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Appropriations for FY1999: Defense

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations. In addition, the line item veto took effect for the first time in 1997.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Defense Appropriations Subcommittees. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

Appropriations for FY1999: Defense

Summary

Congress completed action on FY1999 defense authorization and appropriations bills on October 1. The House approved the conference report on the defense authorization bill (H.R. 3616) on September 24 and the Senate on October 1. The President signed the bill into law (P.L. 105-261) on October 17. The House approved the conference report on the defense appropriations bill (H.R. 4103) on September 28 and the Senate on September 29. The President signed the bill into law (P.L. 105-262) on October 17, as well. Later Congress approved additional funding for defense programs in the FY1999 Omnibus Consolidated and Emergency Supplemental Appropriations Act (H.R. 4328, P.L. 105-277), which the House approved on October 20 and the Senate on October 21, and which the President signed later that day.

The authorization conference agreement resolved a number of contentious issues, include restrictions on technology transfers to China in the House bill; gender-integrated basic training, which the House wanted to restrict, while the Senate supported the current system; restrictions on base consolidation included in the Senate bill; options for producing tritium for nuclear weapons; and a few major weapons issues, including funding for the Theater High Altitude Area Defense (THAAD) system and Senate provisions requiring more testing of the F-22 fighter.

The appropriations conference decided to leave a key issue — funding for Bosnia — for action in later legislation. The Senate-passed appropriations bill included $1.9 billion in emergency funding for Bosnia, as the Administration had requested, but the House bill did not. Funding for Bosnia was subsequently provided in a supplemental appropriations measure approved as part of the Omnibus Appropriations bill. The supplemental measure also included funding for Year 2000 (Y2K) fixes in the Defense Department, for military readiness, for drug interdiction, for missile defense, and for counter-terrorism activities.

Other key issues that Congress addressed this year include base closures, Bosnia policy, and congressional war powers. In action on the defense authorization bill, neither the House nor the Senate agreed to an Administration request to approve a new round of military base closures, so the issue has been put off for renewed debate next year. Both the House and the Senate also debated the U.S. mission in Bosnia. Neither House approved any binding restrictions on the mission, though the authorization conference agreement includes a sense of the Congress statement urging the President to reduce troops levels. The House-passed appropriations bill included a war powers-related provision that would prohibit the expenditure of funds for offensive military actions without advance congressional approval, while the Senate rejected the same language. The Administration threatened a veto if that provision was not removed in conference, and the conference agreement did not to include the measure.

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Most Recent Developments

The House approved a conference agreement on the FY1999 defense appropriations bill (H.R. 4103) by a vote of 369-4 on September 28, and the Senate approved the agreement by a vote of 94-2 on September 29. The House approved a conference agreement on the FY1999 defense authorization bill (H.R. 3616) by a vote of 373-50 on September 24, and the Senate approved the agreement by a vote of 96-2 on October 1. The President signed both bills into law on October 17 (the authorization is P.L. 105-261 and the appropriations is P.L. 105-262). On October 20, the House, and, on October 21, the Senate, approved an omnibus appropriations bill for FY1999 (H.R. 4328) that provides additional defense-related funding of $8.3 billion, including $1.9 billion for Bosnia operations, $1.3 billion for military readiness, $1.5 billion for intelligence, $1 billion for missile defense, $1.1 billion for year 2000 fixes in the Defense Department, $469 million for storm damage repairs, $525 million to purchase fissile materials from Russia (a defense-related program of the Department of Energy), $529 million for antiterrorism activities, and $42 million for defense counter-drug activities. The President signed the bill into law (P.L. 105-277) on October 21.

Background

The annual defense appropriations bill provides funds for military activities of the Department of Defense (DOD) — including pay and benefits of military personnel, operation and maintenance of weapons and facilities, weapons procurement, and research and development — and for other purposes. Most of the funding in the bill is for programs administered by the Department of Defense, though the bill also provides (1) relatively small, unclassified amounts for the Central Intelligence Agency retirement fund and intelligence community management, (2) classified amounts for national foreign intelligence activities administered by the CIA and by other agencies as well as by DOD, and (3) very small amounts for some other agencies. Five other appropriations bills also provide funds for national defense activities of DOD and other agencies — see Appendix B for an overview. The Administration's FY1999 budget included $270.6 billion for the national defense budget function, of which $250.8 billion was requested in the defense appropriations bill.

Along with annual defense-related appropriations, Congress also acts every year on a national defense authorization bill. The authorization bill addresses defense programs in almost precisely the same level of line item detail as the defense-related appropriations bills. Differences between the authorization and appropriations measures within each house generally concern only a few programs. Congressional debate over major defense policy and funding issues usually occurs mainly in action on the authorization bill. **Because the defense authorization and appropriations bills are so closely related, this report tracks congressional action on both measures.**

Status

Congress completed action on the annual defense authorization and appropriations bills on October 1. The final status of action on these bills and on related legislation is as follows:

- **House and Senate 302(b) allocations:** On May 14, the Senate Appropriations Committee approved its initial allocation of funds to each of its 13 subcommittees, and on May 22, House Appropriations Committee Chairman Bob Livingston announced his proposed initial 302(b) allocations — the full committee approved the initial allocations on June 16. These allocations, which are revised over the course of the year, ultimately determine how much money will be available for defense and other programs under the jurisdiction of the appropriations committees. The final Senate allocations to the defense subcommittee are $250.290 billion in budget authority and $244.942 billion in outlays. These amounts are slightly below what the Administration had requested, while allocations to the military construction subcommittee are somewhat above the request. The final House allocations provide $250.499 billion in budget authority and $244.965 billion in outlays for the national security subcommittee. See Table B-1 in Appendix B, below, for allocations of all defense discretionary funds. See CRS Report 96-912, *Brief Introduction to the Federal Budget Process*, by Robert Keith, for a discussion of the role of 302(b) allocations in the budget process.

- **FY1999 House defense authorization bill:** On May 6, the House National Security Committee finished marking up its version of the FY1999 defense authorization bill, H.R. 3616, and the House approved the bill, with amendments, on May 21.

- **FY1999 Senate defense authorization bill:** On May 7, the Senate Armed Services Committee completed marking up its version of the FY1999 defense authorization bill, S. 2057. Floor action began on May 13-15 and resumed on June 19, and the Senate passed the bill on June 25.

- **FY1999 defense authorization conference agreement:** Conferees reached agreement on the authorization bill on September 17. The House approved the conference report on September 24 and the Senate on October 1. The President signed the bill into law (P.L. 105-261) on October 17.

- **FY1999 House national security appropriations bill:** On June 3-4, the House National Security Appropriations Subcommittee marked up its version of the FY1999 defense appropriations bill, and the full committee completed its markup and ordered the bill, H.R. 4103, to be reported on June 17. The House passed the bill on June 24.

- **FY1999 Senate defense appropriations bill:** On June 2, the Senate Defense Appropriations Subcommittee marked up its version of the FY1999 defense appropriations bill, and the full committee completed its markup and ordered the bill, S. 2132, to be reported on June 4. The full Senate considered the bill, substituted its text into the text of H.R. 4103, and passed H.R. 4103, as amended, on July 30.

- **FY1999 defense appropriations conference report:** Conferees announced agreement on the FY1999 defense appropriations bill on September 22. The House

approved the conference report on September 28, and the Senate on September 29. The President signed the bill into law (P.L. 105-262) on October 17.

- **FY1999 congressional budget resolution:** On April 2, the Senate approved S.Con.Res. 86, its version of the annual congressional budget resolution, which sets targets for budget authority and outlays for the overall national defense budget function. The House approved its version, H.Con.Res. 284, on June 5. A conference agreement on the resolution was never completed.

- **Supplemental defense appropriations for FY1998:** On April 30, the House and the Senate approved a conference agreement on H.R. 3579, which provides supplemental funding for military operations in Bosnia and Southwest Asia (i.e., the Persian Gulf), for domestic and defense disaster relief, and for other purposes. The President signed the bill into law (P.L. 105-174) on May 1. The bill offsets the supplemental funding for domestic programs with rescissions, but it does not offset the defense amounts. In all, the bill provides $2.7 billion for the Defense Department, including $481 million for Bosnia, $1.3 billion for Southwest Asia, $393 million defense for disaster relief, and $513 million for other defense programs. (For a full review of supplemental funding and rescissions, see Larry Nowels, Coordinator, *Supplemental Appropriations and Rescissions for FY1998*, CRS Report 98-123).

- **Defense-related supplemental appropriations for FY1999:** On October 20, the House, and, on October 21, the Senate, approved an omnibus appropriations bill for FY1999 (H.R. 4328) that provides additional defense-related funding of $8.3 billion, including $1.9 billion for Bosnia operations, $1.3 billion for military readiness, $1.5 billion for intelligence, $1 billion for missile defense, $1.1 billion for year 2000 fixes in the Defense Department, $469 million for storm damage repairs, $200 million for the defense health program, $525 million to purchase fissile materials from Russia (a defense-related program of the Department of Energy), $529 million for defense antiterrorism activities, and $42 million for defense counter-drug activities. All of these funds are designated as emergency appropriations (see below for a discussion). The bill also makes rescissions of $67 million. (For a full discussion of defense and other supplemental appropriations see Larry Nowels, Coordinator, *Supplemental Appropriations: Emergency Agriculture Aid, Embassy Security, Y2K Computer Conversion, and Defense*, CRS Issue Brief 98044.)

Table 1. Status of FY1999 Defense Appropriations

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conference Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
6/3-4/98	6/2/98	H.Rept. 105-591, 6/17/98	6/24/98 (358-61)	S.Rept. 105-200, 6/4/98	7/30/98 (97-2)	H.Rept. 105-746, 9/23/98	9/28/98 (369-43)	9/29/98 (94-2)	10/17/98 P.L. 105-262

Key Budget and Policy Issues

Major Issues in House and Senate Action on FY1999 Defense Authorization and Appropriations Bills

The conference agreements on the defense authorization and appropriations bills resolved a number of major issues, including:

- Relations with China: The House approved several floor amendments to the authorization bill to limit satellite and missile technology exports to China. The White House objected to several of the provisions, especially to a ban on satellite exports. China was also a contentious issue in Senate debate on the authorization bill. The Senate-passed bill included several statements of policy, but some especially contentious China-related amendments offered by Senator Hutchinson were dropped during floor debate. China-related provisions were a major issue in the authorization conference. The conference agreed to drop language banning the export of satellites to China but included provisions that would (1) take review of technology exports to China away from the Commerce Department and return it to the State Department, (2) require advanced congressional notification of satellite sales to China along with a presidential justification for waiving human rights-related limits on satellite transfers, and (3) prohibit export of missile equipment or technology to China unless the President certifies that the export will not hurt the U.S. space launch industry and will not improve China's missile launch capabilities.. The conference agreement also includes a House-passed measure that would prohibit the transfer of port facilities near San Diego to COSCO, a Chinese shipping company. The Senate-passed version of the defense appropriations bill included a revised amendment by Senator Hutchinson condemning forced abortions in China and requiring that foreign officials (from China or other nations) involved in forced abortions, forced sterilization, or genital mutilation be denied visas to the United States. The appropriations conference agreement does not include this measure, but it contains a prohibition on DOD doing business with Chinese Army-owned companies and requires a report on the security situation in the Taiwan Strait.

- Base closures: Neither the House nor the Senate authorization bills approved new rounds of military base closures, as the Administration had requested. The Senate approved an amendment by Senators Inhofe and Dorgan that would make it somewhat more difficult for the Defense Department to realign military bases in the absence of a congressionally established base closure process. DOD strongly objected to this provision. The conference agreement drops this provision — according to press accounts, Sen. Inhofe agreed to drop it in return for conference acceptance of the House-passed provision regarding COSCO.

- Social issues: The House-passed authorization bill required the Army, Navy, and Air Force to separate men and women in basic training as the Marine Corps now does. The Senate-passed bill, in stark contrast, specifically prohibited implementation of new policies to separate men and women in basic

training until after a congressionally established commission reports. In a key floor vote on June 24, the Senate rejected a Brownback amendment to incorporate the House language — instead the Senate endorsed a substitute offered by Senator Snowe that allows current integrated training practices to continue, though it would require additional steps to separate male and female sleeping quarters. This was reportedly a major issue in the House-Senate authorization conference. The conference ultimately adopted the Senate language but also included a "sense of the House" statement urging separate training units. On other social issues, the House authorization included a measure applying to the Secretary of Defense and the President a requirement that commanders display "exemplary behavior," and the conference agreement includes a similar provision, but only as a "sense of the House" statement. Both the House and the Senate rejected floor amendments to eliminate the current ban on abortions in military medical facilities.

