition to the one requested in the Navy budget (\$178.0 million) and another in the Army budget (\$183.7 million). These are small ships based on the design of high-speed ferries intended to haul cargo and combat units over distances of up to several hundred miles.

The Senate bill provides \$400 million for one T-AKE type supply ship rather than, as requested, \$800 million for two ships. It also adds to the amount requested \$170 million for advance work on a helicopter carrier (LHA) for which the Navy plans to request most of the funding in FY2011.

¹⁵² For additional background, see CRS Report RL32109, *Navy DDG-51 and DDG-1000 Destroyer Programs: Background and Issues for Congress*, by Ronald O'Rourke, and CRS Report RL34179, *Navy CG(X) Cruiser Program: Background, Oversight Issues, and Options for Congress*, by Ronald O'Rourke.

¹⁵³ Department of Defense, News Release, "Littoral Combat Ship Down Select Announced," No. 722-09, September 16, 2009. For additional background, see CRS Report RL33741, *Navy Littoral Combat Ship (LCS) Program: Background, Issues, and Options for Congress*, by Ronald O'Rourke.

Aircraft—Appropriation¹⁵⁴

Most of the Administration's proposals to terminate certain major aircraft programs are incorporated into both the version of H.R. 3326 passed by the House and the version before the Senate. However, both versions of the bill also add to the budget funds to continue production of the C-17 cargo jets and to buy other aircraft not funded by the budget request.

F-22

As reported by the House Appropriations Committee, the bill included \$368.8 million for long lead-time components that would permit the funding of 12 more F-22 fighters in FY2011. However the House adopted by a vote of 269-165 an amendment by Defense Appropriations Subcommittee Chairman John P. Murtha to reallocate that money, in light of President Obama's insistence that he would veto a bill that included funds to continue F-22 production. Subsequently, the House reaffirmed that position, rejecting by a vote of 169-261 a procedural motion that was, in effect, an amendment to restore the F-22 procurement funds.¹⁵⁵

The House bill also includes a provision barring the use of funds to approve or license the sale of F-22s to any other country, a provision that has been included in the defense appropriations bill for every year since FY1998.

The Senate version includes no funds to continue F-22 production. But, while retaining the ban on approving any foreign sale of the plane, it would explicitly allow DOD to "conduct or participate in studies, research design and other activities," to develop an "export" version of the plane, in which the use of appropriated funds to develop an "export" version of the plane, modified to protect classified information (Section 8056).

F-35 Joint Strike Fighter, Alternate Engine

The House-passed bill includes \$560 million to continue development of an alternate engine for the F-35 Joint Strike Fighter. The House Appropriations Committee largely offset the cost of the alternate engine project by cutting from the budget two of the 30 F-35s requested (\$300 million) and \$232 million requested for one-time costs associated with the program because, the committee said, the program had not yet expended more than \$200 million appropriated in prior years for these costs.

In a Statement of Administration Policy (SAP) issued before the House passed H.R. 3326, the Office of Management and Budget said the Administration "strongly objects" to any action that would delay the F-35 program, as administration officials have insisted the alternative engine project would do, and that the President's advisers would recommend that he veto the defense bill, if it includes funding for the alternate engine. Concerning additional F-22 production funds,

¹⁵⁴ For additional background on the Administration's request, see "Aircraft—Request." For authorization action, see "Combat Aircraft—Authorization."

¹⁵⁵ For additional background, see CRS Report RL31673, *Air Force F-22 Fighter Program: Background and Issues for Congress*, by Jeremiah Gertler.

the SAP was more unequivocal, stating that the President “will veto” the defense bill if it includes such funds.¹⁵⁶

F/A-18E/F and E/F-18G

Both versions of the bill would add nine F/A-18E/F Navy fighters to the nine planes requested (\$1.0 billion). The House-passed version would add \$495 million for the additional planes plus \$108 million for long lead-time components that would allow the Navy to sign a five-year contract for 150 additional F/A-18E/Fs beginning in FY2011. The Senate bill would add \$512.3 million for nine additional F/A-18E/Fs to the section of the bill that funds war costs.

The stated rationale in both cases is that additional F/A-18E/Fs are needed to mitigate a shortfall in the Navy’s force of carrier-based fighters that otherwise would occur because repeated combat deployments are wearing out the F/A-18s currently in service earlier than had been projected, plans to extend the life of those aircraft are more problematic than had been assumed, and production of F-35 Joint Strike Fighters intended to replace the older F/A-18s has been delayed.¹⁵⁷

Both versions of the bill provide, as requested, \$1.61 billion for 22 radar-jammer versions of the F/A-18E/F, which are designated E/F-18Gs.

“Light Attack” Plane

In its report on the bill, the Senate Appropriations Committee noted that the Navy and Air Force are exploring the possibility of acquiring so-called “light attack” planes, which could be any of several types of off-the-shelf aircraft—some of them armed versions of training planes—that are less expensive than front-line fighters and which are designed for combat against relatively lightly armed insurgent forces.

The Committee directed the services to treat this project as a “new start” acquisition program, going through established procedures to fund the effort and to solicit proposals from contractors.

C-17

The House-passed bill adds to the budget request \$674.1 million for three C-17 wide-body, intercontinental cargo planes, whereas the Senate bill adds \$2.50 billion for 10 of the planes.

During Senate consideration of the bill, it – in effect—killed by a vote of 34-64 an amendment by Senator McCain that would have eliminated funding for the 10 C-17 cargo planes the Appropriations Committee had added to its version of H.R. 3326. The amendment would have reallocated the added funds (\$2.5 billion) to operations and maintenance (O&M) accounts in the bill. The amendment would have violated the Senate’s budget rules by increasing budget outlays resulting from the bill during FY2010, thus exceeding a cap on outlays established pursuant to the

¹⁵⁶ For additional background, see CRS Report RL30563, *F-35 Joint Strike Fighter (JSF) Program: Background and Issues for Congress*, by Jeremiah Gertler.

¹⁵⁷ For additional background, see CRS Report RL30624, *Navy F/A-18E/F and EA-18G Aircraft Procurement and Strike Fighter Shortfall: Background and Issues for Congress*, by Jeremiah Gertler.

congressional budget resolution. The reason the amendment would have increased FY2010 outlays is that funds appropriated for O&M accounts are spent more quickly than funds appropriated for aircraft procurement accounts.

The vote that killed Senator McCain's amendment came on a motion to exempt the C-17 amendment from those budget rules. After that motion—which would have required 60 votes for adoption—was rejected, the amendment was ruled out of order.

On October 6, the Senate rejected by a vote of 30-68 a second McCain amendment that would simply have dropped from the bill the \$1.5 billion added to the budget to buy C-17s.¹⁵⁸

In the Statements of Administration Policy (SAPs) released by the Office of Management and Budget (OMB) concerning both the House and Senate versions of the defense bill, OMB said the Administration “strongly objected” to funding additional C-17s, but did not specifically say that the bill might be vetoed if it were not brought into line with the Administration's request. President Obama had made such an explicit veto threat to back up his objection to congressional initiatives to fund production of additional F-22s.¹⁵⁹

Replacement Tanker

The Senate bill cuts \$30 million from the \$439.6 million requested to begin acquiring a new fleet of mid-air refueling tankers from one or both of the companies that had competed for the contract in 2008-2009. The Air Force had selected Europe-based EADS as the winner of that competition, but GAO nullified that decision, upholding a protest by Boeing—the other competitor—who argued that the service had not adhered to the announced criteria for selecting the winner.

The House-passed bill provides the requested amount for the tanker competition but requires that any tankers bought for the Air Force be assembled in the United States. The House bill also provides that, if the tanker contract is awarded to a single source on the basis of a second competition, that the criterion for selection “should” include a calculation of the life-cycle cost of each type of plane over a 40-year service life.

The Administration opposes the House requirement that newly acquired tankers be assembled in the United States.¹⁶⁰

Executive Transports (C-37. C-40)

The budget requests \$294.8 million for five long-range executive transport planes¹⁶¹, including:

¹⁵⁸ For additional background, see CRS Report RS22763, *Air Force C-17 Aircraft Procurement: Background and Issues for Congress*, by Jeremiah Gertler.

¹⁵⁹ Office of Management and Budget, “Statement of Administration Policy: H.R. 3326, Department of Defense Appropriations Act, 2010,” September 25, 2009, accessed at http://www.whitehouse.gov/omb/assets/sap_111/saphr3326s_20090925.pdf.

¹⁶⁰ For additional background, see CRS Report RL34398, *Air Force KC-X Tanker Aircraft Program: Background and Issues for Congress*, by Jeremiah Gertler.

¹⁶¹ The C-37s and C-40s in the FY2010 DOD budget request all are funded in the Air Force's aircraft procurement account, except for one C-40, which is in the Navy's aircraft procurement account.

- \$66.4 million for one C-37 (based on the commercial Gulfstream V); and
- \$228.4 million for four C-40s (based on the commercial Boeing 737).

The House bill would add to that request \$132.8 million for two additional C-37s and \$200.0 million for two additional C-40s.

The Senate bill provides \$294.8 million, as requested, for one C-37 and four C-40s.

White House Helicopter (VH-71)

Pursuant to the Administration's decision to cancel development of a new fleet of helicopters, designated VH-71s, for the White House, the budget request includes \$85.2 million to wind down the program. The Senate bill cuts \$30 million from that request, but the House-passed bill adds \$400 million to the budget request to continue testing and outfitting five VH-71s already built as the first stage of a program that had been intended to produce a fleet of 27 helicopters, most of which were to have been much more capable than the first five.

The House Appropriations Committee said that the added funding would allow DOD to harvest useful aircraft from the \$3.2 billion already spent on the program. In its SAP on the House bill, OMB said the Administration "strongly objects" to this funding and that, if it were included in the final version of the bill, the President's advisers would recommend a veto.¹⁶²

Combat Search and Rescue Helicopter (CSAR-X, HH-60M)

Both versions of the bill accept the Administration's decision to cancel the CSAR-X program, intended to develop a new search and rescue helicopter to replace the HH-60Ms currently used for that mission. Both also would add to the budget request funds to buy additional HH-60Ms and to upgrade those already in service.

The House bill cuts \$80 million from the \$90 million requested for CSAR-X development costs and adds \$140 million to buy five HH-60Ms to replace aircraft lost in combat since 2001 plus an additional \$100.2 million to upgrade older HH-60G rescue helicopters.

