

[Committee Print]

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Calendar No. 000

97TH CONGRESS } SENATE { REPORT
1st Session } No. 97-000

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1982

NOVEMBER 00 (legislative day, NOVEMBER 00), 1981.—Ordered to be printed

Mr. STEVENS, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 0000]

The Committee on Appropriations, to which was referred the bill (H.R. 0000) making appropriations for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes, reports the same to the Senate with various amendments. Information is herewith presented relative to the changes made:

Amount of bill as passed House (new obligational authority).....	\$194,532,083,000
Amount of increase recommended by Senate Committee.....	13,827,546,000
Total of bill as reported to Senate.....	208,359,629,000
Amount of 1982 budget estimate (new obligational authority).....	200,878,234,000
Amount of 1981 appropriations	171,350,899,000
The bill as reported to the Senate:	
Over the fiscal year 1982 budget estimate.....	7,481,395,000
Over appropriations for fiscal year 1981.....	37,008,730,000

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BACKGROUND

PURPOSE OF THE BILL

The purpose of this bill is to make appropriations for the military functions of the Department of Defense for the period October 1, 1981 through September 30, 1982. Functional areas include the pay, allowances and support of military personnel, operation and maintenance of the forces, procurement of equipment and systems, and research, development, test and evaluation. Appropriations for military assistance, military construction, family housing and civil defense are provided in other bills.

HEARINGS

The Subcommittee on Department of Defense Appropriations began hearings on the fiscal year 1982 budget request on March 9, 1981, and concluded them on October 28, 1981, after 32 separate sessions. The subcommittee heard testimony from representatives of the Department of Defense, other Federal agencies, and from the general public. Approximately 8,000 pages of transcript were taken, the unclassified portions of which constitute the six-volume public record of testimony on this budget request.

SUMMARY OF BILL

The Committee considered a total fiscal year 1982 budget request of \$200,878,234,000 for the military functions of the Department of Defense, excluding military assistance, military construction, family housing and civil defense.

FISCAL YEAR 1982 BUDGET AMENDMENTS

Since submission of the fiscal year 1982 budget in January by President Carter, the Reagan administration has transmitted two major budget amendments to the Congress. The first amendment was submitted on March 10, 1981 (printed as H. Doc. 97-29). This amendment requested an additional \$25.1 billion in new budget authority above the original fiscal year 1982 request. These additional funds were requested to finance a significant expansion in the military budget with emphasis on readiness and modernization.

The second major budget amendment was submitted to the Congress on October 15, 1981 (printed as H. Doc. 97-101). This amendment reduced \$7.29 billion from the request.

The Committee considered both of these budget amendments and three smaller amendments along with the original fiscal year 1982 request.

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RELATIONSHIP TO AUTHORIZATION

Appropriations for the procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, operations and maintenance expenses, and for research, development test and evaluation require annual authorization pursuant to the provisions of section 412(b) of Public Law 86-149, as amended.

As previously noted, the total fiscal year 1982 budget request considered by the Committee was \$200,878,234,000. Of this amount, \$130,567,451,000 or 65 percent required authorization. The following table depicts these amounts and compares them with levels authorized in the Department of Defense Appropriation Authorization Act, 1982.

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change
Procurement.....	\$47,660,498	\$48,000,598	+ \$340,100
R.D.T. & E.....	20,319,388	20,402,030	+ 82,642
Operations and maintenance.....	62,161,252	62,161,740	+ 488
Special foreign currency program.....	3,083	3,083
Total	130,144,221	130,567,451	+ 423,230

COMPLIANCE WITH PARAGRAPH 8, RULE XVI, STANDING RULES
OF THE SENATE

The recommendations of the Committee include amendments which are not made to carry out provisions of existing law, and are brought to the attention of the Senate in accordance with rule XVI of the Standing Rules of the Senate. The amendments are:

1. A new general provision which states that, *none of the funds made available by this Act shall be used in any way for the leasing in the United States of military aircraft or vehicles for which suitable aircraft or vehicles are commercially available in the private sector.*