- Tritium production: The House-passed authorization bill included a measure that would prohibit the Defense of Energy (DOE) from buying tritium for nuclear weapons from commercial nuclear reactors. Without this source of tritium, DOE would have to build new facilities to produce tritium in South Carolina. The Congressional Budget Office estimated that it would cost about $3 billion over the next forty years to buy tritium from commercial sources and $10 billion to buy it from new facilities. The Senate-passed authorization bill included a provision allowing DOE to choose the long-term option. The conference agreement allows DOE to make the choice, but prohibits implementation of any plan for a year, which will allow Congress to review the decision again.

- Active duty end-strength: The House-passed authorization bill rejected an Administration request to eliminate floors on active duty end-strength levels. The Senate version of the authorization bill and both House and Senate versions of the appropriations bill, however, all agreed to the Administration's proposed reductions in end-strength. The authorization conference report agrees to the Administration request.

- Pay raise: The House-passed authorization provided a pay raise of 3.6% for military personnel, while the Senate version and both House and Senate versions of the appropriations bill initially provided only the requested raise of 3.1%. On June 25, however, the Senate approved an amendment to the authorization bill by Senators Thurmond and Levin to increase the pay raise to 3.6%, offset by an across-the-board reduction of R&D funds. Senators Stevens and Inouye, among others, cosponsored the amendment, and they subsequently offered an amendment to provide the same pay raise on the defense appropriations bill. The authorization and appropriations conference agreements provide a 3.6% raise.

- Bosnia: The Administration requested $1.9 billion for Bosnia in FY1999 as emergency funding not subject to the $270.5 billion cap on defense spending under the 1997 Balanced Budget Act. The Senate-passed version of the defense appropriations bill included the requested funding, while the House bill did not. In addition, the SASC report on the authorization bill approved that

amount and explicitly stipulated that the funding should be provided as emergency appropriations. The House-passed authorization bill did not address emergency funding, but instead included a provision to cap Bosnia spending at $1.9 billion, with the services allowed to spend $100 million more, if necessary to protect U.S. troops — the Administration strongly objected to this provision. In floor action on the authorization, both houses considered and rejected measures to require the withdrawal of U.S. troops from Bosnia by a specific date, but the Senate version of the authorization bill also included a sense of the Congress statement encouraging the President to establish conditions allowing a drawdown of forces in Bosnia. The authorization conference agreement specifically authorizes $1.9 billion in emergency funding for Bosnia and allows larger expenditures if the President certifies that the funding is needed to meet U.S. national security needs and will not undermine readiness. The appropriations conference agreement did not include emergency funding for Bosnia, but it was later provided in a supplemental appropriations measure included in the FY1999 omnibus appropriations bill.

- Weapons priorities: Compared to past years, contentious weapons issues were few — but there were some. The Administration requested just one C-130J aircraft and objected to the addition of more than $400 million for 7 additional aircraft in the House authorization and appropriations bills — the Senate bills added smaller amounts. The authorization and appropriations conference agreements provide funds for 7 aircraft, 6 more than requested. The House and Senate appropriations bills reduced funding for the Theater High Altitude Area Defense (THAAD) system by substantial amounts in the wake of the most recent test failure in May. Although the Administration agreed that the program should be restructured, it wanted to maintain funding. The authorization conference agreement, however, cuts $294 million and the appropriations conference agreement cuts $376 million. The Senate authorization and appropriations bills reduced or eliminated funding for another Theater Missile Defense (TMD) system, the Medium Extended-Range Air Defense System (MEADS), a cooperative program with allies that the Administration wants to continue. The authorization conference agreement cuts funding from $44 million requested to $24 million and prohibits expenditure of any funds unless the Defense Department finds room for MEADS in future budget plans. The appropriations conference agreement provides just $10 million. The Senate authorization and appropriations bills also reduced funding for the Airborne Laser (ABL) program and increased funding for Space-Based Laser (SBL) R&D. The Administration strongly objected, but the authorization conference agreement follows the Senate. The appropriations conference agreement provides somewhat more than the authorization for ABL. Both House and Senate appropriations bills also reduced funding for new aircraft carrier development in the wake of the Navy's decision not to pursue a "clean sheet" design for a new "CVX" carrier. The Navy wanted to keep some of the money to develop progressive changes in the current design. The authorization conference agreement provides $110 million and the appropriations conference agreement provides $105 million of the $190 million requested. The Senate authorization and appropriations bills included advance procurement funds for a new LHD-8 amphibious ship — the Defense Department did not object, though some lawmakers denounced it as

an example of pork barrel politics. The authorization conference agreement provides $50 million and the appropriations agreement $45 million. The House and Senate differed on the number of new F/A-18E/F aircraft to procure, and the House added funds for two unrequested F-16 aircraft. The authorization and appropriations conferences funded 30 F-18s, as requested, and one F-16. The Administration objected to a requirement in the Senate authorization bill that the F-22 aircraft complete certain testing before additional procurement contracts are signed. The authorization conference includes the restrictions but allows them to be waived. The Administration objected as well to some cuts in other areas that the House, especially, imposed to finance increases in certain programs, including Department of Energy weapons programs. The authorization conference agreement makes somewhat smaller cuts in these programs. Some long-term weapons issues appear to have been resolved this year — the battle over B-2 bomber procurement now appears over and the House National Security Committee did not renew its long fight to require a design competition in the New Attack Submarine (NSSN) program. See Tables A-3, A-4, and A-5 below for action on major weapons programs.

- Military health care: The House and Senate authorization bills both took steps to ensure that military retirees continue to have access to the defense health care system. The Senate bill approved three pilot projects to test alternative approaches, and the House approved a floor amendment to establish a test of a plan to allow military retirees to join the Federal Employees Health Benefit Plan (FEHBP). The authorization conference includes pilot projects to test FEHBP, using the DOD TRICARE program as a supplement for Medicare, and giving retirees access to TRICARE pharmacy benefits.

Each of these issues, and background on other matters, is discussed below in more detail.

Defense Policy Issues

Budget constraints, the results of last year's Quadrennial Defense Review (QDR) and its companion reports, ongoing battles over some social issues, and several other matters, all combined to create a broad agenda in this year's defense debate. Key matters of discussion included (1) military base closures; (2) Bosnia funding; (3) controls on technology exports to China and some other nations; (4) other efficiency measures; (5) military readiness; (6) long-term funding for defense modernization; (7) military personnel levels; (8) National Guard and Reserve funding and the role of Army National Guard combat units; (9) major weapons programs, including ballistic missile defense, the B-2 bomber, fighter aircraft, and shipbuilding; (10) a number of social issues, including sexual harassment and gender-integrated training, and (11) other matters, including military health care policy and Year 2000 computer problems. The following sections briefly review each of these issues.

The effect of budget constraints on the defense debate. In considering the FY1999 defense budget, the congressional defense committees were constrained by the 1997 budget agreement. Since the Administration request for FY1999 was right at the agreed level of defense spending of $270.5 billion in new budget authority, the

defense debate in Congress initially amounted to a "zero-sum game" — any amounts that Congress added for programs it favored, and any proposed Administration reductions that it rejected, would have to be offset by reductions in other defense programs. This represents a sharp break with the experience of the past three years, in which Congress has added substantial amounts to annual Administration defense budget requests (for details, see **Table C2** in Appendix C). In the end, Congress provided an additional $8.3 billion for defense programs as part of the omnibus appropriations bill, but this was not considered until the very end of the process.

The budget constraints could have led to a confrontation between Congress and the Administration over defense priorities, in which Congress would add money for programs it felt the Administration had neglected and pay for the additions by cutting some high priority Administration programs. For their part, senior Administration officials said that they tried to avoid potential conflicts by meeting Congress half way on programs of ongoing congressional interest [1]. Among other things, officials say, they fully funded national missile defense development; they requested more money than in the past for National Guard and Reserve equipment; they made an effort to identify and fund all defense health program costs; and they moved funding for the next Nimitz-class aircraft carrier forward one year, to FY2001, to avoid a gap in production.

For the most part, a contentious debate over priorities within the defense budget did not materialize in House and Senate action FY1999 defense authorization and appropriations bills. While the House and Senate provided some money for unrequested weapons programs and other priorities, the amounts are relatively small. The amounts later added for defense in the omnibus appropriations bill for the most part did not go to contentious weapons programs, except for $1 billion added for ballistic missile defense.

The Quadrennial Defense Review. This year's congressional defense debate was also affected by the outcome of last year's Quadrennial Defense Review (QDR) and two subsequent reports — the Defense Reform Initiative report and the report of the National Defense Panel. The QDR, released on May 19, 1997, was a thoroughgoing reassessment of U.S. defense policy by the Department of Defense. The Defense Reform Initiative report, issued on November 10, 1997, identified a number of efficiency measures. The National Defense Panel report, released on December 1, 1997, reviewed the QDR and focused on potential defense requirements in the 2010-2020 period. Each of these reports highlighted themes that will be important ongoing matters of discussion in Congress.

Among other things, the QDR proposed a revised, very broad statement of U.S. defense strategy; reaffirmed the requirement that U.S. forces be able to prevail in two nearly simultaneous major theater wars; proposed measures to reduce pressures on the force created by the relatively large number of smaller-scale contingency operations in the post-Cold War era; and identified key elements of the so-called "revolution in military affairs" (RMA). The QDR and the Defense Reform Initiative

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[1]This point is based on a briefing for congressional staff by Under Secretary of Defense (Comptroller) William J. Lynn III.

emphasized the need for increased efficiency in order to save money for weapons modernization, and both strongly endorsed two more rounds of military base closures. The National Defense Panel report endorsed much of the QDR, including its focus on shaping the international security environment and on efficiency measures. But the Panel also called for a greater emphasis on homeland defense and on preparations for potentially very different kinds of threats in the future. The Panel argued that less emphasis should be placed on preparing to fight two major theater wars and more on preparing for the future, and it called for $5 to $10 billion more to be spent each year on experimental force exercises and new technology.

Additional military base closures. Both the Quadrennial Defense Review and the Defense Reform Initiative report recommended two more rounds of military base closures as a critical means of saving money to finance future defense modernization programs. The Defense Department formally proposed two more closure rounds in its legislative plan last year — one round in 1999 and another in 2003. Congress was not receptive to the proposal, however, and DOD did not pursue the proposal as vigorously as it did this year. This year, Secretary Cohen made congressional approval of two new base closure rounds, in 2001 and 2005, into one of his top priorities. On April 2, the Defense Department released a report on base closures that was required by the FY1998 Defense Authorization Act.[2] The report reaffirms earlier DOD estimates that previous base closure rounds, in 1988, 1991, 1993, and 1995, will lead to annual savings of about $5.6 billion per year beginning in FY2000. On this basis, the Defense Department projects that two future base closure rounds, each as large as the earlier average, will lead to annual savings of $2.8 billion (in today's prices) when fully phased in. These amounts, officials argue, are crucial to pay for weapons programs that are expected to begin production at the end of the next decade.

Within Congress, resistance to more base closures has been hardened by objections to Administration action following the 1995 base closure round. The 1995 Base Closure Commission recommended that two Air Force aircraft depot maintenance facilities, in Sacramento, California, and San Antonio, Texas, be closed, which would have left more work for depots in Oklahoma, Georgia, and Utah.[3] The White House, however, instead developed a plan to "privatize in place" at the two sites — i.e., private contractors would be allowed to bid for contracts to perform work at the two facilities. This plan is now being implemented, and the Administration argues that the results are positive, with competition for contracts leading to better prices.

To many Members of Congress, however, the Administration plan politicized the base closure process. Last year, the defense authorization bill was held up for several months by a bitter dispute over proposals to ensure that the remaining public facilities

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[2]Department of Defense, *The Report of the Department of Defense on Base Realignment and Closure*, April 1998.

[3]Administration officials point out that the 1995 Base Closure Commission recommended that work at the California and Texas depots either be transferred to other depots or be made subject to competition by private companies. They insist, therefore, that privatization in place is not insistent with the Commission's recommendations.

receive adequate work. This Spring, lawmakers complained about an Air Force memo discussing a White House request that the Defense Department encourage a private company to bid on a contract to perform work at the Sacramento facility. In congressional hearings, Secretary Cohen and other officials were told repeatedly that privatization in place has eroded support for further base closures. In response, Secretary Cohen has said that Congress can include a prohibition on privatization in place in any future base closure legislation. Cohen has also argued that Congress should approve more base closures now, so that the Defense Department can prepare for them in the long-term FY2000-2005 defense plan that it is now preparing. (For a review of base closure issues, see David Lockwood, *Military Base Closures: Time for Another Round?*, CRS Report 97-674 F.)