The Senate bill includes none of the \$90.0 million in the budget request for CSAR-X. Acting at the request of the Air Force, the committee said in its report, the bill allocates \$90 million, instead, to buy two new HH-60Ms (\$75.0 million) and to begin development of a replacement for the HH-60M (\$15.0 million).

Ground Combat Systems—Appropriation¹⁶³

Both versions of the bill basically support the Administration's decision to substantially restructure the Army's Future Combat Systems (FCS) program, starting over the effort to develop a new family of ground combat vehicles.

¹⁶² For additional background, see CRS Report RS22103, *VH-71/VXX Presidential Helicopter Program: Background and Issues for Congress*, by Jeremiah Gertler.

¹⁶³ For additional background on the Administration request, see "Ground Combat Systems (FCS and EFV)—Request." For authorization action, see "Ground Combat Systems—Authorization."

Future Combat System (FCS)

The House-passed bill provides \$2.67 billion of the \$2.88 billion requested for FCS, eliminating \$211 million requested for termination costs the committee said could be covered by unspent funds previously appropriated for now-cancelled elements of the program. The Senate bill would cut \$368 million from the amounts requested for FCS programs.¹⁶⁴

Expeditionary Fighting Vehicle

The House-passed bill would cut \$50 million from the \$293 million requested to continue development of the Marine Corps' Expeditionary Fighting Vehicle (EFV), a troop carrier intended to carry a squad of Marines from ship to shore at nearly 30 mph and then function as an armored troop carrier on land. Citing delays and cost increases in the program, the House committee said it had "serious reservations" as to whether the EFV development program would succeed.

The Senate bill funds the request.¹⁶⁵

Other Provisions

Following are other provisions dealt with in the Senate version of the bill.

Afghanistan Policy Hearings

In a vote that fell largely along party lines, the Senate rejected October 1, by a vote of 40-59, an amendment by Senator McCain that would have required by November 15 testimony to the relevant congressional committees by Gen. Stanley A. McChrystal, commander of U.S. forces in Afghanistan. The subject of the required hearings would have been McChrystal's recommendations to the Obama Administration for additional troops and funding to carry out a revised U.S. strategy in Afghanistan.¹⁶⁶ Reportedly, McChrystal has recommended that additional U.S. troops be deployed to Afghanistan and that they be used in a new strategy that would place more emphasis on protecting Afghan civilians from insurgents.¹⁶⁷

By a vote of 60-39, the Senate adopted an alternative amendment by Senator Levin providing that the appropriate committees will hold hearings on U.S. strategy and policy concerning Afghanistan and Iraq after the President announces his decisions about those matters.

The McCain and Levin amendments differed as to the timing and scope of hearings. Senator McCain and other Republicans said Congress was entitled to hear McChrystal's assessment of

¹⁶⁴ For additional background, see CRS Report RL32888, *Army Future Combat System (FCS) "Spin-Outs" and Ground Combat Vehicle (GCV): Background and Issues for Congress*, by Andrew Feickert and Nathan Jacob Lucas.

¹⁶⁵ For additional background, see CRS Report RS22947, *The Marines' Expeditionary Fighting Vehicle (EFV): Background and Issues for Congress*, by Andrew Feickert.

¹⁶⁶ Neither Gen. McChrystal's review of the situation in Afghanistan nor his reported recommendation to increase the number of U.S. troops in that country has been made public. An edited version of his strategic review is available on the web-site of the *Washington Post* at http://media.washingtonpost.com/wp-srv/politics/documents/Assessment_Redacted_092109.pdf.

¹⁶⁷ See, for example, http://www.nytimes.com/2009/09/23/world/asia/23policy.html?_r=2&hp.

what would be needed for the United States to prevail in Afghanistan using his proposed strategy. They also said the Administration was delaying a decision to support McChrystal's widely reported, though still unpublished, request for additional troops. McCain's amendment would have required testimony by November 15 by four officials: McChrystal, the commanders of U.S. forces in Europe and the Central Command region, and the U.S. ambassador to Afghanistan.

Senator Levin, who has called for a U.S. strategy that focuses on training Afghan security forces to protect Afghan civilians—rather than using U.S. troops for that purpose—objected, along with other Democrats, that McCain's amendment would force the President's hand before he decided whether to adopt the strategy McChrystal was proposing. In addition to including no deadline for hearings, it would expand the list of officials to be heard to include, in addition to the four listed in McCain's amendment, the Secretaries of State and Defense, the Chairman of the Joint Chiefs of Staff, and the U.S. ambassador to Pakistan.

Earmarks

By a vote of 77-21, the Senate adopted October 6 an amendment by Senator Daniel K. Inouye requiring that funding for congressional earmarks added to the bill be awarded on the basis of "full and open competition" subject to certain exceptions. Senator Inouye said the amendment's exceptions to the "full and open competition" principle mirrored those observed by the Administration. The Senate rejected by voice vote an amendment by Senator McCain that would have required (without exception) full and open competition for earmarks.

Fighter Jet Retirements

By a vote of 91-7, the Senate adopted October 6 an amendment by Senators Christopher S. Bond and Patrick J. Leahy that would bar DOD from carrying out a plan to retire 249 older combat jets, most of which are assigned to Air Force Reserve and Air National Guard units. The prohibition would be lifted when DOD submits to the Senate and House Armed Services committees a report detailing how the Air Force will fill the gaps left by the retirement of those planes and what missions it will assign to the bases and personnel associated with the aircraft.

Contractor Employee Rights

By a vote of 68-30, the Senate adopted an amendment by Senator Al Franken prohibiting the payment of funds appropriated by the bill to any contractor that requires its employees, as a condition of employment, to accept the result of binding arbitration in case of any claim arising from sexual assault or harassment.

**Table 8. FY2010 Defense Appropriations Act (H.R. 3326)
Summary by Title**

Amounts in millions of dollars

	Administration Request	House- Passed H.R. 3326	Senate Reported H.R. 3326
Military Personnel	125,264.9	122,378.0	124,817.2
Operations and Maintenance	156,444.2	154,126.7	154,005.8
Procurement	105,213.4	104,837.8	108,016.1
Research, Development, Test & Evaluation	78,634.3	80,238.0	78,450.4
Revolving and Management Funds	3,119.8	3,147.8	2,697.8
Other DOD Programs	31,439.5	33,342.2	31,242.2
Related Agencies	963.7	901.9	1,041.7
General Provisions (net)	11.0	-1,381.5	-2,677.2
Subtotal, DOD Base Budget	501,090.9	497,590.9	497,593.9
Overseas Deployments and Other Activities	128,595.0	128,247.0	128,221.4
Total, FY2010 DOD	629,685.9	625,837.9	625,815.3
mandatory	290.9	290.9	290.9
discretionary	629,395.0	625,547.0	625,524.4

Sources: CRS calculations based on House Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010 (H.Rept. 111-230), p. 2., July 24, 2009; and Senate Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010 (S.Rept. 111-74), pp. 5-6.

Note: Totals do not include \$10.7 billion in accrual payments for Tricare-for-life, funding which is provided by a permanent appropriation.

Appendix. Program Funding Tables

Table A-1. Congressional Action on FY2010 Missile Defense Funding: Authorization

(amounts in millions of dollars)

PE Number	Program Element Title	FY2009 Estimate	FY2010 Request	House-Passed	Senate-Passed	Conference Agreement	Comments
RDT&E Missile Defense Agency							
0603175C	Ballistic Missile Defense Technology	119.3	109.8	109.8	109.8	104.8	Conference makes \$5 million general reduction.
0603881C	Ballistic Missile Defense Terminal Defense Segment	956.7	719.5	719.5	719.5	719.5	
0603882C	Ballistic Missile Defense Midcourse Defense Segment	1,507.5	982.9	982.9	982.9	1,002.9	All concur in Administration proposal to deploy 30 interceptor missiles in Alaska and California rather than 44 as earlier planned. Conference adds \$25 million for vendor base support.
0603883C	Ballistic Missile Defense Boost Defense Segment	400.8	186.7	186.7	186.7	186.7	All concur in Administration proposal to reorganize Airborne Laser as an R&D program rather than one aimed at deployment.
0603884C	Ballistic Missile Defense Sensors	767.6	636.9	636.9	641.9	636.9	Senate adds \$5 million for airborne infrared technology
0603886C	Ballistic Missile Defense System Interceptor	385.5	—	—	—	—	All concur in Administration proposal to cancel Kinetic Energy Interceptor.
0603888C	Ballistic Missile Defense Test & Targets	911.7	966.8	966.8	966.8	940.8	Conference cuts \$26 million to synchronize with test schedule.
0603890C	Ballistic Missile Defense Enabling Programs	402.8	369.1	344.1	369.1	354.1	Conference cuts \$15 million.
0603891C	Special Programs - MDA	175.7	301.6	301.6	301.6	286.6	Conference cuts \$15 million due to excessive growth.