Congressional action: Neither the House nor the Senate agreed to additional military base closures in action on the FY1999 defense authorization. In a critical measure of support for base closures, SASC voted down a proposal by Senators McCain and Levin to approve one more base closure round in 2001. On June 25, the Senate approved by 48-45 an amendment by Senator Inhofe that would make it somewhat more difficult for DOD to realign facilities in the absence of a congressionally established base closure process. Just a week earlier, however, Senator Inhofe predicted that next year Congress will approve another base closure round to occur in 2001. The Inhofe amendment was ultimately dropped by the authorization conference.

Bosnia funding and troop levels. On March 2, the Administration sent two separate requests to Congress for money to pay for military contingency operations overseas. The first was a request for supplemental appropriations of about $1.8 billion in FY1998 to cover costs of extending the U.S. mission in Bosnia through the end of the fiscal year and for costs of expanded operations in the Persian Gulf due to the confrontation with Iraq. The second was an amendment to the FY1999 defense budget request asking for another $1.9 billion to cover costs of extending the mission in Bosnia through FY1999. Congress agreed to provide the FY1998 supplemental funding in H.R. 3579 (discussed above). The FY1999 request for Bosnia was initially considered in the course of congressional action on the regular FY1999 funding bills, and funding was ultimately provided in the onmibust appropriations bill (H.R. 4328).

The Administration requested that the additional FY1998 and FY1999 funding for Bosnia be designated as "emergency" appropriations under the terms of the budget enforcement act. This would raise caps on defense discretionary spending and on total discretionary spending by the amount provided, so the costs would not have to be offset by cuts in other defense programs. This proposal was contentious. For the past three years, Congress had insisted that anticipated costs of ongoing military operations in Bosnia, the Persian Gulf, and elsewhere be provided as part of regular defense appropriations measures within caps on defense spending established in the annual budget process — the FY1998 and FY1999 supplemental funding has broken this precedent. The Administration argued that Bosnia costs were not assumed in defense plans at the time the 1997 budget agreement was reached. If Congress did not agree to designate the Bosnia funding as emergency appropriations and Bosnia operations continue, then the costs would have to be offset by cuts in other defense programs.

Congressional action: In its version of the defense authorization bill, SASC approved $1.9 billion for Bosnia in FY1999 as an addition to the regular $270.5 billion funding for national defense and explicitly said that the funding should be provided as emergency appropriations, as the Administration requested. In its version of the authorization, HNSC did not specifically address emergency funding for Bosnia, but instead established a cap of $1.9 billion on the amount that may be expended for Bosnia in FY1999, with an additional $100 million available in case of emergency, to protect U.S. troops. On May 21, the full House rejected a motion by Representative Barney Frank to recommit the authorization bill to committee with instructions to report a revised bill that would cut off funds for operations in Bosnia after Dec. 31, 1998 without prior congressional approval. The House-passed defense appropriations bill also did not include emergency funding for Bosnia. On June 24, the Senate approved an amendment to the authorization bill by Senator Thurmond urging the President to reduce the U.S. troop level in Bosnia, but, in a key test of policy, it rejected an amendment by Senator Bob Smith to cut off funds unless Congress approves the deployment. Senators Byrd and Hutchison did not offer their amendment to require that the U.S. troop presence in Bosnia be drawn down to the average level maintained by major allies. On July 30, the Senate added an amendment proposed by Senator Stevens to the defense appropriations bill to provide the requested $1.9 billion as emergency appropriations. On the broader issue of congressional war powers, the House-passed appropriations bill included a provision proposed by Representative Skaggs to prohibit expenditures on offensive military action without advance congressional approval. The Senate, however, voted by 84-15 to table an identical amendment to the appropriations bill offered by Senator Durbin. The White House threatened a veto if the Skaggs provision were included in the appropriations bill. The authorization conference agreement approves $1.9 billion in emergency funding for Bosnia — but it must still be appropriated. The conference agreement also allows expenditure of more than that provided the President certifies that the funding is needed for national security and will not reduce readiness. The appropriations conference agreement does not include emergency funding for Bosnia, leaving the issue for later consideration. The Skaggs amendment was dropped in the appropriations conference agreement. Requested emergency funding of $1.9 billion for Bosnia was provided in the FY1999 Omnibus appropriations bill.

Relations with China and controls on technology exports to China and other nations. Policy toward China became a major focus of congressional attention in the wake of allegations that the Loral Space Corporation provided assistance to China in improving its missile launch technology and on the eave of the President's trip to China. Nuclear tests by India and Pakistan also focused attention on trade sanctions legislation and other export controls.

Congressional action: The House approved several amendments to the defense authorization bill to restrict technology exports to China and other countries. One amendment limited export of missile and satellite technology and provision of technical assistance to China; another subjected satellite exports to the same licensing requirements as munitions; another transferred responsibility for reviewing technology exports to China from the Commerce Department to the State Department; and another allowed Congress to review nuclear technology

exports through the same procedures as weapons exports. The White House strongly objected to these measures. The House-passed bill also included a provision to prohibit the transfer of facilities at Long Beach naval shipyard, near San Diego, to a Chinese shipping company, COSCO. A number of amendments concerning technology exports to China, relations with China, and trade sanctions were proposed in Senate action on the defense authorization bill. On June 23, the Senate rejected a motion to table four China-related amendments by Senator Hutchinson, and debate on China policy was then put off. Senator Hutchinson then said that he planned to offer his amendments when the Senate took up the defense appropriations bill. Senator Stevens, however, delayed floor action on the bill, reportedly in part because he was concerned that contentious amendments on China or other issues could derail the bill. Ultimately the Senate considered a number of China-related issues in action on other bills, and Senator Hutchinson offered a single, revised amendment on the defense appropriations bill. This measure required the State Department to deny visas to foreign officials involved in forced abortions, forced sterilization, or genital mutilation, and it passed unanimously. The authorization conference agreement drops House language banning the export of satellites to China but includes provisions that would (1) take review of technology exports to China away from the Commerce Department and return it to the State Department, (2) require advanced congressional notification of satellite sales to China along with a presidential justification for waiving human rights-related limits on satellite transfers, and (3) prohibit export of missile equipment or technology to China unless the President certifies that the export will not hurt the U.S. space launch industry and will not improve China's missile launch capabilities.. The conference agreement also includes the House-passed ban on transferring port facilities COSCO. For a review of China policy issues, see CRS Issue Brief 98018, *China-U.S. Relations*, by Kerry Dumbaugh.

Other efficiency measures. Along with additional base closures, both the QDR and the Defense Reform Initiative report recommended a number of other efficiency measures. The most important measures include (1) a one-third reduction over the next few years in the staff of the Office of the Secretary of Defense (OSD) and substantial cuts in military service headquarters staffs; (2) cuts in civilian and military personnel carrying out support functions; and (3) aggressive pursuit of public-private competitions for additional activities now carried out by civilian DOD employees. In the past, Congress has, on the one had, pressured the Defense Department to reduce the number of people engaged in "overhead" activities and, on the other hand, imposed some barriers to reductions in civilian personnel levels. Issues this year included, first, whether the DOD cuts in OSD and headquarters personnel amount to real or only paper reductions; second, whether Congress will require different or deeper cuts in overhead personnel; and, third, how Congress will react to privatization measures at local facilities. Over the past couple of years, the House, in particular, has sought to impose deep cuts in the number of personnel engaged in "acquisition" activities. The Senate and the Administration sought to soften House-proposed measures, in part on the grounds that acquisition personnel have been defined too broadly. At the same time, the House has resisted proposals to open weapons maintenance and other activities to private competition.

Congressional action: In report language, HNSC urged the Defense Department not to waive cuts in acquisition personnel that were mandated in last year's defense authorization act and criticized DOD for not complying with a reporting requirement on management headquarters personnel. HNSC also imposed an across-the-board cut of $500 million in funding for consultants and cited this reduction as a reform measure. The White House objected to the cut in consulting funds and to several measures in the House-passed authorization bill, saying they would restrict DOD's ability to pursue efficiencies. The authorization conference agreement includes (1) a measure to withhold 10 percent of funds for the Office of the Secretary of Defense unless DOD meets all statutory requirements to cut headquarters staffs and provides mandated reports to Congress, (2) cuts 25,000 acquisition personnel, (3) cuts $240 million for consultants, and (4) reduces the number of Assistant Secretary of Defense positions from 10 to 9.

Military readiness. Military readiness has been a focus of intense attention in congressional hearings throughout the year. Many Members of Congress have cited repeated reports about readiness-related problems ranging from a shortage of Air Force fighter aircraft spare engines; to a drop in Army standards for new recruits; to shortfalls in Army personnel in key skill areas, including combat infantry; to a drastic decline in pilot retention rates in the Air Force and the Navy. These are symptoms, some conclude, of an imminent readiness crisis, brought about, first, by inadequate funding for defense, and, second, by the Clinton Administration's willingness to commit U.S. forces to more missions abroad than the force can reasonably support.

In response, Administration officials acknowledged some problems, but they insisted that there is no overall crisis in readiness now or in the foreseeable future. Early deploying units, they say, remain fully ready, though some later deploying units may take longer than in the past to prepare. Evidence of problems, they say, is largely based on anecdotes that do not accurately portray the state of the force. Overall readiness reports, they insist, continue to show a highly qualified and capable force. Problems that have occurred are being fixed — some Air Force engine spares, for example, were in short supply because of mistakes in projecting failure rates, but the planning models have now been changed. Pilot retention has been a problem, in part because of airline hiring, and in part because of demands of operations abroad, but a sustained effort to resolve the problem is underway — Congress approved higher pilot reenlistment bonuses last year, and several steps are being taken to limit deployments. Army recruiting continues to meet longstanding quality goals. Most recently, however, officials in the services have expressed growing concerns about personnel recruitment and retention. On September 15, the President met with senior military officers, who reportedly identified increasingly serious readiness problems and urged support for higher defense spending. On September 28, the Joint Chiefs testified before the Senate Armed Services Committee about the state of military readiness and identified a need for more that $17 billion per year in additional defense spending. Later, in response to questions of Senator McCain, the Chiefs identified shortfalls of as much as $135 billion over five years.

Congressional action: HNSC restructured operation and maintenance funding to provide more money for depot maintenance and real property maintenance. It also mandated substantial changes in readiness reporting, which DOD

complains will be difficult and costly to implement. SASC also provided limited additional amounts for readiness-related accounts. In floor action on the defense appropriations bill, the Senate approved an amendment by Senators Domenici and Harkin to require reports on food stamp use by military families and other factors related to family life, morale, and retention. The Senate also adopted a Hutchison amendment stating the sense of the Congress that readiness has been eroded by a combination of declining budgets and expanded missions, including the mission in Bosnia. The authorization conference agreement requires improved readiness reporting, provides more money for recruiting and various troop benefits, increases added pay for flight duty, and emphasizes quality of life measures, such as day care centers and housing, in construction programs. The FY1999 omnibus appropriations bill includes $1.3 billion for enhanced military readiness. The bill did not, however, make changes that some had sought in military retirement benefits as a way of bolstering personnel retention.

Long-term funding for defense modernization. The flip side of the military readiness issue concerns the adequacy of long-term weapons modernization programs. In recent years, the Administration has given a very high priority to readiness-related funding. As a result, from year to year, funding that the Defense Department had planned to spend on weapons procurement has, instead, had to be reallocated to operation and maintenance accounts which are most closely related to readiness. In the FY1999 budget, this problem has not been completely resolved. The requested level of procurement funding, $48.7 billion, is very close to the level that was planned last year — there was some decline, officials acknowledge, but only, they say, because of adjustments in weapons programs following the Quadrennial Defense Review. But this is true only because the Administration requested funding for FY1999 Bosnia costs as emergency appropriations, not subject to the cap on overall defense spending. If the budget had to absorb Bosnia costs, then procurement spending would likely decline.

More generally, the Administration has set a goal of building up procurement funding to $60 billion per year by FY2001. To meet this goal without an increase in overall defense spending, however, flies in the face of historical experience in the defense budget, as senior defense officials candidly acknowledge. The Administration hopes to meet the target by applying base closure and other efficiency savings to the procurement accounts. A failure to achieve planned savings, however, would put off reaching the target, as would continued growth in weapons maintenance costs, unplanned quality of life requirements, costs of contingency operations not funded through emergency appropriations, health care cost growth, or any of a number of other expenses. Recently Under Secretary of Defense Jacques Gansler said that the $60 billion procurement target was becoming harder to reach.