PE Number	Program Element Title	FY2009 Estimate	FY2010 Request	House-Passed	Senate-Passed	Conference Agreement	Comments
0603892C	AEGIS BMD	1,113.7	1,690.8	1,690.8	1,660.8	1,690.8	Senate cuts \$30 million as excess to execution
0603893C	Space Tracking & Surveillance System	208.9	180.0	180.0	180.0	173.2	Conference cuts \$6.8 mn from demonstration satellites.
0603894C	Multiple Kill Vehicle	283.5	—	—	—	—	All concur in Administration proposal to cancel Multiple Kill Vehicle,
0603895C	Ballistic Missile Defense System Space Programs	24.7	12.5	12.5	12.5	12.5	
0603896C	Ballistic Missile Defense Command and Control, Battle Management and Communications	288.3	340.0	340.0	340.0	340.0	
0603897C	Ballistic Missile Defense Hercules	55.8	48.2	48.2	48.2	48.2	House and conference add \$500 million for advisory group on training needs.
0603898C	Ballistic Missile Defense Joint Warfighter Support	69.7	60.9	61.4	60.9	61.4	
0603904C	Missile Defense Integration & Operations Center (MDIOC)	106.0	86.9	91.9	86.9	86.9	
0603906C	Regarding Trench	3.0	6.2	6.2	6.2	6.2	The House authorized \$50 million, as requested, for a missile defense site in Europe and also stipulated (Sec. 226) that a total of \$343.1 million made available in FY1009 appropriations could be spent either on the currently planned system – with a radar in the Czech Republic and interceptor missiles in Poland – or on an alternative
0603907C	Sea-Based X-Band Radar (SBX)	146.7	174.6	174.6	174.6	174.6	
0603908C	BMD European Interceptor Site (Poland)	362.0	—	—	—	—	
0603909C	BMD European Mid-Course Radar (Czech Republic)	76.5	—	—	—	—	
0603911C	BMD European Capability	—	50.5	50.5	50.5	50.5	

PE Number	Program Element Title	FY2009 Estimate	FY2010 Request	House-Passed	Senate-Passed	Conference Agreement	Comments
0603912C	BMD European Communications Support	27.0	—	—	—	—	system that would be at least as cost-effective and technically reliable as the planned system.
0603913C	Israeli Cooperative Programs	—	119.6	140.1	144.6	144.6	House adds \$20.5 mn; Senate adds \$25 mn. Conference adds \$25 mn. for short-range defense.
0901585C	Pentagon Reservation	19.7	19.7	19.7	19.7	19.7	
0901598C	Management HQ - MDA	81.2	57.4	57.4	57.4	57.4	
Subtotal RDT&E, Missile Defense Agency		8,474.6	7,120.5	7,121.6	7,120.5	7,098.2	
Military Construction, Missile Defense Agency							
	Aegis BMD Facility Expansion	—	24.5	24.5	24.5	24.5	
	BMDs European Interceptor Site (Poland)	42.6	—	—	—	—	
	BMDs European Mid-Course Radar (Czech Republic)	108.6	—	—	—	—	
	Minor Construction	3.5	3.7	3.7	3.7	3.7	
	Planning & Design	14.9	2.0	2.0	2.0	2.0	
Subtotal Military Construction, Missile Defense Agency		169.5	30.2	30.2	30.2	30.2	
Base Realignment and Closure (BRAC), Missile Defense Agency		160.0	86.6	86.6	86.6	86.6	The House approved the BRAC funding request for MDA, but it also made an unallocated reduction of \$350 million to the total \$2.39 billion BRAC request for Defense Agencies (of which MDA is one).
Procurement, Missile Defense Agency							
	THAAD, Block 5 Fielding	104.8	420.3	420.3	420.3	420.3	
	Aegis, Block 5 Fielding	56.8	168.7	168.7	168.7	191.9	Conference adds \$23 mn for additional SM-3 missiles.

PE Number	Program Element Title	FY2009 Estimate	FY2010 Request	House-Passed	Senate-Passed	Conference Agreement	Comments
Subtotal Procurement, Missile Defense Agency		161.6	589.0	589.0	589.0	612.2	
Total, Missile Defense Agency		8,965.7	7,826.3	7,827.4	7,826.4	7,827.3	
RDT&E, Army and Joint Staff							
0604869A	Patriot/MEADS Combined Aggregate Program (CAP)	429.8	569.2	568.2	569.2	569.2	The House approved the BRAC funding request for MDA, but it also made an unallocated reduction of \$350 million to the total \$2.39 billion BRAC request for Defense Agencies (of which MDA is one).
0203801A	Missile/Air Defense Product Improvement Program	37.7	39.3	39.3	39.3	39.3	
0102419A	Aerostat Joint Program Office (JLENS)	355.3	360.1	238.1	340.1	340.1	House cuts \$122 mn, Senate and Conference cut \$20 mn due to program delay.
0605126j	Joint Theater Air and Missile Defense Organization	55.3	96.9	75.9	96.9	96.9	House cuts \$21 mn.
Subtotal RDT&E, Army, Joint Staff		878.1	1,065.4	921.5	1,045.4	1,045.4	
Procurement, Army							
C49100	Patriot/PAC-3	1,026.0	393.1	393.1	398.1	393.1	Senate adds \$5 mn for C2 mods
C50001	Patriot/MEADS	31.0	16.4	16.4	16.4	16.4	
Subtotal, Procurement, Army		1,057.0	409.5	409.5	414.5	409.5	
Total Missile Defense R&D, MilCon, Procurement, All Agencies		10,900.8	9,301.3	9,158.4	9,286.3	9,282.2	

Sources: House Armed Services Committee, Report to Accompany H.R. 2647, the National Defense Authorization Act for Fiscal Year 2010, H.Rept. 111-166, June 18, 2009; Senate Armed Services Committee, Report to Accompany S. 1390, the National Defense Authorization Act for Fiscal Year 2010, S.Rept. 111-35, July 2, 2009; Conference Report, Report to Accompany H.R. 2647, The National Defense Authorization Act for Fiscal Year 2010, H.Rept. 111-288, October 7, 2009.

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

Table A-2. Congressional Action on FY2010 Missile Defense Funding: Appropriations

(amounts in millions of dollars)

PE Number	Program Element Title	FY2009 Estimate	FY2010 Request	House-Passed	Senate-Passed	Comments
Missile Defense Agency RDT&E						
0603175C	Ballistic Missile Defense Technology	119.3	109.8	109.8	104.8	Senate trims \$10 million to fund near-term programs, adds \$5 million for MOST.
0603881C	Ballistic Missile Defense Terminal Defense Segment	956.7	719.5	719.5	719.5	—
0603882C	Ballistic Missile Defense Midcourse Defense Segment	1,507.5	982.9	982.9	1,032.9	Senate adds \$50 million for interceptor vendor base sustainment.
0603883C	Ballistic Missile Defense Boost Defense Segment	400.8	186.7	186.7	186.7	—
0603884C	Ballistic Missile Defense Sensors	767.6	636.9	636.9	626.9	Senate trims \$10 million to fund near-term programs.
0603886C	Ballistic Missile Defense System Interceptor	385.5	—	80.0	—	House adds \$80 million for Kinetic Energy Interceptor that Administration proposed to terminate.
0603888C	Ballistic Missile Defense Test & Targets	911.7	966.8	940.8	778.7	House cuts \$26 million to synchronize with test schedule. Senate cuts \$151 million as premature, cuts \$37 million for SSTs targets.
0603890C	Ballistic Missile Defense Enabling Programs	402.8	369.1	358.6	358.1	House makes general reduction of \$25 million offset by adds for specified projects. Senate cuts \$15 million to fund near-term programs, adds \$4 million
0603891C	Special Programs - MDA	175.7	301.6	286.6	251.6	House cuts \$15 million due to excessive growth in funding. Senate cuts \$50 million to fund near-term programs.
0603892C	AEGIS BMD	1,113.7	1,690.8	1,670.8	1,579.4	House cuts \$50 million as CG-X requirements not determined, adds \$30 million for signal processor open architecture. Senate transfers \$257 million to new line for AEGIS SM-3 co-development, adds \$35 million for SM-3.
—	AEGIS SM-3 Block IIA Co-Development	—	—	—	257.4	Senate transfers \$257 million from Aegis BMD to a new program element for missile co-development.
0603893C	Space Tracking & Surveillance System	208.9	180.0	160.0	173.2	House cuts \$20 million for demonstration satellites. Senate cuts \$6.8 million for tests.
0603894C	Multiple Kill Vehicle	283.5	—	—	—	—
0603895C	Ballistic Missile Defense System Space Programs	24.7	12.5	12.5	12.5	—

PE Number	Program Element Title	FY2009 Estimate	FY2010 Request	House- Passed	Senate- Passed	Comments
0603896C	Ballistic Missile Defense Command and Control, Battle Management and Communications	288.3	340.0	340.0	340.0	–
0603897C	Ballistic Missile Defense Hercules	55.8	48.2	48.2	48.2	–
0603898C	Ballistic Missile Defense Joint Warfighter Support	69.7	60.9	61.4	60.9	House adds \$500 thousand for advisory group on BMD training needs.
0603904C	Missile Defense Integration & Operations Center (MDIOC)	106.0	86.9	86.9	86.9	–
0603906C	Regarding Trench	3.0	6.2	6.2	6.2	–
0603907C	Sea-Based X-Band Radar (SBX)	146.7	174.6	161.6	174.6	House cuts \$13 million as general reduction.
0603908C	BMD European Interceptor Site (Poland)	362.0	–	–	–	–
0603909C	BMD European Mid-Course Radar (Czech Republic)	76.5	–	–	–	–
0603911C	BMD European Capability	—	50.5	50.5	50.5	–
0603912C	BMD European Communications Support	27.0	–	–	–	–
0603913C	Israeli Cooperative Programs	—	119.6	202.4	202.4	House and Senate add \$82 million for short-range missile defense and Arrow co-development.
0901585C	Pentagon Reservation	19.7	19.7	–	19.7	–
0901598C	Management HQ - MDA	81.2	57.4	52.4	57.4	–
Subtotal R&D, Missile Defense Agency RDT&E		8,474.6	7,120.5	7,154.6	7,128.4	–
Military Construction, Missile Defense Agency						
	Aegis BMD Facility Expansion	–	24.5	24.5	NA	In military construction appropriations bill.
	BMDS European Interceptor Site (Poland)	42.6	–	NA	NA	In military construction appropriations bill.
	BMDS European Mid-Course Radar (Czech Republic)	108.6	–	NA	NA	In military construction appropriations bill.
	Minor Construction	3.5	3.7	3.7	NA	In military construction appropriations bill.
	Planning & Design	14.9	2.0	2.0	NA	In military construction appropriations bill.
Subtotal Military Construction, Missile Defense Agency		169.5	30.2	30.2	–	In military construction appropriations bill.
Base Realignment and Closure (BRAC), Missile Defense Agency		160.0	86.6	86.6	NA	In military construction appropriations bill.
Procurement, Missile Defense Agency						
	THAAD, Block 5 Fielding	104.8	420.3	420.3	420.3	–
	THAAD TPY-2 Radar Advance Procurement	–	–	–	41.0	Senate adds \$41 million in new line for radars to support additional THAAD batteries.

PE Number	Program Element Title	FY2009 Estimate	FY2010 Request	House- Passed	Senate- Passed	Comments
	Aegis, Block 5 Fielding	56.8	168.7	168.7	226.3	Senate adds \$57.6 million for 6 additional SM-3 missiles.
	Subtotal Procurement, Missile Defense Agency	161.6	589.0	589.0	646.6	–
	Total, Missile Defense Agency	8,965.7	7,826.4	7,773.9	7,775.1	Senate total excludes military construction.
	Army and Joint Staff R&D					
0604869A	Patriot/MEADS Combined Aggregate Program (CAP)	429.8	569.2	569.2	569.2	–
0203801A	Missile/Air Defense Product Improvement Program	37.7	39.3	39.3	39.3	–
0102419A	Aerostat Joint Program Office (JLENS)	355.3	360.1	288.1	360.1	House cuts \$72 million for funding ahead of need.
0605126J	Joint Theater Air and Missile Defense Organization	55.3	96.9	96.9	96.9	–
	Subtotal R&D, Army, Joint Staff	878.1	1,065.4	993.4	1,065.4	–
	Army Procurement					
C49100	Patriot/PAC-3	1,026.0	393.1	383.6	393.1	House cuts \$9.5 million for unjustified cost growth.
C50001	Patriot/MEADS	31.0	16.4	16.4	–	Senate deletes funds as ahead of need.
	Subtotal, Procurement, Army	1,057.0	409.5	400.0	393.1	–
	Total Missile Defense R&D, Military Construction, Procurement	10,900.8	9,301.3	9,167.3	9,233.6	Senate total excludes military construction.

Source: House Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010, H.Rept. 111-230, July 24, 2009; Senate Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010, S.Rept. 111-74, September 10, 2009.

Table A-3. Congressional Action on Selected FY2010 Army and Marine Corps Programs: Authorization

(amounts in millions of dollars)

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Army Aircraft													
Light Utility Helicopter	54	326.0	9.4	54	326.0	9.4	54	326.0	9.4	54	326.0	9.4	
UH-60 Blackhawk Helicopter (Base Budget)	79	1,357.1	33.5	79	1,357.1	33.5	79	1,357.1	33.5	79	1,357.1	33.5	
UH-60 Blackhawk Helicopter (OCO)	4	74.3	—	4	74.3	—	4	74.3	—	4	74.3	—	
CH-47 Chinook Helicopter (Base Budget)	35	860.1	10.8	35	882.1	10.8	35	882.1	10.8	35	932.8	10.8	Conference transfers \$22 mn in procurement from mods.
CH-47 Chinook Helicopter (OCO)	4	141.2	—	4	141.2	—	4	141.2	—	4	141.2	—	
CH-47 Helicopter Mods	—	102.9	—	—	86.9		—	80.9	—	—	85.9	—	Conference transfers \$22 mn to regular procurement, adds \$5 mn for specific projects.
AH-64 Apache Helo Mods (Base Budget)	—	426.4	164.1	—	428.4	164.1	—	431.9	164.1	—	427.4	164.1	
AH-64 Apache Helo Mods (OCO)	—	315.3	—	—	315.3	—	—	315.3	—	4	315.3	—	
Army and USMC Weapons & Tracked Combat Vehicles													
M-2 Bradley Mods (Base Budget)	—	526.4	88.6	—	526.4	88.6	—	526.4	88.6	—	526.4	88.6	
M-2 Bradley Mods (OCO)	—	243.6	—	—	243.6	—	—	243.6	—	—	243.6	—	
M-1 Abrams tank Mods	—	369.4	101.7	—	369.4	101.7	—	369.4	101.7	22	369.4	101.7	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Stryker Armored Vehicle	—	388.6	90.3	—	334.6	90.3	—	388.6	140.3	—	364.2	90.3	House cuts \$54 mn, conference cuts \$24 mn. In procurement. House adds \$50 mn in R&D. Senate adds \$50 mn in R&D
Future Combat System	—	327.9	2,553.0	—	327.9	2,226.0	—	327.9	2,171.3	—	327.9	2,342.0	House denied \$326.8 million requested to terminate development of FCS manned ground vehicles and N-LOS cannon, on grounds that previously appropriated funds could cover termination costs. Conference cuts \$211 mn in R&D for excess termination liability amounts.
USMC Expeditionary Fighting Vehicle (EFV)	—	—	293.5	—	—	293.5	—	—	293.5	—	—	293.5	
Army and USMC Wheeled Vehicles													
HMMWV, Army and USMC (Base Budget)	1,824	290.9	—	1,824	295.9	—	1,824	290.9	—	1,824	293.8	—	
HMMWV, Army (OCO)	8,444	1,456.1	—	8,444	1,456.1	—	8,444	1,456.1	—	8,444	1,080.8	—	Conference cuts \$375 million
Family of Medium Tactical Vehicles (Base Budget)	3,889	1,158.5	5.7	3,889	1,158.5	5.7	3,889	1,158.5	15.7	3,889	1,033.5	5.7	Conference cuts \$125 million
Family of Medium Tactical Vehicles (OCO)	1,643	461.7	—	1,643	261.7	—	1,643	461.7	—	1,643	286.3	—	Conference cuts \$175 million

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Family of Heavy Tactical Vehicles (Base Budget)	—	812.9	7.5	—	812.9	7.5	—	812.9	17.5	—	812.9	9.5	
Family of Heavy Tactical Vehicles (OCO)	—	623.2	—	—	623.2	—	—	623.2	—	—	623.2	—	
MRAP Vehicle (OCO)	1,080	5,456.0	—	1,080	5,456.0	—	1,080	5,456.0	—	1,080	6,056.0	—	Conference adds \$600 million
Radios and Other Tactical Electronic Devices													
Joint Tactical Radio System (JTRS)	—	—	876.4	—	—	876.4	—	—	867.4	—	35.0	876.4	Conference cuts \$55 mn in procurement.
SINCGARS Family (Base Budget and OCO)	—	135.0	—	—	—	—	—	60.0	—	—	53.2	—	HASC denied funds for SINCGARS radios on grounds that they would not be compatible with the JTRS radios planned for future procurement. Senate cut \$75 million in OCO for unjustified program growth. Conference cut \$82 million.
WIN-T Ground Forces Tactical Network (Base Budget and OCO)	—	557.7	180.6	—	555.7	165.6	—	557.7	180.6	—	557.7	180.7	
FBCB2 digital combat Information network (Base Budget and OCO)	—	515.0	—	—	693.9	—	—	336.0	—	—	515.0	—	Senate cut \$179 million in OCO as unjustified program growth.

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	<u>Procurement</u>		<u>R&D</u>	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Night vision equipment—various (Base Budget and OCO)	—	733.2	122.6	122.6	691.1	122.6	—	633.2	122.6	—	557.5	134.6	House cut \$52 million. Senate cut \$100 million in Army base procurement due to contractor delays. Conference cuts \$176 million in procurement from various accounts, adds \$12 million in R&D.

Sources: House Armed Services Committee, Report to Accompany H.R. 2647, the National Defense Authorization Act for Fiscal Year 2010, H.Rept. 111-166, June 18, 2009; Senate Armed Services Committee, Report to Accompany S. 1390, the National Defense Authorization Act for Fiscal Year 2010, S.Rept. 111-35, July 2, 2009 and text of S. 1390, National Defense Authorization Act for Fiscal Year 2010, as reported by the Senate Armed Services Committee. Conference Report to Accompany H.R. 2647, The National Defense Authorization Act for Fiscal Year 2010, H.Rept. 111-288, October 7, 2009.

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

Table A-4. Congressional Action on Selected FY2010 Army and Marine Corps Programs: Appropriations

(amounts in millions of dollars)

System	Request			House-Passed			Senate-Passed			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Army Aircraft													
Light Utility Helicopter	54	326.0	—	54	326.0	—	54	326.0	—	—	—	—	—
UH-60 Blackhawk Helicopter (Base Budget)	79	1,357.1	33.5	79	1,357.1	33.5	79	1,357.1	39.9	—	—	—	—
UH-60 Blackhawk Helicopter (OCO)	4	74.3	—	4	74.3	—	2	37.2	—	—	—	—	Senate cuts \$37 million for 2 fewer aircraft losses.
CH-47 Chinook Helicopter (Base Budget)	35	910.8	10.8	34	897.8	10.8	35	932.8	10.8	—	—	—	House cuts \$13 million and 1 aircraft. Senate transfers \$22 million from mods.
CH-47 Chinook Helicopter (OCO)	4	141.2	—	4	141.2	—	2	70.6	—	—	—	—	Senate cuts \$71 million for 2 fewer aircraft losses.
CH-47 Helicopter Mods	—	102.9	—	—	83.9	—	—	87.3	—	—	—	—	Senate transfers \$22 million to procurement, adds \$6.4 million for asset management and avionics.

System	Request			House-Passed			Senate-Passed			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
AH-64 Apache Helo Mods (Base Budget)	–	426.4	164.1	–	429.4	164.1	–	426.4	164.1	–	–	–	–
AH-64 Apache Helo Mods (OCO)	4	315.3	–	4	315.3	–	2	161.1	–	–	–	–	Senate cuts \$69 million for fewer battle losses and \$85 million ahead of need.
Army and USMC Weapons & Tracked Combat Vehicles													
M-2 Bradley Mods (Base Budget)	–	526.4	88.6	–	526.4	88.6	–	500.7	88.6	–	–	–	Senate cuts \$26 million from procurement for excessive support costs.
M-2 Bradley Mods (OCO)	–	243.6	–	–	243.6	–	–	–	–	–	–	–	Senate deletes funds as financed in FY2009.
M-1 Abrams tank Mods	22	369.4	101.7	22	369.4	101.7	22	369.4	101.7	–	–	–	–
Stryker Armored Vehicle	–	388.6	90.3	–	613.6	90.3	–	364.2	90.3	–	–	–	Senate cuts \$24 million from procurement for excessive management costs.
Future Combat System	–	327.9	2,553.0	–	327.9	2,342.0	–	327.9	2,188.8	–	–	–	House cuts \$211 million in R&D for unjustified termination costs. In R&D, Senate cuts \$199 million for contractor fees, cuts \$182 million as program adjustment, adds \$17 million for specific projects.