Congressional action: No versions of the defense authorization and appropriations bills include substantial increases in modernization funding. The omnibus appropriations bill provides $1 billion for BMD programs, but no other funds for weapons modernization.

Military personnel end-strength levels. The QDR mandated a cut of 37,000 active duty personnel and of 55,000 reserve positions through about the year 2003. The active duty reductions, taken mainly out of support activities, are part of the

QDR's efficiency savings. There has, however, been some vocal resistance in Congress to proposed personnel cuts. While few object to reductions in support activities, many argue that active duty forces are already being strained by the requirements of contingency operations and forward presence abroad, so that further force cuts are ill-advised. The Army, in particular, has long had shortages of personnel in certain skills, a situation it has been willing to live with on the assumption that units would be filled out with individual reservists in the event of a major conflict. But in handling smaller-scale operations, this aggravates burdens on the force because units sent to Bosnia or elsewhere are fully manned, in part, by drawing personnel from other active duty units, increasing shortages elsewhere.[4] For the past two years, Congress has set floors on active duty personnel levels. In order to carry out the QDR reductions, Congress must agree to reduce or eliminate the statutory floors. Some Members of Congress do not want to do so.

Congressional action: The Administration requested that active duty end-strength be reduced by more than 35,000 from the authorized FY1998 level and by about 24,000 from the actual FY1998 level, and that Congress repeal statutory floors on end-strength. HNSC rejected the administration request to repeal the statutory floors and agreed to reduce authorized end-strength by 11,000 fewer positions than the Administration wanted, arguing that troops are being overworked. SASC approved the requested end-strength reductions and repeal of the statutory floors. House and Senate versions of the defense appropriations bill assumed the requested cuts in end-strength in FY1999. The authorization conference report agrees to the Administration request.

National Guard and reserve issues. In the wake of the QDR, a simmering dispute between the active Army and the Army National Guard (ARNG) over the role of ARNG combat units broke into open warfare. The Guard believes that active Army leaders have not given Guard combat units, especially eight ARNG combat divisions, an appropriate role in war plans, and that the QDR did not adequately consider the views of ARNG leaders. In the midst of this dispute, last year Congress approved a measure requiring the appointment of one Guard and one Reserve officer as special advisors to the Chairman of the Joint Chiefs. This year, the Defense Department has requested substantially more money than in the past for Guard and reserve weapons procurement. Meanwhile, the Army Chief of Staff has been meeting with ARNG leaders in an attempt to ease the ongoing dispute. Congress has perennially added money for Guard and reserve weapons programs to the budget and has tried to protect Guard units. (For a thorough discussion, see Robert L. Goldich, *The Army Reserve Components: Strength and Force Structure Issues*, CRS Report 97-719, July 15, 1997.)

Congressional action: As it has in the past, Congress added substantial amounts for equipment earmarked for National Guard and Reserve forces.

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[4]U.S. General Accounting Office, "Military Readiness: Observations on Personnel Readiness in Later Deploying Army Divisions," testimony of Mark E. Gebicke, Director of Military Operations and Capabilities Issues, before the Subcommittees on Readiness and Military Personnel, House Committee on National Security. Report No. T-NSIAD-98-126, Mar. 20, 1998.

Major weapons programs. Disputes over major weapons programs almost always arise in Congress. This year, issues include:

- Missile defense: Missile defense programs fall into two categories: National Missile Defense (NMD) is designed to protect the United States itself against long-range missile attack. Theater Missile Defense (TMD) programs are designed to protect forward deployed U.S. forces and allies from short- or intermediate-range missile attack. Following the QDR, the Administration increased funding for NMD programs, and the level of funding has become less contentious than in the past. (See **Table A3** for the funding request.) Major policy disputes remain unresolved, however. The Administration is pursuing a plan to develop NMD technology while deferring a decision to deploy a system. It also hopes that any system eventually deployed will allow the 1972 ABM Treaty, perhaps with some amendments, to survive. Missile defense advocates in Congress, however, believe that threats to the United States warrant early deployment of a nationwide defense, and many believe the ABM Treaty is anachronistic. Disputes over TMD systems, meanwhile, continue. Key issues this year involve the Theater High Altitude Area Defense (THAAD) system, the Navy Theater-Wide program, and the Medium Extended Range Air Defense System (MEADS). THAAD and Navy Theater-Wide are relatively long-range interceptor systems. The Administration has delayed THAAD development because of test failures, and, for affordability reasons, wants to delay procurement of the Navy system until after THAAD procurement is underway. MEADS is a cooperative program with European allies to provide an improved air/missile defense system for forward deployed troops.

  Congressional Action: In the past, provisions to require deployment of a nationwide defense have sometimes held up completion of defense authorization and appropriations bills. As a result, for the past two years, Congress has considered, though it has not passed, separate legislation establishing missile defense policy. This year, the Senate Armed Services Committee again took this approach — on April 24, it reported S. 1873 (S.Rept. 105-175), "The American Missile Protection Act of 1998," calling for deployment of a nationwide defense as soon as technically feasible. On May 13 and again on September 9, however, the Senate failed to invoke cloture on the bill. Congress has also acted on TMD programs earlier in the year. On March 30, the House approved H.R. 2786, "The Theater Missile Defense Improvement Act of 1998," that authorizes $147 million in additional funding in FY1998 for selected TMD programs; and the FY1998 supplemental funding bill, H.R. 3579, includes $179 million for TMD programs.

  The House-passed version of the FY1999 authorization included some additional money for the Navy Area Defense program and some other TMD systems. The SASC version of the bill provided added funding for the Navy Theater Wide program, but reduced THAAD slightly. On May 12, however, the THAAD program suffered its fifth successive test failure, and on May 14, the Senate approved an amendment by Senators Thurmond and Levin to trim another $253.9 million from the program

because engineering development will be delayed. The Senate committee version of the defense appropriations bill reflected this measure and also restructured the THAAD demonstration/validation program. On May 21, the full House approved a committee amendment to restructure the THAAD program — it required DOD to select an second contractor to compete with Lockheed-Martin on the program and it shifts $142.7 million from engineering development to technology development. SASC also cut MEADS funding from $43 to $10 million and required DOD to study alternatives — the Senate appropriations bill follows suit. Neither HNSC, SASC, nor SAC added money for NMD. In action on a related program, SASC was critical of the Air Force Advanced Airborne Laser (ABL) program and cut funding by $97 million. SASC also increased funding for Space-Based Laser R&D by $94 million (in PE# 63731C, BMD Support Technology). The Senate appropriations bill cut $57 million from the ABL. SAC also added $10 million to the TMD budget for boost phase intercept technology. In part as an alternative to THAAD, the congressional defense committees have all endorsed accelerated development of the Navy Theater Wide TMD system — budget additions range from $70 million in the House authorization bill to $150 million in the House defense appropriations bill. The authorization conference cut THAAD by $294 million and reduced MEADS by $19 million to $24 million. It also prohibits further MEADS expenditures until MEADS funding is included in long-term defense budget plans. Finally, the agreement follows the Senate increases in the Space Based Laser program and cuts the Airborne Laser by $57 million. The appropriations conference agreement cuts THAAD by $376 million, reduces MEADS to $10 million, and cuts the Airborne Laser by $25 million. Finally, the FY1999 omnibus appropriations bill includes additional funding of $1 billion for missile defense, with no specific allocation of the funds indicated.

- The B-2 bomber: In recent years, some Members of Congress have proposed procurement of 9 more B-2 bombers in addition to the 21 already financed. With the House generally supporting more bombers and the Senate opposed, the annual compromise has been to provide enough money to keep production lines available and to study the issue some more. In March, an independent commission mandated by Congress issued the latest B-2 study — it called for no more bombers to be produced, largely because of cost.

  Congressional action: None of this year's defense bills add money to procure more B-2 bombers, which may mark the end of the B-2 battle. HNSC added a limited amount for B-2 upgrades, while SAC cut some from the request.

- New fighter aircraft: Three new fighter aircraft programs are in various stages of development and production — the Navy F/A-18E/F multirole fighter, the Air Force F-22 air superiority fighter, and the multi-service Joint Strike Fighter (JSF) development program. DOD has requested FY1999 funding to buy 30 F/A-18E/F aircraft, to continue to develop the F-22 and to procure the first two aircraft, and to carry on JSF R&D. The QDR studied the three programs and decided to continued all of them, though all were reduced. Some

Members of Congress remain of the view that DOD cannot afford to buy all three, and that one should be canceled. There have also been differences between the two houses on each of the programs. The cost of the F-22 has been a major concern in the Senate, especially.

Congressional action: HNSC and HAC reduced F/A-18E/F procurement from the 30 aircraft requested to 27, but otherwise made no changes in major tactical aircraft programs. SASC included a requirement that the F-22 complete 10% of planned flight tests before funding for the next round of procurement is released — this provision reflects concern about concurrent testing and production. But the Senate rejected a Bumpers amendment to the authorization bill to require 601 hours of flight testing before the next round of procurement. The Administration objected to the Senate requirement. The authorization conference included funds for 30 F-18s, as requested, and allows a flight test requirement for the F-22 to be waived. The appropriations conference also approved 30 F-18s.

- Shipbuilding: In recent years, Congress has added substantial amounts to shipbuilding programs, generally by moving up planned ship purchases to avoid costly gaps in production. Congress has also ensured that major shipyards have enough work to cover overhead and development costs and to maintain trained employment levels. One major issue, carried over from last year, concerns procurement of the CVN-77, the last of the planned Nimitz-class aircraft carriers the Navy had, until recently, planned to buy. DOD has now moved up planned procurement of CVN-77 to the FY2001 budget — full funding had been planned in FY2002. This is an alternative to a plan that the carrier shipbuilder, Newport News Shipbuilding (NNS), had proposed last year to provide accelerated advanced procurement funding. NNS had argued that its approach, called "Smart Buy," would avoid a gap in production and would, therefore, save the Navy as much as $600 million on the price of the ship. The new DOD plan will not save as much, but it also avoids a big bill in FY1999 and FY2000. Another longer-term issue concerns development of the next generation DD-21 destroyer. Last year, Ingalls Shipbuilding Company of Mississippi and Bath Iron Works of Maine agreed to team together in developing and building the ship. The Navy initially agreed to the teaming arrangement but then became concerned that no competing team appeared to seek the contract. Most recently, the Navy has reached agreement with the ship builders and with combat system integrators for Lockheed-Martin and Bath to form one team and Raytheon and Ingalls a second to pursue competition in combat systems and design, though both shipyards are guaranteed eventual production work. Also, the Navy has abandoned plans to develop an entirely new-design aircraft carrier, known as the "CVX."[5] Instead, the Navy will pursue incremental improvements in the next three Nimitz-class carriers, eventually leading to a new design.

  Congressional action: HNSC, and subsequently the full House, approved the Administration's shipbuilding program largely intact, including the

[5]See Robert Holzer, "Navy Sinks Futuristic Carrier," *Defense News*, May 25-31, 1998, p. 4.

Administration request for funding for one New Attack Submarine (NSSN). This marks the end of an ongoing debate, in which HNSC has tried to mandate a competition between Newport News Shipbuilding and General Dynamics Electric Boat Division to design different versions of the submarine. SASC and SAC also largely supported the shipbuilding request, but added $50 million in advance procurement to buy a new LHD-7 class amphibious ship rather than overhaul older ships for the mission. This addition has received some attention because the ships are built by Ingalls Shipbuilding Company in Senate Majority Leader Trent Lott's home state of Mississippi. The authorization conference agreement provides $50 million in LHD-7 advance funds and the appropriations conference provides $45 million.

A new issue arose following reports that the Navy has decided not to pursue development of a "clean-sheet" design for the CVX. The key issue is how money for carrier R&D will be allocated. For its part, the Navy wants to protect funding for CVN upgrades. The Senate Appropriations Committee, however, recommended a $130 million reduction in funding for CVX R&D and a $50 million increase for CVN-77 under program element (PE) 0603512N. The committee also cut $35.7 million for CVX feasibility studies from PE 0603564N and recommended a $5-million increase to PE 0603564N "to establish a red team [i.e., an independent study team] to study a futuristic aircraft carrier concept." The House Appropriations bill cut funding for the CVX by $100 million. The authorization conference agreement provides $110 million for CVX R&D and appropriations conference agreement provides $105 million.