System	Request			House-Passed			Senate-Passed			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
USMC Expeditionary Fighting Vehicle (EFV)	–	–	293.5	–	–	243.5	–	–	293.5	–	–	–	House cuts \$50 million in R&D due to delay.
Army and USMC Wheeled Vehicles													
HMMV, Army and USMC (Base Budget)	1,824	293.8	–	1,824	293.8	–	1,824	295.0	–	–	–	–	–
HMMV, Army (OCO)	8,444	1,456.1	–	8,444	1,456.1	–	8,444	1,278.9	–	–	–	–	Senate cuts \$177 million in Marine Corps OCO directing use of previously appropriated funds.
Family of Medium Tactical Vehicles (Base Budget)	3,889	1,158.5	5.7	3,241	965.5	5.7	3,889	1,033.5	5.7	–	–	–	House cuts \$193 million due to schedule slip. Senate cuts \$125 million.
Family of Medium Tactical Vehicles (OCO)	1,643	461.7	–	1,643	461.7	–	1,643	461.7	–	–	–	–	–

System	Request			House-Passed			Senate-Passed			Conference			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Family of Heavy Tactical Vehicles (Base Budget)	–	812.9	7.5	–	786.6	10.5	–	812.9	13.5	–	–	–	House cuts \$26 million for funding ahead of need.
Family of Heavy Tactical Vehicles (OCO)	–	623.2	–	–	623.2	–	–	623.2	–	–	–	–	
MRAP Vehicle (OCO)	1,080	5,456.0	–	1,080	5,456.0	–	1,080	6,656.0	–	–	–	–	Senate adds \$1.2 billion for additional M-ATVs.
Radios and Other Tactical Electronic Devices													
Joint Tactical Radio System (JTRS)	–	90.2	876.4	–	35.0	880.9	–	35.0	876.4	–	-55.2	–	House and Senate cut \$55 million for delay in ground mobile radios.
SINCGARS Family (Base Budget and OCO)	–	135.0	–	–	131.2	–	–	56.7	–	–	-78.3	–	Senate cuts \$75 million in OCO as ahead of need.

System	Request			House-Passed			Senate-Passed			Conference			Comments	
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D		
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$		
WIN-T Ground Forces Tactical Network (Base Budget and OCO)	-	557.7	180.7	-	557.7	165.7	-	557.7	180.7	-	-	-	-	
FBCB2 digital combat Information network (Base Budget and OCO)	-	515.0	-	-	515.0	-	-	515.0	-	-	-	-	-	
Night vision equipment—various (Base Budget and OCO)	-	733.2	122.6	-	543.0	171.6	-	532.3	148.6	-	-200.9	26.0		House cuts \$175.5 million in Army procurement for funding ahead of need, adds \$49 million in R&D. Senate cuts \$186.4 million in Army procurement and \$14.5 million in AF OCO procurement for funding in excess of need, adds \$26 million in R&D.

Sources: House Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010, H.Rept. 111-230, July 24, 2009; Senate Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010, S.Rept. 111-74, September 10, 2009.

Table A-5. Congressional Action on Selected FY2010 Shipbuilding Programs: Authorization

(amounts in millions of dollars)

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Shipbuilding and Conversion, Navy													
CVN-21 Carrier	—	739.3	173.6	—	739.3	173.6	—	739.3	173.6	—	739.3	173.6	
CVN-21 Carrier (long-lead components)	—	484.4	—	—	484.4	—	—	484.4	—	—	484.4	—	
Virginia Class Submarine	1	1,964.3	154.8	1	1,964.3	165.8	1	1,964.3	165.8	1	1,964.3	162.8	House and Senate add \$121 million, conference adds \$8 million for R&D projects.
Virginia Class Submarine (long-lead components)	—	1,959.7	—	—	1,959.7	—	—	1,959.7	—	—	1,959.7	—	
Carrier Refueling Overhaul	—	1,775.4	—	—	1,775.4	—	—	1,775.4	—	—	1,775.4	—	
CG(X) missile defense cruiser	—	—	150.0	—	—	150.0	—	—	150.0	—	—	110.0	Conference cuts \$40 million in R&D due to program delay.
DD(X)/DDG-1000 Destroyer	—	1,084.2	539.1	—	1,084.2	539.1	—	1,084.2	539.1	—	1,084.2	539.1	
DDG-51 Destroyer	1	1,912.3	—	1	1,912.3	—	1	1,912.3	—	1	1,912.3	—	
DDG-51 Destroyer (long-lead components)	—	329.0	—	—	429.0	—	—	329.0	—	—	329.0	—	
LCS Littoral Combat Ship	3	1,380.0	360.5	3	1,380.0	360.5	3	1,380.0	360.5	2	1,380.0	360.5	Conference reduces buy from 3 ships to 2 to ensure full funding.
LPD-17 Amphibious Ship	—	872.4	—	—	872.4	—	—	872.4	—	—	872.4	—	
LPD-17 (long-lead components)	—	184.6	—	—	244.6	—	—	184.6	—	—	184.6	—	
Intratheater Connector, Navy	1	178.0	8.4	1	178.0	8.4	1	178.0	8.4	1	178.0	8.4	
Outfitting	—	391.2	—	—	391.2	—	—	391.2	—	—	391.2	—	
Service Craft	—	3.7	—	—	3.7	—	—	3.7	—	—	3.7	—	
LCAC Service Life Extension	3	63.9	—	3	63.9	—	3	63.9	—	3	63.9	—	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Completion of Prior Year Shipbuilding	—	454.6	—	—	304.6	—	—	454.6	—	—	454.6	—	
National Defense Sealift Fund													
T-AKE Cargo Ship	2	940.1	—	2	940.1	—	1	540.1	—	2	940.1	—	Senate cuts \$400 million to delay 2 nd ship pending outcome of QDR
Army													
Joint High Speed Vessel, Army	1	183.7	3.1	1	183.7	3.1	1	183.7	3.1	1	183.7	3.1	

Sources: House Armed Services Committee, Report to Accompany H.R. 2647, the National Defense Authorization Act for Fiscal Year 2010, H.Rept. 111-166, June 18, 2009; Senate Armed Services Committee, Report to Accompany S. 1390, the National Defense Authorization Act for Fiscal Year 2010, S.Rept. 111-35, July 2, 2009 and text of S. 1390, National Defense Authorization Act for Fiscal Year 2010, as reported by the Senate Armed Services Committee. Conference Report to Accompany H.R. 2647, The National Defense Authorization Act for Fiscal Year 2010, H.Rept. 111-288, October 7, 2009.

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

Table A-6. Congressional Action on FY2010 Shipbuilding Programs: Appropriations

(amounts in millions of dollars)

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Shipbuilding and Conversion, Navy													
CVN-21 Carrier	–	739.3	173.6	–	739.3	173.6	–	739.3	176.8	–	–	–	
CVN-21 Carrier (long-lead components)	–	484.4	–	–	484.4	–	–	484.4	–	–	–	–	
Virginia Class Submarine	1	1,964.3	154.8	1	1,964.3	195.3	1	1,964.3	162.8	–	–	–	
Virginia Class Submarine (long-lead components)	–	1,959.7	–	–	1,959.7	–	–	1,959.7	–	–	–	–	
Carrier Refueling Overhaul	–	1,775.4	–	–	1,775.4	–	–	1,775.4	–	–	–	–	
CG(X) missile defense cruiser	–	–	150.0	–	–	110.0	–	–	86.0	–	–	–	Senate cuts \$64 million in R&D for premature funding and unjustified request.

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
DD(X)/DDG-1000 Destroyer	–	1,084.2	539.1	–	1,073.2	539.1	–	1,393.8	526.5	–	–	–	Senate shifts \$309.6 million from prior year shipbuilding costs to the current line, cuts \$12.6 million in R&D for FSST alternative.
DDG-51 Destroyer	1	1,912.3	–	1	1,912.3	–	2	3,650.0	–	–	–	–	Senate adds \$1.7 billion for 2 nd ship for efficient restart of production.
DDG-51 Destroyer (long-lead components)	–	329.0	–	–	329.0	–	–	329.0	–	–	–	–	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
LCS Littoral Combat Ship	3	1,380.0	360.5	4	2,160.0	366.9	2	1,080.0	360.5	–	–	–	House adds \$240 million to properly price ships, at \$540 million each. Senate provides \$1.08 billion for two fully priced ships, cutting \$300 million from request.
LPD-17 Amphibious Ship	–	872.4	5.3	–	872.4	5.3	–	872.4	5.3	–	–	–	
LPD-17 (long-lead components)	–	184.6	–	–	184.6	–	–	184.6	–	–	–	–	
LHA Replacement (advance procurement)	–	–	–				–	170.0	–	–	–	–	Senate adds \$170 million in long-lead funds for LHA-7.
Intratheater Connector, Navy	1	178.0	8.4	2	358.0	8.4	1	178.0	8.4	–	–	–	House adds \$180 million for one additional ship.
Outfitting	–	391.2	–	–	391.2	–	–	391.2	–	–	–	–	
Service Craft	–	3.7	–	–	3.7	–	–	3.7	–	–	–	–	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
LCAC Service Life Extension	3	63.9	–	3	63.9	–	3	63.9	–	–	–	–	
Completion of Prior Year Shipbuilding	–	454.6	–	–	454.6	–	–	145.0	–	–	–	–	Senate shifts \$309.6 million from prior year shipbuilding to DDG-1000 line.
National Defense Sealift Fund													
T-AKE Cargo Ship	2	940.1	–	2	940.1	–	2	940.1	–	–	–	–	
Army													
Joint High Speed Vessel, Army	1	183.7	3.1	1	183.7	3.1	1	183.7	3.1	–	–	–	

Sources: House Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010, H.Rept. 111-230, July 24, 2009; Senate Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010, S.Rept. 111-74, September 10, 2009.

Table A-7. Congressional Action on Selected FY2010 Navy, Marine Corps and Air Force Aircraft Programs: Authorization
(amounts in millions of dollars)

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
F-35 Joint Strike Fighter, AF	10	2,048.8	1,858.1	9	2,115.8	2,011.6	10	2,048.8	1,858.1	10	2,178.8	2,073.1	To fund continued development of an alternative engine for the Joint Strike
F-35 Joint Strike Fighter, Navy	20	3,997.1	1,741.3	19	3,873.1	1,894.8	20	3,997.1	1,741.3	20	3,997.0	1,956.3	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
F-35 Joint Strike Fighter, long-lead components (AF and Navy)	–	781.6	–	–	799.6	–	–	781.6	–	–	759.6	–	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
F-22 Fighter, AF	–	95.1	569.3	–	95.1	569.3	–	95.1	569.3	–	95.2	569.3	The House added funds for components that would allow procurement of 12 F-22s in FY2011; but it largely offset the cost by cutting the amount requested to modify existing F-22s, which reduction HASC said could be made up for by unspent FY2009. funds for F-22. The Senate added funds for 7 aircraft in FY2010, cut \$350.7 million for mods and directed that FY2009 mod funds be used for FY2010 requirements. The conference cut \$358 million from mods as not yet needed.
F-22 Fighter (long-lead components)	–	–	–	–	368.8	–	–	–	–	–	–	–	
F-22 Fighter Mods	–	350.7	–	–	12.7	–	–	–	–	–	192.3	–	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
EA-18G Aircraft, Navy	22	1,632.4	55.4	22	1,688.4	55.4	22	1,632.4	55.4	22	1,632.4	55.4	The House added \$108 million for components that would support a multiyear contract to purchase additional F/A-18E/F and EA-18G aircraft beginning in FY2011. The Senate added \$560 million for 9 additional F/A-18s. Conference added \$512 million for 9 aircraft and \$108 million for multi-year procurement.
F/A-18E/F Fighter, Navy	9	1,060.9	127.7	9	1,168.9	127.7	18	2,129.5	127.7	18	1,681.2	127.7	
F/A-18 Aircraft variant Mods	–	484.1	–	–	484.1	–	–	484.1	–	–	480.7	–	
F-15 Fighter Mods	–	92.9	311.2	–	143.4	313.2	–	92.9	311.2	–	143.4	312.2	House and conference add \$50.5 million for 5 AESA radars.
A-10 Attack Plane Mods	–	262.5	9.7	–	319.6	9.7	–	262.5	9.7	–	252.5	9.7	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
B-1B Bomber Mods	–	128.1	148.0	–	128.1	148.0	–	128.1	130.1	–	82.5	177.0	Conference shifts \$29 million from procurement to R&D.
B-2A Bomber Mods	–	284.0	415.4	–	284.0	415.4	–	284.0	415.4	–	264.2	415.4	
C-130 Cargo Aircraft variants AF	12	1,410.2	231.3	12	1,348.2	231.3	12	1,410.2	231.3	5	906.2	231.3	Conference cuts \$504 million for 7 aircraft as funded in FY2009 supplemental.
C-130 Cargo Aircraft variant Mods, AF	–	368.0	–	–	167.9	–	–	144.9	–	–	147.8	–	House and Senate cut \$209.5 million as excess to need or as available from prior years. Conference cuts \$228.5 million as excess to need. House adds \$9.4 million for specific mods, of which Conference allows 8.3 million.

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
C-5 Cargo Aircraft Mods, AF	–	715.3	95.3	–	715.3	95.3	–	715.3	95.3	–	687.3	95.3	Conference cuts \$28 million for the Reliability Enhancement and Re-engining Program (RERP).
C-17 Cargo Aircraft	–	88.5	161.9	–	88.5	161.9	–	88.5	161.9	–	88.5	161.9	
C-17 Cargo Aircraft Mods. Support Equipment	–	561.1	–	–	561.1	–	–	561.1	–	–	424.4	–	Conference eliminates \$91 million for post-production support and \$45 million for mods as ahead of need.
Joint Cargo Aircraft	8	319.1	–	8	319.1	–	8	319.1	–	8	319.1	–	
KC-X Tanker Replacement, AF	–	–	439.6	–	–	439.6	–	–	439.6	–	–	439.6	
C-37 Aircraft	1	66.4	–	1	66.4	–	1	66.4	–	1	66.4	–	
C-40 Aircraft	4	228.4	–	5	333.6	–	4	228.4	–	5	342.8	–	House and conference add \$105 million for 1 aircraft.
V-22 Osprey, Navy	30	2,300.2	89.5	30	2,300.2	92.5	30	2,300.2	89.5	30	2,300.2	89.5	
V-22 Osprey Mods, Navy OCO	–	53.5	–	–	53.5	–	–	53.5	–	–	53.5	–	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
CV-22 Osprey, AF	5	451.1	19.6	5	451.1	19.6	5	451.1	19.6	5	451.1	19.6	
CV-22 Special Ops Mods, SOF	5	114.6	12.7	5	114.6	12.7	5	114.6	12.7	5	114.6	12.7	
CH-53K Helicopter	–	–	554.8	–	–	554.8	–	–	554.8	–	–	554.8	
VH-71A Executive Helicopter	–	–	85.2	–	–	85.2	–	–	85.2	–	–	85.2	
Combat Search & Rescue Helicopter (CSAR-X)	–	–	89.0	–	–	15.0	–	–	–	–	–	–	DOD terminated program, R&D for a follow-on. House cut all but \$15 million, Senate eliminated funds, and mandated use of prior year funds for R&D. Conference eliminated funds.
UH-1Y/AH- IZ	28	780.4	32.8	18	497.5	32.8	28	780.4	32.8	24	680.4	32.8	House cut \$282.9 million for 10 aircraft to maintain production at FY2009 level. Conference cut \$100 million for 4 aircraft.

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
MH-60R/MH-60S Helicopter, Navy	42	1,436.2	131.1	42	1,436.2	131.1	42	1,436.2	131.1	42	1,436.3	135.4	
P-8A Poseidon Multi-Mission Maritime Aircraft	6	1,825.0	1,162.4	6	1,825.0	1,162.4	6	1,825.0	1,162.4	6	1,814.2	1,162.4	
E-2D Hawkeye Aircraft, Navy	2	606.1	364.6	2	511.2	606.1	2	606.1	364.6	2	606.2	364.6	
P-3/EP-3 Aircraft Mods	–	652.6	12.0	–	652.6	12.0	–	652.6	12.0	–	613.0	12.0	House cut \$50 million, conference cut \$40 million for mods.
Unmanned Aerial Systems (UAS), Base Budget and OCO													
MQ-4 Global Hawk	5	802.7	783.1	5	802.7	783.1	5	752.7	783.1	5	802.7	783.2	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
MQ-1 Predator	36	955.0	21.6	24	791.6	21.6	24	755.0	25.6	24	754.9	24.2	The House shifted all Predator funding into the part of the budget funding war costs. Senate cut \$200 million for 12 aircraft to avoid forward funding. Conference also cut \$200 million.
MQ-9 Reaper	24	650.2	45.0	24	650.2	45.0	24	590.3	45.0	24	630.3	53.6	
RQ-7 Shadow, Base & OCO	11	666.2	1.0	11	668.7	1.0	11	666.2	1.0	11	666.2	1.0	
RQ-11 Raven, Base & OCO	1221	135.1	0.6	1221	135.1	0.6	1221	135.1	0.6	1221	135.1	0.6	
MQ-8 Fire Scout, Base & OCO	5	77.6	25.6	5	77.6	26.5	5	77.6	25.6	5	77.6	25.6	
Future Combat System UAS	–	–	68.7	–	–	68.7	–	–	68.7	–	–	68.7	
UCAS Unmanned Combat Aerial System (Navy)	–	–	311.2	–	–	311.2	–	–	311.2	–	–	311.2	

	Request			House-Passed			Senate-Passed			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Tactical Unmanned Aerial Vehicles (Army)	–	–	202.5	–	–	202.5	–	–	288.5	–	–	202.5	The Senate added \$86 million to deploy in Afghanistan Hummingbird drone helicopters carrying radars designed to detect individual humans walking.

Sources: House Armed Services Committee, Report to Accompany H.R. 2647, the National Defense Authorization Act for Fiscal Year 2010, H.Rept. 111-166, June 18, 2009; Senate Armed Services Committee, Report to Accompany S. 1390, the National Defense Authorization Act for Fiscal Year 2010, S.Rept. 111-35, July 2, 2009 and text of S. 1390, National Defense Authorization Act for Fiscal Year 2010, as reported by the Senate Armed Services Committee. Conference Report to Accompany H.R. 2647, The National Defense Authorization Act for Fiscal Year 2010, H.Rept. 111-288, October 7, 2009.

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

Table A-8. Congressional Action on Selected FY2010 Navy, Marine Corps, and Air Force Aircraft Programs: Appropriations

(amounts in millions of dollars)

	Request			House-Passed			Senate Committee			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
F-35 Joint Strike Fighter, AF	10	2,048.8	1,858.1	10	2,067.4	2,073.1	10	2,048.8	1,780.1	–	–	–	House cuts \$111 million for recurring equipment purchases, adds \$130 million in procurement and \$215 million in R&D for alternate engine. Senate cuts \$78 million in R&D as excess to need.
F-35 Joint Strike Fighter, Navy	20	3,997.0	1,741.3	18	3,576.4	1,956.3	20	3,997.0	1,663.3	–	–	–	House cuts \$300 million for 2 aircraft that could not be built until FY2011 and \$121 million for equipment purchases; adds \$215 million in R&D for alternative engine. Senate cuts \$78 million in R&D as excess to need.
F-35 Joint Strike Fighter, long-lead components (AF and Navy)	–	781.6	–	–	759.6	–	–	759.6	–	–	–	–	House and Senate cut \$22 million due to 2 fewer aircraft funded in FY2009.
F-22 Fighter, AF	–	95.2	569.3	–	31.2	569.3	–	95.2	569.3	–	–	–	House cuts \$64 million due to program reduction.
F-22 Fighter (long-lead components)	–	–	–	–	368.8	–	–	–	–	–	–	–	House adds \$368.8 million in advance procurement for 12 aircraft.

	Request			House-Passed			Senate Committee			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
F-22 Fighter Mods	–	350.7	–	–	187.3	–	–	177.3	–	–	–	–	House cuts \$163 million and Senate cuts \$158 million as prior to need and \$15 million from specific projects.
EA-18G Aircraft, Navy	22	1,632.4	55.4	22	1,632.4	57.4	22	1,632.4	55.4	–	–	–	
EA-18G Aircraft, Navy (OCO)	–	–	–				9	512.3	–	–	–	–	Senate adds \$512 million for 9 aircraft.
F/A-18E/F Fighter, Navy	9	1,061.0	127.7	18	1,664.0	127.7	9	1,061.0	122.3	–	–	–	House adds \$603 million for 9 additional aircraft and multi-year procurement
F/A-18 Aircraft variant Mods	–	484.1	–	–	396.9	–	–	463.7	–	–	–	–	House cuts \$87 million for radar upgrades ahead of need. Senate cuts \$20 million for delays and excess growth.
F-15 Fighter Mods	–	92.9	311.2	–	132.3	320.2	–	92.9	323.2	–	–	–	
A-10 Attack Plane Mods	–	252.5	9.7	–	252.5	9.7	–	252.5	12.2	–	–	–	
B-1B Bomber Mods	–	111.5	148.0	–	111.5	178.0	–	82.5	179.0	–	–	–	Senate cuts \$29 million.
B-2A Bomber Mods	–	284.0	415.4	–	255.0	436.7	–	247.9	397.4	–	–	–	Senate cuts \$36 million
C-130 Cargo Aircraft variants AF	12	1,410.2	231.3	6	906.2	231.3	5	906.2	212.3	–	–	–	House and Senate cut \$504 million as funded in FY2009 supplemental.