- Other weapons issues: The Administration did not request funding in the FY1999 budget to purchase additional F-16 aircraft. Congress has, in the past, supported a continuing low level of procurement as a means of keeping production lines going, encouraging foreign sales, and meeting Air Force requirements for attrition aircraft. Funding for the Joint Target Attack Radar System (JSTARS) aircraft was also be an issue. The QDR recommended reducing the total planned procurement of JSTARS aircraft from 19 to 13 on the assumption that NATO would agree to purchase 6 aircraft with alliance common funds. NATO did not decide to purchase JSTARS, however, so there was interest in Congress in restoring the earlier plan.

  Congressional action: The House authorization added $66 million to procure 2 F-16s and also added advance procurement funds for 2 additional JSTARS aircraft. The House also added substantial amounts for National Guard and Reserve equipment, including $300 million in a defense-wide account and additional amounts for specific weapons programs. The House also provided funds for 8 C-130 cargo aircraft of various types — DOD had requested just one. The House appropriations bill provided $60 million for two F-16s, advance procurement money for JSTARS, $120 million for Guard and Reserve equipment, and $461 million for 8 C-130s. SASC provided $72 million either for advance procurement or for termination costs for JSTARS, pending a DOD report on its plans for the program and alternatives. SASC also funded 4 additional C-130s and

added $60 million for Guard and Reserve procurement. SAC funded 3 additional C-130s and provided $247 million for "miscellaneous" Guard and Reserve procurement.[6] C-130J funding was a particularly contentious issue — Rep. Obey offered an amendment in the HAC markup to eliminate funds for 4 of the 8 aircraft in the subcommittee bill and to use the savings instead to restore F/A-18E/F procurement to the requested level and upgrade 4 existing C-130s. He complained that increases in the C-130J program were approved because the aircraft is built in Georgia near the Speaker's district and that they come at the expense of more valuable programs, such as the F/A-18E/F. The authorization conference agreement provides funds for 7 C-130s, 1 F-16, advance procurement funds for JSTARS, and $60 million for miscellaneous Guard and Reserve equipment in addition to funding in regular line items for equipment that will be supplied to the Guard and Reserve. The appropriations conference agreement follows suit on C-130s, provides $36 million, not $72 million, for JSTARS advance procurement, and provides $140 million in a separate Guard and Reserve procurement account.

- National Defense Panel recommendations: The National Defense Panel was critical of planned procurement of weapons that, it said, will not be able to cope with future threats. In the Panel's view, the Defense Department should reduce or terminate "legacy" programs and instead pursue leap-ahead technologies, including much lighter, more easily deployable equipment for land forces, longer-range fighter aircraft, and ships with lower radar visibility. The Panel specifically criticized the Army M1A2 tank upgrade, Crusader artillery, and Comanche helicopter programs; the Navy and Air Force F/A-18E/F and F-22 programs; and the Navy CVN-77 aircraft carrier. Some Members of Congress have echoed questions the Panel raised about legacy systems, but few have yet proposed specific program changes.

  Congressional action: SASC approved a measure to require a Quadrennial Defense Review at the beginning of each new administration, to be preceded by recommendations on strategy from a National Defense Panel. SASC also criticized the Army's Crusader artillery program and ordered a review of the program in light of the National Defense Panel's argument. The authorization conference agreement requires a report on Crusader.

Sexual harassment, gender-integrated training, and other social issues. Social issues are frequently matters of debate on annual defense funding bills. This year, the main focus of discussion has been on the outcome of sexual harassment cases in the Army, and on the related issue of gender-integrated training in the services. Last year, the Administration appointed a commission to review gender-integrated training, while Congress established a separate commission. The Administration-appointed commission, headed by former Senator Nancy Kassebaum Baker, made thirty recommendations aimed at improving recruitment and training. The recommendations that received the most attention were to provide separate units

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[6]SAC provided $500 million for National Guard and Reserve equipment, of which $213 was earmarked for C-130 aircraft and $40 million for C-9 aircraft.

and separate barracks for men and women during basic training, a policy the Marine Corps, but not the other services, has followed.[7] In contrast, a long-standing defense advisory group on women in the military — called the Defense Advisory Committee on Women in the Services (DACOWITS) — also studied the issue and disagreed with the Kassebaum Baker committee's recommendation for greater gender separation in training. Secretary of Defense Cohen subsequently decided to leave it to each of the services to determine whether to make changes, and none of the services has altered its policy. The congressionally-mandated commission has not yet completed its investigations.

Congressional action: The HNSC version of authorization bill included a provision requiring the services to phase in separate units and separate barracks for men and women in basic training — the rule in the House did not make in order any floor amendments to reverse the HNSC requirements, so there was no floor action on the issue. In stark contrast, SASC prohibited any steps to change current service practices until the congressionally-mandated commission reports. Senator Brownback proposed an amendment to the authorization bill to insert the House language, but on June 24, the Senate approved a Snowe substitute that would allow the services to follow current practices. So the House and the Senate were directly at odds on gender-integrated training. HNSC also included a provision requiring that the Secretary of Defense and the President display "exemplary conduct," as is required of uniformed commanders under current law.[8] The authorization conference agreement allows current unit training practices to continue but requires separation of sleeping quarters for men and women in basic training. It also includes a "sense of the House" statement urging separate training and another "sense of the House" statement to the effect that senior officials should be held to exemplary standards.

Defense health care. A number of defense health care issues have been under continued discussion in recent years, including the effectiveness of the DOD program to provide health care for defense dependents through a managed care system called Tricare and health care benefits for military retirees. Congress is continuing to evaluate Tricare, and last year established a demonstration program to test a system, known as Medicare subvention, in which Medicare will pay the Defense Department for care provided to military retirees who are eligible for Medicare benefits.

Congressional action: HNSC and SASC both took steps to ensure that military retirees will continue to have access to health care at defense facilities. Both established demonstration projects to test alternative means of providing health care to retirees. The House also approved an amendment to test allowing military retirees access to the Federal Employee Health Benefits Plan (FEHBP). The authorization conference agreement includes three major demonstrations of

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[7] *Report of the Federal Advisory Committee on Gender-Integrated Training and Related Issues to the Secretary of Defense*, December 16, 1997. The report is available electronically at [http://www.defenselink.mil/pubs/git/index.html].

[8] Section 507 of the FY1998 Defense Authorization Act, P.L. 105-85, H.R. 1119, amended Title 10, U.S. Code, to extend a "requirement of exemplary conduct" long applied to the Navy and Marine Corps to include Army and Air Force commanders.

means to provide continued health care to retirees, including (1) a test of allowing retirees to enroll in FEHBP, (2) provision of Tricare benefits as a supplement to Medicare, and (3) providing retirees with Tricare pharmacy benefits.

Medical research and development earmarks. For several years, defense appropriations bills have earmarked funds for various medical programs, including bone marrow transplants, breast cancer and prostate cancer research, and other disease research. None of these funds have been requested.

Congressional action: The Senate version of the defense appropriations bill set aside $250 million for medical R&D earmarks, saying that the Defense Department should determine priorities among various programs. This would restrict the amount available for such programs. The full committee specified that funding should not be reduced below the FY1998 level for breast cancer and prostate cancer research. The House bill, in contrast, included separate amounts for a number of medical earmarks. The appropriations conference agreement provides separate earmarked funds for a number of medical programs, including breast cancer and prostate cancer research, and follows the Senate approach on a number of other programs.

Year 2000 computer problems. Like other agencies and corporations, the Defense Department faces a potentially serious problem with its computers in adjusting to the turn of the century.

Congressional action: The House Appropriations Committee added $1.6 billion in emergency appropriations, not counted against caps on defense and total discretionary spending, to help the Defense Department fix its computers. On the same day, the committee also approved emergency funding for the same purpose for the Treasury Department. In the full Committee markup, Rep. Obey criticized this emergency funding as, in effect, an increase in the defense budget, but a Neumann amendment to remove the money was rejected. On June 19, however, the House Republican caucus decided not to provide money to fix the "Y2K" problem as emergency appropriations, and the rule on the defense appropriations bill, approved on June 24, subsequently removed the $1.6 billion in emergency funding. The issue of emergency funding for Bosnia and Y2K, and of offsetting rescissions, was then left to be addressed in a separate supplemental appropriations bill, and not in the defense appropriations measure. The FY1999 omnibus appropriations bill provides $1.1 billion for the Defense Department for Y2K conversion, and an additional $2.4 billion for other agencies.

Tritium production. The defense authorization bill approves funding for Department of Energy weapons related activities as well as for Department of Defense activities. The defense appropriations bill does not provide funds for DOE, however — instead, all DOE funding is provided in the energy and water development appropriations bill. A key issue in the defense authorization bill this year concerns tritium production for Department of Energy nuclear weapons programs.

Congressional action: The House-passed authorization bill included a measure that would prohibit the Defense of Energy (DOE) from buying tritium for nuclear weapons from commercial nuclear reactor. Without this source of tritium, DOE will have to build new facilities to produce tritium in South Carolina. The Congressional Budget Office has estimated that it will cost about $3 billion over the next forty years to buy tritium from commercial sources and $10 billion to buy it from new facilities. The Senate-passed authorization bill included a provision specifically allowing DOE to choose whichever long-term option it prefers. This was a major issue in the authorization conference. The conference agreement allows DOE to make the choice, but prohibits implementing the plan for a year, allowing Congress to review the decision next year. Senator Kyl has reportedly put a hold on the authorization conference report because he objects to this provision, feeling that it is urgent for DOE to pursue a new tritium source. (For a full discussion see CRS Issue Brief 97002, *The Department of Energy's Tritium Production Program*, by Richard E. Rowberg and Clifford Lau.)

Legislation

S.Con.Res. 86 (Domenici)

A concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1999, 2000, 2001, 2002, and 2003 and revising the concurrent resolution on the budget for fiscal year 1998. Reported by the Senate Budget Committee (S.Rept. 105-170), Mar. 20, 1998. Approved by the Senate (57-41), Apr. 2, 1998.

H.Con.Res. 284 (Kasich)

A concurrent resolution revising the congressional budget for the United States Government for fiscal year 1998, establishing the congressional budget for the United States Government for fiscal year 1999, and setting forth appropriate budgetary levels for fiscal years 2000, 2001, 2002, and 2003. Reported by the House Budget Committee (H.Rept. 105-555), May 27, 1998. Approved by the House (216-204), June 5, 1998.

S. 1768 (Stevens)

An original bill making emergency supplemental appropriations for recovery from natural disasters, and for overseas peacekeeping efforts, for the fiscal year ending September 30, 1998, and for other purposes. Reported by the Committee on Appropriations (S.Rept. 105-168), Mar. 17, 1998. Agreed to by voice vote and returned to the calendar, Mar. 26, 1998. Senate took up H.R. 3579 as passed by the House, inserted the provisions of S. 1768, and passed H.R. 3579, as amended, by unanimous consent, Mar. 31, 1998.

H.R. 3579 (Livingston)

A bill making emergency supplemental appropriations for the fiscal year ending September 30, 1998, and for other purposes. Reported by the Appropriations Committee (H.Rept. 105-469), Mar. 27, 1998. Passed by the House, with amendments (212-208), Mar. 31, 1998. Received in the Senate, Senate inserted the

provisions of S. 1768, and passed by unanimous consent, Mar. 31, 1998. Senate insisted on its amendments and requested a conference, Mar. 31, 1998. Conference report filed (H.Rept. 105-504), April 30, 1998. House agreed to conference report (242-163) and Senate agreed to conference report (88-11), April 30, 1998. Signed into law (P.L. 105-74) May 1, 1998.

H.R. 3616 (Spence)

A bill to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, and for other purposes. Introduced and referred to the Committee on National Security, Apr. 1, 1998. Full committee markup completed and ordered to be reported (H.Rept. 105-532), May 6, 1998. Considered in the House, May 19, 20, 21, 1998. Passed by the House, with amendments (357-60), May 21, 1998. Senate took up H.R. 3616, struck all after the enacting clause, inserted the text of S. 2057, approved the bill, as amended, by unanimous consent, and requested a conference, June 25, 1998. Conference agreement announced, September 17, 1998 and reported (H.Rept. 105-736), September 22, 1998. Conference report approved in the House (373-50), September 24, 1998. Conference report considered by the Senate, September 30-October 1, 1998 and passed by the Senate (96-2), October 1, 1998. Signed into law by the President (P.L. 105-261), October 17, 1998.

S. 2057 (Thurmond)

A bill to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, and for other purposes. Full committee markup completed, and ordered to be reported as an original bill without written report, May 7, 1998. A companion bill, S. 2060, ordered to be reported (S.Rept. 105-189), May 7, 1998. Considered in the Senate, May 13, 14, and 15, and June 19, 22, 23, 24, and 25, 1998. Approved by the Senate (88-4), June 25, 1998. Senate inserted the text into H.R. 3616 and passed H.R. 3616, June 25, 1998.

S. 2132 (Stevens)

An original bill making appropriations for the Department of Defense for fiscal year ending September 30, 1999, and for other purposes. Subcommittee markup held, June 2, 1998. Full Appropriations Committee markup held and ordered to be reported (S.Rept. 105-200), June 4, 1998. Considered by the Senate and amended text inserted into H.R. 4103, and H.R. 4103 then passed in lieu of S. 2132 (97-2), July 30, 1998.

H.R. 4103 (Livingston)

A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes. Subcommittee markup held, June 3-4, 1998. Full Appropriations Committee markup held and ordered to be reported (H.Rept. 105-591), June 17, 1998. Considered by the House and approved, with amendments (358-61), June 24, 1998. Taken up by the Senate, which struck all after the enacting clause and inserted the text of S. 2132, and passed by the Senate (97-2), July 30, 1998. Conference agreement announced, September 23, 1998 and reported (H.Rept. 105-746) September 25, 1998. House approved the conference agreement (369-43), September 28, 1998. Senate approved the conference

agreement (94-2), September 29, 1998. Signed into law by the President (P.L. 105-262), October 17, 1998

H.R. 4328
A bill making omnibus, consolidated appropriations and emergency appropriations for FY1999 and for other purposes. Conference agreement reported (H.Rept. 105-825), October 19, 1998. House approved the conference agreement (333-95), October 20, 1998. Senate approved the conference agreement (65-29), October 21, 1998. Signed into law by the President (P.L. 105-277), October 21, 1998.

Appendix A: Summary Tables

Table A1. Defense Appropriations, FY1995 to FY1999

(budget authority in billions of current year dollars)[a]

Actual FY1995	Actual FY1996	Actual FY1997	Estimate FY1998	Request FY1999
248.6	242.6	244.3	247.3	250.8

Sources: Office of Management and Budget, *Budget of the United States Government, Fiscal Year 1999*, Feb. 1998, and prior years.

Notes

[a.] These figures represent current year dollars, exclude permanent budget authorities and contract authority, and reflect subsequent rescissions and transfers.

Table A2: Administration Defense Plan, February 1998

(budget authority, current year dollars in billions)

	1998	1999	2000	2001	2002	2003
Military Personnel	69.7	70.8	70.7	71.6	73.0	74.9
Operation and Maintenance	94.4	94.8	95.9	97.8	99.6	101.9
Procurement	44.8	48.7	54.1	61.3	60.7	63.5
RDT&E	36.6	36.1	33.9	33.0	33.5	34.3
Military Construction	5.1	4.3	4.9	4.4	3.7	4.0
Family Housing	3.8	3.5	3.9	3.9	3.9	4.2
Other	0.5	-0.9	-0.5	-0.9	-0.1	1.2
Subtotal, Department of Defense	254.9	257.3	262.9	271.1	274.3	284.0
Atomic energy defense activities	11.7	12.3	11.9	11.5	11.7	12.0
Defense-related activities	1.0	1.1	1.1	1.1	1.1	1.1
Total, National defense	267.6	270.6	275.9	283.8	287.1	297.1

Source: Office of Management and Budget, *Historical Tables: Budget of the United States Government, FY1999*, February 1998; Congressional Budget Office.

Table A3: Ballistic Missile Defense Funding, FY1999

(millions of dollars)

	FY1999 Request	House Auth.	Senate Auth.	Auth. Con-ference	Auth. vs. Request	House Approp.	Senate Approp.	Approp. Con-ference	Approp. vs. Request
Procurement									
Patriot PAC-3	343.2	303.2	303.2	303.2	-40.0	303.2	192.7	248.2	-95.0
TMD Battle-Management & C3	22.8	22.8	22.8	22.8	0.0	22.8	22.8	22.8	0.0
Navy Area Defense	43.3	43.3	43.3	43.3	0.0	43.3	43.3	43.3	0.0
TOTAL PROCUREMENT	409.4	369.4	369.4	369.4	-40.0	369.4	258.9	314.4	-95.0
RDT&E									
Applied Research									
62173C Support Technologies	86.9	89.7	100.9	100.9	+14.0	81.9	100.9	97.9	+11.0
Advanced Technology Development									
63173C Support Technologies	166.7	176.7	292.7	282.7	+116.0	193.7	299.7	277.7	+111.0
[Atmos. Interceptor Tech.]*	[24.5]	[46.5]	[46.5]	[46.5]	[+22.0]	[46.5]	[46.5]	[46.5]	[+22.0]
[Space-Based Laser]*	[58.8]	[48.8]	[152.8]	[152.8]	[+94.0]	[48.8]	[152.8]	[132.8]	[+74.0]
Demonstration and Validation									
63861C THAAD Dem/Val	497.8	497.8	497.8	527.4	+29.6	392.8	497.8	445.3	-52.5
63868C Navy Theater Wide	190.4	260.4	310.4	310.4	+120.0	340.4	295.4	338.4	+148.0
63869C MEADS Concepts	43.0	43.0	10.0	24.0	-19.0	43.0	10.0	10.0	-33.0
63870C Boost Phase Intercept	--	--	--	--	0.0	--	10.0	6.5	+6.5
63871C National Missile Defense /a/	950.5	950.5	950.5	950.5	0.0	950.5	950.5	950.5	0.0
63872C Joint Theater Missile Defense	176.8	174.8	176.8	176.8	0.0	176.8	209.3	207.8	+31.0
63873C Family of Systems Eng. & Integration	96.9	96.9	96.9	96.9	0.0	96.9	96.9	96.9	0.0
63874C BMD Technical Operations	190.1	186.1	190.1	190.1	0.0	190.1	192.1	191.1	+1.0
63875C International Cooperative Programs	50.7	50.7	49.9	62.7	+12.0	50.7	62.7	59.7	+9.0
63876C Threat and Countermeasures	22.1	22.1	22.1	22.1	0.0	22.1	25.1	24.6	+2.5
Engineering & Manufacturing Development									
64861C THAAD EMD	323.9	323.9	253.9	0.0	-323.9	22.9	0.0	0.0	-323.9
64865C Patriot PAC-3 EMD	137.3	193.3	177.3	177.3	+40.0	177.3	182.3	182.3	+45.0
64867C Navy Area Defense EMD	245.8	245.8	245.8	245.8	0.0	245.8	245.8	245.8	0.0
TOTAL RDT&E	3,178.9	3,311.7	3,375.2	3,167.6	-11.3	2,984.9	3,178.5	3,134.5	-44.4
Military Construction	17.2	17.2	17.2	17.2	0.0	17.2	17.2	17.2	0.0
Emergency Appropriations (H.R. 4328)								1,000.0	
TOTAL Ballistic Missile Defense	3,605.5	3,698.3	3,761.8	3,554.2	-51.3	3,371.5	3,454.6	4,466.1	-139.4
Related Programs									
12419A Aerostat Joint Project Office	103.9	30.0	53.9	30.0	-73.9	0.0	45.0	15.0	-88.9
63319F Airborne Laser Program	292.2	292.2	195.2	235.2	-57.0	292.2	235.2	267.2	-25.0
63876F Space-Based Laser	35.0	25.0	35.0	35.0	0.0	25.0	35.0	35.0	0.0
63441F Space-Based Infrared Architecture	160.3	160.3	160.3	160.3	0.0	160.3	160.3	160.3	0.0
64441F Space-Based Infrared System -- High	538.4	538.4	538.4	538.4	0.0	538.4	543.2	541.9	+3.5
64442F Space-Based Infrared System -- Low	33.3	33.3	33.3	33.3	0.0	33.3	33.3	33.3	0.0

Sources: Department of Defense, "RDT&E Programs (R-1): Department of Defense Budget for FY1999," Feb. 1998; Department of Defense, "Program Acquisition Costs by Weapon System: Department of Defense Budget for FY1999," Feb. 1998; S.Rept. 105-189; H.Rept. 105-532.. *Congressional Record*, May 14, 1998, p. S4853. *Congressional Record*, May 21, 1998, p. H3673. S.Rept. 105-200. H.Rept. 105-736. H.Rept. 105-746.

Table A4: Congressional Action on Major Weapons Programs: FY1999 Authorization

(amounts in millions of dollars)

	Request			House Authorization			Senate Authorization			Conference Authorization		
	#	Proc.	R&D	#	Proc.	R&D	#	Proc.	R&D	#	Proc.	R&D
Army												
M1A2 Tank Upgrade	120	675.6	6.4	120	675.6	6.4	120	675.6	6.4	120	675.6	
Bradley Base Sustainment	--	285.8	68.0	--	360.8	68.0	--	285.8	68.0	--	355.8	70.0
Crusader Artillery System	--	--	310.9	--	--	293.6	--	--	310.9	--	--	310.9
MLRS Launchers	24	85.4	--	24	125.4	--	24	85.4	--	--	130.4	--
AH-64 Apache Longbow	--	611.8	--	--	611.8	--	--	652.0	--	--	611.8	--
UH-60 Blackhawk Helo.	22	218.8	--	30	285.2	--	30	297.3	--	30	285.2	--
RAH-66 Comanche Helo.	--	--	367.8	--	--	429.0	--	--	391.8	--	--	391.0
CXX-Medium-Range Aircraft	--	--	--	--	--	--	3	15.9	--	3	15.9	--
Navy/Marine Corps												
DDG-51 Destroyer	3	2,679.5	132.6	3	2,674.4	132.6	3	2,679.5	137.6	3	2,679.4	132.6
New Attack Submarine	1	2,002.9	299.6	1	2,012.9	316.6	1	2,002.9	NA	1	2,002.9	313.6
CVN-77 Carrier Adv. Proc.	--	124.5	88.5	--	124.5	88.5	--	124.5	138.5	--	124.5	88.5
CV(X) R&D	--	--	190.0	--	--	190.0	--	--	190.0	--	--	110.0
LPD-17/18 Amphib. Ship	1	638.8	--	1	638.8	--	1	638.8	--	1	638.8	--
LHD-8 Adv. Proc.	--	--	--	--	10.0	--	--	50.0	--	--	--	50.0
Sealift Ship Proc.*	--	251.4	--	--	251.4	--	--	251.4	--	--	251.4	--
Trident II Missile	5	323.5	56.6	5	323.5	56.6	5	323.5	56.6	5	323.5	56.6
AV-8B VSTOL Aircraft	12	338.4	13.8	12	335.2	13.8	12	338.4	13.8	12	335.2	13.8
EA-6B Mods	--	75.7	65.4	--	114.7	65.4	--	75.7	65.4	--	100.7	65.4
E-2C Early Warning Acft.	3	389.3	47.8	3	206.4	47.8	3	389.3	47.8	3	398.3	47.8
F/A-18E/F Fighter	30	2,897.2	260.0	27	2,692.5	260.0	30	2,897.2	236.6	30	2,883.2	260.0
V-22 Aircraft	7	687.1	355.1	8	728.8	355.1	7	687.1	355.1	8	742.8	355.1
Air Force												
B-2 Bomber Post-Production	--	189.9	131.2	--	275.9	131.2	--	189.9	131.2	--	275.9	131.2
F-15 Fighter Mods.	--	196.6	104.2	--	231.4	104.2	--	246.6	104.2	--	241.6	104.2
F-16 Fighter	--	--	125.1	2	66.0	100.5	--	--	125.1	1	25.0	125.1
F-22 Fighter	2	785.3	1,582.2	2	785.3	1,582.2	2	785.3	1,582.2	2	771.3	1,582.2
C-17 Aircraft	13	2,900.5	123.1	13	2,900.5	123.1	13	2,900.5	123.1	13	2,900.5	123.1

C-130 Aircraft	1	63.8	--	8	397.0	--	5	381.7	20.0	7	452.6	--
E-8C (JSTARS)	2	463.1	123.8	2	512.0	118.2	2	535.1	123.8	2	535.0	98.8
Joint/Defense-Wide												
Joint Strike Fighter	--	--	919.5	--	--	919.5	--	--	934.5	--	--	934.5
JPATS Trainer Aircraft	19	107.1	45.0	26	92.2	45.0	22	116.2	45.0	22	116.2	45.0
Ballistic Missile Defense*	--	409.4	3,178.9	--	369.4	3,311.7	--	369.4	3,375.2	--	369.4	3,167.6
Space-Based Infrared System (AF)	--	--	571.7	--	--	571.7	--	--	571.7	--	--	571.7
Guard & Reserve Equipment*	--	--	--	--	300.0	--	--	60.0	--	--	60.0	--

*__Notes__: All amounts exclude initial spares and military construction. Sealift ship procurement was requested in Shipbuilding and Conversion, Navy, but HNSC, SASC, and SAC provided it under Revolving Funds in the National Defense Sealift Fund. For Ballistic Missile Defense, the military construction request is $17.2 million, which is often reported as part of the total elsewhere. Guard and Reserve Equipment refers only to amounts provided in a separate account — the amounts do not include items procured for Guard and Reserve forces in regular line items.