	Request			House-Passed			Senate Committee			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
C-130 Cargo Aircraft variant Mods, AF	–	368.0	–	–	113.6	–	–	154.7	–	–	–	–	House cuts total of \$254.5 million due to delays and funding in advance of need. Senate cuts \$213 million.
C-5 Cargo Aircraft Mods, AF	–	715.3	95.3	–	658.7	95.3	–	670.2	85.3	–	–	–	Senate cuts \$45 million.
C-17 Cargo Aircraft	–	88.5	161.9	3	762.6	161.9	10	2,588.5	161.9	–	–	–	Senate adds \$2.5 billion for 10 aircraft.
C-17 Cargo Aircraft Mods/Support Equipment	–	561.1	–	–	317.2	–	–	424.4	–	–	–	–	House cuts total of \$152.6 million, mainly for excess funding for installation of mods. Senate cuts \$45 million for mods and \$91 million for support equipment as in advance of need.
Joint Cargo Aircraft	8	319.1	–	8	319.1	–	8	319.1	–	–	–	–	
KC-X Tanker Replacement, AF	–	–	439.6	–	–	439.6	–	–	409.6	–	–	–	House shifts funding from R&D to a general provision and allows either a single supplier or dual sourcing.
C-37 Aircraft	1	66.4	–	3	199.2	–	1	66.4					
C-40 Aircraft	4	228.4	–	6	428.4	–	4	228.4	–	–	–	–	House adds \$200 million for 2 aircraft.
V-22 Osprey, Navy	30	2,300.2	89.5	30	2,300.2	89.5	30	2,300.2	64.5	–	–	–	
V-22 Osprey Mods, Navy OCO	–	53.5	–				–	23.5	–	–	–	–	Senate cuts \$30 million for interim gun as ahead of need.

	Request			House-Passed			Senate Committee			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
CV-22 Osprey, AF	5	451.1	19.6	5	451.1	19.6	5	451.1	19.6	–	–	–	
CV-22 Special Ops Mods, SOF	5	114.6	12.7	5	114.6	12.7	5	114.6	12.7	–	–	–	
CH-53K Helicopter	–	–	554.8	–	–	524.4	–	–	554.8	–	–	–	
VH-71A Executive Helicopter	–	–	85.2	–	–	485.2	–	–	30.0	–	–	–	House adds \$400 million to resume development.
Combat Search & Rescue Helicopter (CSAR-X)	–	–	90.0	–	–	10.0	–	–	–	–	–	–	Senate eliminates R&D funds and transfers amounts to HH-60 program.
UH-1Y/AH-1Z	28	780.4	32.8	24	645.4	25.8	22	615.4	32.8	–	–	–	House cuts \$100 million for 4 aircraft and \$35 million for excess advance procurement. Senate cuts \$165 million for 6 aircraft.
MH-60R/MH-60S Helicopter, Navy	42	1,436.3	130.7	42	1,442.8	133.7	42	1,383.1	125.3	–	–	–	Senate cuts \$53 million for funding in excess of need.
HH-60M Helicopter, AF	–	–	–	–	–	–	5	140.0	15.0	–	–	–	House adds \$140 million for 5 aircraft to replace combat losses. Senate shifts \$90 million from CSAR R&D and provides \$75 million in procurement for 2 aircraft and \$15 million in R&D.

	Request			House-Passed			Senate Committee			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
P-8A Poseidon Multi-Mission Maritime Aircraft	6	1,825.1	1,162.4	6	1,803.0	1,182.4	6	1,814.2	1,162.4	–	–	–	House trims \$22 million for production related matters. Senate cuts \$11 million for unjustified growth.
E-2D Hawkeye Aircraft, Navy	2	606.2	364.6	3	744.4	362.6	2	568.8	364.6	–	–	–	House adds \$138 million for 1 additional aircraft. Senate cuts \$37 million as unjustified growth.
P-3/EP-3 Aircraft Mods, Base and OCO	–	652.6	12.0	–	595.8	12.0	–	613.0	12.0	–	–	–	House cuts \$56.8 million for excess cost growth. Senate cuts \$40 million in OCO as ahead of need.
Unmanned Aerial Systems (UAS), Base Budget and OCO													
MQ-4 Global Hawk, Base and OCO	5	802.7	783.2	5	473.0	698.2	5	802.7	783.2	–	–	–	House cuts \$279.7 million due to Block 40 delay, cuts \$50 million in advance procurement, cuts \$85 million in R&D due to slow program execution.
MQ-1 Predator, Base and OCO	36	954.9	21.6	24	812.9	27.8	36	898.5	24.2	–	–	–	House cuts \$163 million for 12 aircraft for funding ahead of need. Senate shifts funds for 12 aircraft from OCO to base budget, cuts \$56 million.

	Request			House-Passed			Senate Committee			Final Bill			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
MQ-9 Reaper, Base and OCO	24	650.2	45.0	24	655.4	113.6	24	578.6	55.0	–	–	–	House adds \$70 million in R&D. Senate cuts \$72 million in OCO procurement, transfers \$10 million to OCO R&D.
RQ-7 Shadow, Base and OCO	11	666.2	1.0	11	661.0	1.0	11	663.2	1.0	–	–	–	
RQ-11 Raven, Base and OCO	1,221	135.1	0.6	1,221	135.1	0.6	1,221	135.1	0.6	–	–	–	
MQ-8 Fire Scout, Base and OCO	5	77.6	25.6	5	64.3	25.6	5	77.6	25.6	–	–	–	
Future Combat System UAS	–	–	68.7	–	–	68.7	–	–	81.7	–	–	–	Senate adds \$13 million in R&D.
UCAS Unmanned Combat Aerial System, Navy	–	–	311.2	–	–	306.2	–	–	311.2	–	–	–	
Tactical Unmanned Aerial Vehicles, Army	–	–	202.5	–	–	172.5	–	–	170.1	–	–	–	House cuts \$30 million in R&D. Senate cuts \$32 million.

Sources: House Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010, H.Rept. 111-230, July 24, 2009; Senate Appropriations Committee, Report to Accompany H.R. 3326, Department of Defense Appropriations Bill, 2010, S.Rept. 111-74, September 10, 2009.

Table A-9. Congressional Action on FY2010 DOD War Funding Request (Defense Appropriations and Military Construction Appropriations Bills)

amounts in millions of dollars

Title/Service/ Category	Total Enacted FY2009 Bridge/Supp.	Amended FY2010 DOD Request, 8-13-09	House- passed FY2010 Authoriz. H.R. 2647	Senate- passed FY2010 Authoriz. S. 1390	Enacted FY2010 Authorization H.R. 2647 (P.L. 111-84)	House-passed Appropriations H.R. 3326, H.R. 3082, 7-30- 09	SAC Markup, DOD Approps, H.R. 3326, & Military Construction, S. 1407, 9-10-09
Army	12,589.7	9,606.3	NA	NA	NA	10,492.7	9,597.3
Navy	1,702.3	1,175.6	NA	NA	NA	1,622.7	1,175.0
Marine Corps	1,579.9	670.7	NA	NA	NA	997.5	670.7
Air Force	1,575.7	1,445.4	NA	NA	NA	1,855.3	1,446.4
Army Reserve	418.2	294.6	NA	NA	NA	302.6	293.6
Navy Reserve	39.5	39.0	NA	NA	NA	39.0	37.0
Marine Corps Reserve	29.2	31.3	NA	NA	NA	31.3	31.3
Air Force Reserve	14.9	24.8	NA	NA	NA	24.8	19.8
Army National Guard	1,925.7	840.0	NA	NA	NA	840.0	825.0
Air National Guard	45.0	18.5	NA	NA	NA	18.5	9.5
Total, Military Personnel	19,920.2	14,146.3	13,586.3	13,586.3	13,586.3	16,224.5	14,105.7
Army	51,069.4	52,366.8	51,970.7	52,070.7	52,166.8	41,836.0	51,928.2
Navy	5,774.9	6,219.6	6,219.6	5,650.7	6,219.6	4,975.7	5,899.6
Marine Corps	3,934.4	3,701.6	3,701.6	3,701.6	3,701.6	2,961.3	3,775.3
Air Force	10,980.4	10,026.9	10,152.1	10,026.9	10,026.9	7,858.9	9,929.9
Defense-Wide	7,750.3	7,583.4	7,578.3	7,578.3	7,583.4	7,397.8	7,550.9
Army Reserve	189.3	204.3	204.3	204.3	204.3	163.5	234.9
Navy Reserve	68.1	68.1	68.1	68.1	68.1	54.4	68.1
Marine Corps Reserve	77.9	86.7	86.7	86.7	86.7	69.3	86.7
Air Force Reserve	47.0	125.9	125.9	125.9	125.9	100.7	125.9
Army National Guard	511.9	321.6	321.6	321.6	321.6	257.3	450.2
Air National Guard	52.7	289.9	289.9	289.9	289.9	231.9	289.9