Table A5: Congressional Action on Major Weapons Programs: FY1999 Appropriations

(amounts in millions of dollars)

	Request			House Appropriations			Senate Appropriations			Conference Approrpriation		
	#	Proc.	R&D	#	Proc.	R&D	#	Proc.	R&D	#	Proc.	R&D
Army												
M1A2 Tank Upgrade	120	675.6	6.4	120	666.6	6.4	120	671.0	6.4	--	672.6	6.4
Bradley Base Sustainment	--	285.8	68.0	--	371.8	68.0	--	283.8	68.0	--	356.8	68.0
Crusader Artillery System	--	--	310.9	--	--	310.9	--	--	310.9	--	--	310.9
MLRS Launchers	24	85.4	--	24	110.4	--	24	143.8	--	24	123.8	--
AH-64 Apache Longbow	--	611.8	--	--	611.8	--	--	611.8	--	--	611.8	--
UH-60 Blackhawk Helo.	22	218.8	--	30	297.3	--	30	292.8	--	29	272.4	--
RAH-66 Comanche Helo.	--	--	367.8	--	--	391.8	--	--	349.2	--	--	367.8
CXX-Medium-Range Aircraft	--	--	--	--	--	--	6	30.0	--	5	27.0	--
Navy/Marine Corps												
DDG-51 Destroyer	3	2,679.5	132.6	3	2,669.5	NA	3	2,679.5	NA	3	2,667.1	NA
New Attack Submarine	1	2,002.9	299.6	1	2,002.9	321.6	1	2,002.9	NA	1	2,002.9	NA
CVN-77 Carrier Adv. Proc.	--	124.5	88.5	--	124.5	88.5	--	124.5	138.5	--	124.5	88.5
CVX/ Future Carrier	--	--	190.0	--	--	100.0	--	--	74.3	--	--	105.0
LPD-17/18 Amphib. Ship	1	638.8	--	1	638.8	--	1	638.8	--	1	638.8	--
LHD-8 Adv. Proc.	--	--	--	--	--	--	--	50.0	--	--	45.0	--
Sealift Ship Proc.*	--	251.4	--	--	251.4	--	--	251.4	--	--	251.4	--
Trident II Missile	5	323.5	56.6	5	323.5	56.6	5	303.5	56.6	5	313.5	56.6
AV-8B VSTOL Aircraft	12	338.4	13.8	12	335.2	50.4	12	338.4	13.8	12	338.4	40.6
EA-6B Mods	--	75.7	65.4	--	114.7	65.4	--	75.7	65.4	--	95.7	65.4
E-2C Early Warning Acft.	3	389.3	47.8	3	389.3	47.8	3	389.3	47.8	3	389.3	47.8
F/A-18E/F Fighter	30	2,897.2	260.0	27	2,677.5	235.0	30	2,897.2	239.1	30	2,882.2	211.6
V-22 Aircraft	7	687.1	355.1	8	750.3	355.1	7	687.1	355.1	7	664.8	355.1
Air Force												
B-2 Bomber Post-Production	--	189.9	131.2	--	275.9	131.2	--	159.9	131.2	--	239.9	131.2
F-15 Fighter Mods.	--	196.6	104.2	--	241.6	104.2	--	236.6	104.2	--	241.6	104.2
F-16 Fighter	--	--	125.1	3	60.0	125.1	--	--	145.1	1	30.0	140.1
F-22 Fighter	2	785.3	1,582.2	2	715.3	1,582.2	2	785.3	1,582.2	2	771.3	1,575.4
C-17 Aircraft	13	2,900.5	123.1	13	2,900.5	123.1	13	2,900.5	108.1	13	2,900.5	119.1
C-130 Aircraft	1	63.8	29.4	8	461.4	29.4	4	288.4	29.4	7	494.8	29.4
E-8C (JSTARS)	2	463.1	123.8	--	535.1	98.2	2	463.1	98.8	--	499.1	101.8
Joint/Defense-Wide												
Joint Strike Fighter	--	--	919.5	--	--	919.5	--	--	934.5	--	--	927.0
JPATS Trainer Aircraft	19	107.1	45.0	22	102.2	45.0	22	97.2	45.0	22	106.2	45.0
Ballistic Missile Defense*	--	409.4	3,178.9	--	369.4	2,984.9	--	258.9	3,178.5	--	314.4	3,466.1
Space-Based Infrared System (AF)	--	--	571.7	--	--	571.7	--	--	576.5	--	--	575.2
Guard & Reserve Equipment*	--	--	--	--	120.0	--	--	247.0	--	--	140.0	--

*__Notes__: All amounts exclude initial spares and military construction. Sealift ship procurement was requested in Shipbuilding and Conversion, Navy, but HNSC, SASC, and SAC provided it under Revolving Funds in the National Defense Sealift Fund. For Ballistic Missile Defense, the military construction request is $17.2 million, which is often reported as part of the total elsewhere. Guard and Reserve Equipment refers only to amounts provided in a separate account — the amounts do not include items procured for Guard and Reserve forces in regular line items and do not include C-130 aircraft. Does not include emergency funding provided in the omnibus appropriations bill (H.R. 4328). For emergency amounts, see Table 6, below.

Table A6: Defense-Related Supplemental Appropriations in FY1999 Omnibus Appropriations Act (H.R. 4328)

(millions of dollars)

Readiness Enhancements	1,301.0
Overseas Contingency Operations (Bosnia)	1,858.6
Disaster Repairs (MilPers, O&M, & MilCon)	469.3
Counter-Drug Activities	42.0
Classified/Intelligence (O&M Defense-Wide)	1,496.6
Ballistic Missile Defense	1,000.0
Fisher Houses (Defense Health Program)	2.0
Russian Fissile Material Disposition (DOE)	525.0
Offset -- Rescission for Fuel Price Savings	-67.0
Antiterrorism (Title II)	528.9
Year 2000 Conversion (Title III)	1,100.0
Total Defense Related (DOE & DOD)	8,256.5
Subtotal Department of Defense	7,731.5
Subtotal Department of Energy	525.0

Table A7: Congressional Action on FY1999 Defense Authorization Bill by Title

(budget authority in billions of dollars)

		House		Senate		Conference	
			Change to		Change to		Change to
Title	Request*	Amount	Request	Amount	Request	Amount	Request
Military Personnel	70.8	70.7	-0.1	70.6	-0.2	70.6	-0.2
Operation & Maintenance	94.8	93.0	-1.7	94.4	-0.4	93.5	-1.3
Procurement	48.7	49.1	+0.3	49.5	+0.8	49.5	+0.8
RDT&E	36.1	36.2	+0.1	35.9	-0.2	36.0	-0.1
Military Construction	4.3	4.7	+0.4	4.9	+0.6	4.9	+0.6
Family Housing	3.5	3.5	0.0	3.6	0.1	3.5	0.0
Revolving & Mgmnt. Funds	0.6	1.5	+0.8	0.5	-0.1	1.5	+0.8
Trust Funds/Other	0.3	0.3	0.0	0.3	0.0	0.3	0.0
Offsetting Receipts	-1.6	-1.6	0.0	-1.6	-0.0	-1.6	0.0
Total DOD*	257.5	257.5	0.0	258.1	+0.6	258.2	+0.7
DOE Defense-Related	12.3	11.9	-0.4	11.9	-0.4	12.0	-0.3
Other Defense-Related	1.1	1.0	0.0	1.0	0.0	1.0	0.0
Asset Sales/Transfers						-0.7	-0.7
Total National Defense*	270.9	270.4	-0.5	270.5	-0.4	270.4	-0.4

***Notes:** The request reflects CBO scoring and is shown as reported in the House. Senate amounts have been adjusted to be consistent with the structure of the request as reported in the House. Totals may not add due to rounding.

Sources: H.Rept. 105-532; S.Rept. 105-189. H.Rept. 105-736.

Table A8: Congressional Action on FY1999 Defense Appropriations Bill by Title

(budget authority in billions of dollars)

		House		Senate		Conference	
			Change to		Change to		Change to
Title	Request	Amount	Request	Amount	Request	Amount	Request
Military Personnel	70.8	70.6	-0.2	70.5	-0.3	70.6	-0.2
Operation & Maintenance	83.5	83.9	+0.4	83.5	0.0	84.0	+0.5
Procurement	47.8	48.5	+0.6	48.6	+0.8	48.6	+0.8
RDT&E	36.1	35.9	-0.2	36.1	0.0	36.8	-0.7
Military Construction	NA	NA	NA	NA	NA	NA	NA
Family Housing	NA	NA	NA	NA	NA	NA	NA
Other DOD Programs	11.8	11.8	0.0	12.0	+0.2	11.8	0.0
Related Agencies	0.4	0.4	0.0	0.4	0.0	0.4	0.0
General Provisions	0.1	-1.1	-1.2	-1.3	-1.4	-1.7	-1.8
Total DOD*	251.0	250.7	-0.3	250.5	-0.5	250.5	-0.5

*__Notes:__ Totals may not add due to rounding. These data are not comparable with authorization figures in Table A6, because the structure of accounts differs — the largest difference is that the authorization bills include Defense Health funding in Operation and Maintenance, while the appropriations bills provide Defense Health funding in Other DOD Programs.

Sources: H.Rept. 105-591; S.Rept. 105-200; H.Rept. 105-746.

Table A9: Final Congressional Action on National Defense (050) Authorization and Appropriations by Appropriations Bill and Title*

(budget authority in billions of dollars)

	Request	Authorization	Change to Request	Appropriations	Change to Request
Defense Appropriations					
Military Personnel	70,777	70,592	-185	70,579	-198
Operation & Maintenance	94,702	93,372	-1,330	93,376	-1,326
Procurement	48,710	49,268	+558	48,870	+160
RDT&E	36,079	35,969	-110	36,561	+482
Revolving & Management Funds	750	1,511	+761	1,521	+771
CIA Retirement/Intelligence Community	313	313	0	304	-9
Asset Sales/Leases/Other	-9	-748	-739	-724	-715
Subtotal Defense Appropriations	251,323	250,276	-1,047	250,486	-837
Military Construction Appropriations					
Military Construction	4,302	4,907	+605	4,908	+606
Family Housing	3,483	3,541	+58	3,542	+59
Subtotal Military Construction	7,785	8,449	+664	8,450	+665
Energy & Water Appropriations	12,298	11,968	-330	12,019	-279
VA-HUD Appropriations	131	88	-43	131	0
Commerce-Justice-State Appropriations	336	336	0	386	+50
Transportation Appropriations	309	309	0	300	-9
Offsets, Receipts, Etc.	-1,271	-1,266	+5	-1,266	+5
Total Budget Function 050	270,910	270,158	-752	270,505	-405

Source: Congressional Budget Office.

***Notes:** Titles are organized according to the request and authorization structure. Request reflects Congressional Budget Office scoring. Totals may not add due to rounding.

Appendix B: Relationships Between the National Defense Budget Function and Defense-Related Appropriations Bills

The annual defense appropriations bill provides funds for military activities of the Department of Defense (DOD) and for other purposes. Five other appropriations bills also provide funds for national defense activities of DOD and other agencies, including:

- the **military construction appropriations** bill, which finances construction of military facilities and construction and operation of military family housing, all administered by DOD;
- the **energy and water development appropriations** bill, which funds atomic energy defense activities administered by the Department of Energy;
- the **VA-HUD-independent agencies** appropriations bill, which finances civil defense activities administered by the Federal Emergency Management Agency and activities of the Selective Service System;
- the **Commerce-Justice-State appropriations** bill, which funds national security-related activities of the FBI; and
- the **transportation appropriations** bill, which funds some defense-related activities of the Coast Guard.

The defense appropriations bill is by far the largest of the defense-related appropriations measures. Table B-1 provides a breakdown FY1999 funding by appropriations subcommittee. The national defense budget function also includes mandatory funding. Net mandatory funding for defense is a relatively small negative amount, which mainly reflects receipts from sales of items to the public.

Table B1: FY1999 National Defense Appropriations Request and Current 302(b) Allocations by Appropriations Subcommittee

(amounts in millions of dollars)

Subcommittee	Request	House	Senate
Defense Discretionary			
Commerce, Justice, State, & the Judiciary	336	386	335
National Security/Defense	250,763	250,284	250,324
Energy & Water Development	12,298	12,019	12,030
Military Construction	7,779	8,450	8,450
Transportation & Related Agencies	309	300	300
Veterans Affairs, HUD, & Independent Agencies	131	131	131
Subtotal Defense Discretionary	271,616	271,570	271,570
Defense Mandatory	**-985**		
Total National Defense	**270,631**		

Source: Office of Management and Budget, *Budget of the United States Government: FY1999*, Table S-8, p. 355; H.Rept. 105-662; S.Rept. 105-345. Note: The most recent House figures were not reported to show national defense funding.

Appendix C: Defense Budget Trends

The Administration's defense budget request for FY1999 and projected defense budgets through FY2002 reflect the White House-congressional budget agreement that was finalized in June 1997. Under the Administration plan, extended through FY2003, budget authority for national defense will grow slowly in nominal terms, but it will be essentially flat when adjusted for inflation. This marks the end of a long period in which defense spending has steadily declined from its peak in the mid-1980s. By FY2003, budget authority for national defense will be almost 38% below the level in FY1985. **Table C1** shows the trend in current year dollars and in constant FY1999 prices.

Table C1. Administration National Defense Budget Projections
(current and constant FY1999 dollars in billions)

Fiscal Year	1985	.....	1998	1999	2000	2001	2002	2003
Budget Authority								
Current year dollars	294.7	.....	267.6	270.6	275.9	283.8	287.1	297.1
Constant FY1999 dollars	429.8	.....	273.0	270.6	270.0	271.6	268.7	271.6
Real growth/decline			-3.2%	-0.9%	-0.2%	+0.6%	-1.1%	+1.1%
Cumulative change from FY85			-36.5%	-37.0%	-37.2%	-36.8%	-37.5%	-36.8%
Outlays								
Current year dollars	252.7	.....	264.1	265.5	268.7	269.8	272.1	288.5
Constant FY1999 dollars	373.8	.....	269.4	265.5	263.0	258.3	254.9	264.6
Real growth/decline			-4.4%	-1.4%	-0.9%	-1.8%	-1.3%	+3.8%

Sources: Current year figures from Office of Management and Budget; deflators from DOD Comptroller.

The cuts in the defense budget over the past several years have been achieved mainly by reducing the size of the military force and by slowing the pace of weapons modernization. Under plans established by the Quadrennial Defense Review, released on May 19, 1997, active duty end-strength will decline from 2.2 million in FY1987 to 1.36 million by FY2003, a reduction of 36%. Funding for weapons acquisition has declined even more steeply. The FY1999 budget requests $48.7 billion for weapons procurement and $36.1 billion for research, development, test and evaluation (RDT&E). Adjusted for inflation, proposed procurement funding is 65% below the level in FY1985 and the total for procurement plus R&D is down by 54%.

The level of procurement funding is a matter of ongoing debate. A key goal of the Quadrennial Defense Review is to increase procurement funding over the next several years, mainly by reducing defense civilian personnel levels and transferring the savings to weapons acquisition. By FY2001, the Administration projects $61.3 billion for procurement (see Table A2 in Appendix A). To reach this level, however, depends on (1) achieving projected savings through reforms in defense business practices and (2) controlling the growth of operation and maintenance expenses (see below for a further discussion). (For detailed figures on trends in defense spending, see Stephen Daggett and Mary Tyszkiewicz, *Defense Budget for FY1999: Data Summary*, CRS Report 98-155, Feb. 23, 1998.)

For the past three years, Congress has added substantial amounts to the annual defense budget request. Because of last year's budget agreement, however, Congress

has no room to add to the FY1999 request. **Table C2** shows congressional additions in to the request in recent years.

Table C2: Congressional Additions to Administration National Defense Budget Requests, FY1996-98
(current year dollars in millions)

	FY1996	FY1997	FY1998
Administration Request	257,755	254,367	265,579
Congressional Change to Request	+7,457	+10,986	+2,383
Appropriations (all bills)	265,212	265,353	267,962
Later Adjustments	+795	+4,945	-402
Current Estimate	266,007	270,298	267,560

Sources: FY1996 and FY1997 request, congressional change, and appropriations from Department of Defense, "National Defense Budget Estimates for FY1998," March 1997; FY1998 request, congressional change, and appropriations from Congressional Budget Office — note that the request reflects CBO scoring of the Administration submission; current estimate for all years from Office of Management and Budget, "Historical Tables: Budget of the United States Government, Fiscal Year 1999, Feb. 1998.

Note: Later adjustments are due to supplemental appropriations, rescissions, and technical adjustments. The largest technical adjustments are in contract authority for Defense Working Capital Funds.

For Additional Reading

CRS Issue Briefs

CRS Issue Brief 93056. *Bosnia: U.S. Military Operations*, by Steve Bowman.

CRS Issue Brief 98018. *China-U.S. Relations*, by Kerry Dumbaugh.

CRS Issue Brief 92056. *Chinese Proliferation of Weapons of Mass Destruction*, by Shirley A. Kan.

CRS Issue Brief 97002. *The Department of Energy's Tritium Production Program*, by Richard E. Rowberg and Clifford Lau.

CRS Issue Brief 96022. *Defense Acquisition Reform: Status and Current Issues*, by Valerie Grasso.

CRS Issue Brief 87111. *F-22 Aircraft Program*, by Bert Cooper.

CRS Issue Brief 92035. *F/A-18E/F Aircraft Program*, by Bert Cooper.

CRS Issue Brief 96029. *Homosexuals and U.S. Military Policy: Current Issues*, by David Burrelli.

CRS Issue Brief 93103. *Military Medical Care Services: Questions and Answers*, by Richard A. Best, Jr.

CRS Issue Brief 85159. *Military Retirement: Major Legislative Issues*, by Robert L. Goldich.

CRS Issue Brief 95076. *NATO: Congress Addresses Expansion of the Alliance*, by Paul Gallis.

CRS Issue Brief 91098. *Navy Attack Submarine Programs: Issues for Congress*, by Ronald O'Rourke.

CRS Issue Brief 94040. *Peacekeeping: Issues of U.S. Military Involvement*, by Nina Serafino.

CRS Issue Brief 93062. *Space Launch Vehicles: Government Requirements and Commercial Competition*, by Marcia Smith.

CRS Issue Brief 98044, *Supplemental Appropriations: Emergency Agriculture Aid, Embassy Security, Y2K Computer Conversion, and Defense*, by Larry Nowels.

CRS Issue Brief 92115. *Tactical Aircraft Modernization Issues for Congress*, by Bert Cooper.

CRS Issue Brief 98028. *Theater Air and Missile Defense: Issues for Congress*, by Robert D. Shuey.

CRS Issue Brief 86103. *V-22 Osprey Tilt-Rotor Aircraft*, by Bert Cooper.

CRS Issue Brief 92008. *Women in the Armed Forces*, by David Burrelli.

CRS Reports

CRS Report 97-719. *The Army Reserve Components: Strength and Force Structure Issues*, by Robert L. Goldich.

CRS Report 98-485. *China: Possible Missile Technology Transfers from U.S. Satellite Export Policy — Background and Chronology*, by Shirley A. Kan.

CRS Report 98-155. *Defense Budget for FY1999: Data Summary*, by Stephen Daggett and Mary T. Tyszkiewicz.

CRS Report 97-316. *Department of Defense's Research, Development, Test and Evaluation (RDT&E) Program: A Primer*, by John D. Moteff.

CRS Report 98-120. *Iraq Crisis: U.S. and Allied Forces*, by Alfred B. Prados.

CRS Report 98-198. *Joint Strike Fighter: Background, Status and Issues*, by Bert H. Cooper.

CRS Report 98-476. *Long Beach: Proposed Lease by China Ocean Shipping Co. (COSCO) at Former Naval Base*, by Shirley A. Kan.

CRS Report 97-674. *Military Base Closures: Time for Another Round?*, by David Lockwood.

CRS Report 97-862. *National Missile Defense: Status of the Debate*, by Stephen Daggett and Robert D. Shuey.

CRS Report 98-359. *Navy CVN-77 and CVX Aircraft Carrier Programs: Background and Issues for Congress*, by Ronald O'Rourke.

CRS Report 97-1044. *Navy/DARPA Maritime Fire Support Demonstrator (Arsenal Ship) Program: Issues Arising from its Termination*, by Ronald O'Rourke.

CRS Report 97-700. *Navy DD-21 Land Attack Destroyer Program: Background Information and Issues for Congress*, by Ronald O'Rourke.

CRS Report 97-803. *Navy Major Shipbuilding Programs in the FY1998 Defense Authorization and Appropriation Conferences*, by Ronald O'Rourke.

Other Resources

Congressional Budget Office, *An Analysis of the President's Budgetary Proposals for Fiscal Year 1999*, March 1998.

Congressional Budget Office, *A Look at Tomorrow's Tactical Air Forces*, by Lane Pierrot and Jo Ann Vines, January 1997.

Congressional Budget Office, *Paying for Military Readiness and Upkeep: Trends in Operation and Maintenance Spending*, by Amy Belasco, September 1997.

U.S. General Accounting Office, *Defense Health Care: Operational Difficulties and System Uncertainties Pose Continuing Challenges for TRICARE*, Report No. HEHS-98-136R, Apr. 10, 1998.

U.S. General Accounting Office, *Military Readiness: Observations on Personnel Readiness in Later Deploying Army Divisions*, Report No. T-NSIAD-98-126, March 20, 1998.

U.S. General Accounting Office, *Military Readiness: Reports to Congress Provide Few Details on Deficiencies and Solutions*, Report No. NSIAD-98-68, March 30, 1998.

U.S. General Accounting Office, *U.S. Combat Air Power: Reassessing Plans to Modernize Interdiction Capabilities Could Save Billions*, Report No. NSIAD-96-72, May 13, 1996 (60 pages).

U.S. General Accounting Office, *Navy Aviation: F/A-18E/F Will Provide Marginal Operational Improvement at High Cost*, Report No. NSIAD-96-98, June 18, 1996.

Selected World Wide Web Sites

Information regarding the defense budget, defense programs, and congressional action on defense policy is available at the following web or gopher sites.

Congressional Sites/OMB

House Committee on Appropriations
[http://www.house.gov/appropriations]

Senate Committee on Appropriations
[http://www.senate.gov/committee/appropriations.html]

House National Security Committee
[http://www.house.gov/nsc/welcome.htm]

CRS Appropriations Products Guide
[http://www.loc.gov/crs/products/apppage.html]

Congressional Budget Office
[http://www.cbo.gov]

General Accounting Office
[http://www.gao.gov]

Office of Management & Budget
[http://www.whitehouse.gov/WH/EOP/OMB/html/ombhome.html]

FY1999 Federal Budget Publications
[http://www.access.gpo.gov/su_docs/budget/index.html]

Defense Department and Related Sites

Defense LINK
[http://www.defenselink.mil/]

Defense Issues (Indexed major speeches)
[http://www.defenselink.mil/speeches/]

Under Secretary of Defense (Comptroller) FY1999 Budget Materials
[http://www.dtic.mil/comptroller/99budget]

Assistant Secretary of the Army (Financial Management & Comptroller)
[http://www.asafm.army.mil]

Army Link — the U.S. Army Home Page
[http://www.army.mil/]

Army Chief of Staff Presentations
[http://www.hqda.army.mil/ocsa/present.htm]

Navy On-Line Home Page
[http://www.navy.mil/index-real.html]

Navy Budget Resources Directory
[http://navweb.secnav.navy.mil/budget]

Navy Public Affairs Library
[http://www.navy.mil/navpalib/.www/subject.html]

United States Marine Corps Home Page
[http://www.usmc.mil/]

AirForceLINK
[http://www.af.mil/]

Air Force Financial Management Home Page
[http://www.saffm.hq.af.mil/SAFFM/]

Air Force FY1999 Budget Justification Material
[http://www.saffm.hq.af.mil/SAFFM/FMB/just.html]