Title/Service/ Category	Total Enacted FY2009 Bridge/Supp.	Amended FY2010 DOD Request, 8-13-09	House- passed FY2010 Authoriz. H.R. 2647	Senate- passed FY2010 Authoriz. S. 1390	Enacted FY2010 Authorization H.R. 2647 (P.L. 111-84)	House-passed Appropriations H.R. 3326, H.R. 3082, 7-30- 09	SAC Markup, DOD Approps, H.R. 3326, & Military Construction, S. 1407, 9-10-09
Overseas Contingency Operations Transfer Fund ^b	0.0	0.0	0.0	0.0	0.0	14,636.9	0.0
Total, Operation and Maintenance	80,456.2	80,994.7	80,718.7	80,124.6	80,794.8	80,543.8	80,339.5
Joint IED Defeat Fund	3,116.7	1,535.0	1,435.0	2,099.9	2,099.9	1,490.0	2,033.6
Iraq Freedom Fund ^d	0.0	115.3	115.3	115.3	0.0	0.0	0.0
Afghanistan Security Forces Fund	5,606.9	7,462.8	7,462.8	7,462.8	7,462.8	7,462.8	6,562.8
Iraq Security Forces Fund	1,000.0	0.0	0.0	0.0	0.0	0.0	0.0
Pakistan Counterinsurgency Capability Fund ^e	0.0	700.0	0.0	0.0	0.0	0.0	0.0
Pakistan Counterinsurgency Fund ^e	400.0	0.0	0.0	0.0	0.0	0.0	0.0
Commanders Emergency Response Fund (funded within Army O&M)	[1,453]	[1,500.0]	[1,300.0]	[1,400.0]	[1,300.0]	[1,300.0]	[1,200.0]
Total, Special Funds	10,123.7	9,813.1	9,013.1	9,677.9	9,677.9	8,952.8	8,596.3
Army							
Aircraft	1,276.7	1,636.2	1,976.5	1,636.2	1,636.2	1,636.2	1,119.3
Missile	704.0	531.6	531.6	531.6	481.6	469.5	476.0
Weapons & Tracked Combat Vehicles	2,806.7	759.5	874.5	759.5	759.5	1,219.5	875.9
Ammunition	276.6	370.6	370.6	370.6	370.6	370.6	365.6
Other Procurement Army	8,122.8	5,675.3	6,021.8	6,330.0	5,600.3	5,635.3	4,874.2
Navy							
Aircraft	636.7	916.6	916.6	916.6	903.2	889.1	1,342.6

Title/Service/ Category	Total Enacted FY2009 Bridge/Supp.	Amended FY2010 DOD Request, 8-13-09	House- passed FY2010 Authoriz. H.R. 2647	Senate- passed FY2010 Authoriz. S. 1390	Enacted FY2010 Authorization H.R. 2647 (P.L. 111-84)	House-passed Appropriations H.R. 3326, H.R. 3082, 7-30- 09	SAC Markup, DOD Approps, H.R. 3326, & Military Construction, S. 1407, 9-10-09
Missile	29.5	50.7	73.7	73.7	50.7	73.7	50.7
Ammunition Navy & Marine Corps	348.9	682.0	710.8	710.8	682.0	698.8	682.0
Other Procurement Navy	225.1	318.0	318.0	318.0	293.0	260.8	260.1
Marine Corps	2,091.8	1,060.3	1,164.4	1,164.4	1,060.3	1,100.3	868.2
Air Force							
Aircraft	4,793.9	780.4	1,151.8	896.4	780.4	825.7	736.5
Missile	49.7	36.6	36.6	36.6	36.6	36.6	36.6
Ammunition	158.7	256.8	256.8	256.8	256.8	256.8	256.8
Other Procurement Air Force	3,302.7	2,321.5	2,321.5	2,321.5	2,321.5	2,275.2	3,138.0
Defense-Wide ^h	415.1	491.4	799.8	491.4	490.0	490.0	480.8
National Guard and Reserve Equipment ^h	500.0	0.0	[600.0]	0.0	0.0	500.0	0.0
Rapid Acquisition Fund ^h	0.0	79.3	55.0	[79.3]	[79.3]	40.0	0.0
MRAP Fund (Continuing Resolution)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MRAP Fund (Defense Appropriations Act)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MRAP (FY2008-2009 Supplemental & FY2010 Request) ^h	6,243.0	5,456.0	5,456.0	5,456.0	6,056.0	3,606.0	6,656.0
Total, Procurement	31,981.9	21,422.9	22,981.0	22,270.2	21,778.9	20,384.1	22,219.2
Army	52.9	58.0	58.0	58.0	58.0	58.0	58.0
Navy	250.0	107.2	107.2	107.2	90.2	38.3	84.2
Air Force	232.5	29.3	29.3	29.3	29.3	29.3	39.3
Defense-Wide	685.9	115.8	215.8	115.8	115.8	115.8	112.2
Total, RDT& E	1,221.3	310.3	410.3	310.3	293.3	241.4	293.6
Defense Working Capital Funds	861.7	395.9	396.9	396.9	396.9	412.2	412.2
National Defense Sealift	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Title/Service/ Category	Total Enacted FY2009 Bridge/Supp.	Amended FY2010 DOD Request, 8-13-09	House- passed FY2010 Authoriz. H.R. 2647	Senate- passed FY2010 Authoriz. S. 1390	Enacted FY2010 Authorization H.R. 2647 (P.L. 111-84)	House-passed Appropriations H.R. 3326, H.R. 3082, 7-30- 09	SAC Markup, DOD Approps, H.R. 3326, & Military Construction, S. 1407, 9-10-09
Total, Revolving and Management Funds	861.7	395.9	396.9	396.9	396.9	412.2	412.2
Defense Health Program	2,155.3	1,256.7	1,155.2	1,155.2	1,256.7	1,115.2	1,563.7
Drug Interdiction and Counter-Drug Activities, Defense	308.4	324.3	324.6	324.6	356.6	317.6	353.6
Office of the Inspector General	9.6	8.9	8.9	8.9	8.9	8.9	8.9
Total, Other Department of Defense Programs	2,473.2	1,589.9	1,488.7	1,488.7	1,622.2	1,481.7	1,926.2
Military construction, Army	1,183.0	923.9	930.5	930.5	924.5	924.5	924.5
Military construction, Navy and Marine Corps	235.9	0.0	0.0	0.0	0.0	0.0	0.0
Military construction, Air Force	281.6	474.5	474.5	474.5	474.5	474.5	474.5
Military construction, Defense-Wide	661.6	6.6	0.0	0.0	0.0	0.0	0.0
Family Housing, Navy & Marine Corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Base realignment and closure account, 2005	263.3	0.0	0.0	0.0	0.0	0.0	0.0
NATO Security Investment Program	100.0	0.0	0.0	0.0	0.0	0.0	0.0
General Provisions, Military Construction, Barracks Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Military Construction	2,725.3	1,405.0	1,399.0	1,405.0	1,399.0	1,399.0	1,399.0
Transfer from Defense Cooperation Account	6.5	0.0	0.0	0.0		0.0	0.0
Rescissions	-3,961.2	0.0	0.0	0.0		0.0	0.0

Title/Service/ Category	Total Enacted FY2009 Bridge/Supp.	Amended FY2010 DOD Request, 8-13-09	House- passed FY2010 Authoriz. H.R. 2647	Senate- passed FY2010 Authoriz. S. 1390	Enacted FY2010 Authorization H.R. 2647 (P.L. 111-84)	House-passed Appropriations H.R. 3326, H.R. 3082, 7-30- 09	SAC Markup, DOD Approps, H.R. 3326, & Military Construction, S. 1407, 9-10-09
Reappropriation Reduction Army	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rescission to O&M, Defense-wide	-181.5	0.0	0.0	0.0	0.0	0.0	0.0
Rescission, Procurement, Army	-354.0	0.0	0.0	0.0	0.0	0.0	0.0
Stop Loss Transfer Fund	534.4	0.0	0.0	0.0	0.0	0.0	0.0
Sec. 9011 Fuel Purchase	0.0	0.0	0.0	0.0	0.0	0.0	329.0
Transfer Capi	[6.500]	[4,000.0]	[4,000]	[4,500]	[4,000]	[3,000]	[4,000.0]
Total, General Provisions	-3,955.8	0.0	0.0	0.0	0.0	0.0	329.0
Total, Department of Defense	145,807.8	130.078	130,000.0	129,260.0	129,549.3	129,639.5	129,620.8

Source: CRS calculations for FY2010 based on H.R. 2647 as passed by the House, S. 1390 as reported by the Senate, H.Rept. 111-166, S.Rept. 111-35, H.Rept. 111-230, H.R. 3326, H.R. 3082/H.R. 188, S. 1407/ S.Rept. 111-40 and for FY2009 from House Appropriations Committee Table, *Congressional Record*, June 16, 2009, p. H6871.

Notes: NS=Not Specified; NA= Not Applicable.

- Operations and Maintenance total excludes the Afghanistan Security Forces Fund, Iraq Security Forces Fund, and the Pakistan Counterinsurgency Capabilities Fund, which are included under Special Funds.
- House bill transfers 20% of DOD's O&M request to this new transfer fund because of uncertainty of war funding and required 15-day advance notification from DOD of transfers.
- Special Funds includes Afghanistan Security Forces Fund, Iraq Security Forces Fund, Pakistan Counterinsurgency Capability Fund, Pakistan Counterinsurgency Fund, Iraq Freedom Fund and Joint Improvised Explosive Device Fund
- DOD requested \$100 million for Guantanamo Bay detainee relocation in FY2010 in the Iraq Freedom Fund.
- DOD received funds in the Pakistan Counterinsurgency Fund in the FY2009 Supplemental; the Administration requested funds for DOD in the Pakistan Counterinsurgency Capability Fund in FY2010 but later agreed that the State Department would administer these funds in FY2010.
- Administration requested broadening the language to reimburse nations supporting U.S. operations for not only logistical support but also to train and equip their forces. The Senate authorization and House appropriations bill broadened the language and the House authorization bill did not.
- Procurement total includes Mine Resistant Ambush Protected Transfer Fund and excludes Joint Improvised Explosive Device Fund , which is included under Special Funds.

- h. Funding for National Guard and Reserve was moved to DOD's base budget by the HASC this year but continued to be provided as Title IX war funding by the HAC. DOD requested funding the Rapid Acquisition Fund, a fund originated to get war-critical items to the field quickly, in its base budget where the Senate authorizers and the authorization conferees approved it. The HASC and the HAC continued to treat it as war funding. DOD requested MRAP funding in both its base budget and war funding; the authorizers approved the war request while the House appropriators reduced the request to reflect additional funding provided in the FY2009 Supplemental.
- i. DOD transferred about \$1 billion in defense health costs for Traumatic Brain Injury/psychological health treatment, Post- Deployment Health Reassessments, and Casualty Care; see Office of the Secretary of Defense, Comptroller, DOD, *Defense Health Program, Fiscal Year (FY) 2010 Budget Estimates*. Overseas Contingency Operations (OCO), Budget Activity 1, Operation and Maintenance; http://www.defenselink.mil/comptroller/defbudget/fy2010/budget_justification/pdfs/09_Defense_Health_Program/VOL_2/Vol%20II_Sec4-B_Overseas-Contingency_Operations_Detail_wErrata_10PB_DHP.pdf
- j. Congress sets annual caps on the total amount that DOD can transfer between accounts after enactment.

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