2. A new general provision which states that, *during the current fiscal year, for the purpose of conducting a test to evaluate a capitation approach to providing medical care and to that end for the purpose of providing adequate funds in Department of Defense Medical Regions 1 and 7 for medical care, including the expenses of the Civilian Health and Medical Program of the Uniformed Services, funds available to the Department of Defense in the appropriation "Operation and Maintenance, Defense Agencies" for expenses of the Civilian Health and Medical Program of the Uniformed Services may be transferred to appropriations available to the military departments for operation and maintenance, and funds available to the military departments for operation and maintenance may be transferred between such appropriations: Provided, That funds transferred pursuant to this authority shall be merged with and made available for the same purpose as the appropriation to which transferred: Provided further, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority: Provided further, That transfer authority provided herein shall be in addition to that provided in section 733 of this Act.*

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3. A new provision which states that, *not to exceed \$1,700,000 of the funds available to the Department of Defense for Reserve Personnel shall be available for transfer to appropriations available to the Federal Emergency Management Agency.*

4. Under Shipbuilding and Conversion, Navy: To remain available for obligation until September 30, ~~1986~~ 1988: *Provided, That of the appropriation for "Shipbuilding and Conversion, Navy," that expired for obligation on September 30, 1981, \$119,000,000 shall remain available for obligation until September 30, 1983*

For acquisition, construction and improvement, Coast Guard, \$300,000,000, to be transferred to the Coast Guard: "Acquisition, Construction and Improvements";

RAPID DEPLOYMENT JOINT TASK FORCE

The creation of the rapid deployment joint task force (RDJTF) was an important step in revitalizing U.S. force projection capabilities. Given the importance of the Persian Gulf Region, the efforts of the RDJTFF have been formally directed to that region. The Committee is concerned, however, about the absence of an organized effort to plan and provide for possible power projection requirements in other parts of the world which are also critical to U.S. interests, including the Caribbean. The Committee is also concerned about the present command and control relationships of the RDJTF with the National Command Authority as well as the joint nature of the task force.

The Committee views with favor the Secretary of Defense's announcement on April 24, 1981, that the RDJTF should evolve within several years into a separate unified command with its own geographic responsibilities, service components, forces, intelligence, communications, logistics facilities and other support elements. While the creation of a separate unified command in the future may solve current deficiencies, the Committee remains concerned about what command and control relationships will apply in the interim.

To date, the joint task force nature of the present RDJTF has failed to create both plans and organization necessary to meet the threats which the United States may face in Third World areas throughout the 1980's. However, the Committee notes that the traditional role of the U.S. Marine Corps and its current force structure have been designed as one appropriate to quick response to crises around the world.

The Committee, therefore, directs the Secretary of Defense to designate the U.S. Marine Corps as the lead service for command and planning of the RDJTF missions. It is the belief of the Committee that the Marine Corps with Navy support is most capable of meeting the missions of the RDJTF. The Secretary of Defense is also directed to provide the Marine Corps and the Navy with the equipment, logistical support, and authority necessary to meet their RDJTF mission.

DEPARTMENT OF DEFENSE EFFICIENCY AND COST SAVINGS

The Committee supports the need for increased defense spending to meet the threats to U.S. national security interests in the 1980's. The major increase in Soviet defense spending throughout the 1970's as well

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as Soviet adventurism in Africa, Asia, and Latin America pose a serious threat to U.S. security interests throughout the world.

The Committee is also committed to the reduction of overall Federal spending to meet the goals of a balanced budget as well as a sound economy. U.S. national security must be based on a strong economy. The Committee, therefore, views with favor the efforts of the Department of Defense to combat waste, fraud, and abuse within the Department as well as to undertake efforts to make defense programs more efficient.

The Congress has provided the Department of Defense with the necessary legislation to use multiyear funding where appropriate. The Committee intends to recommend funds for multiyear funding in those programs where there is low technological risk and where cost savings can be realized. Further, the Department is urged to revise DOD Directive 7200.4 to accommodate the new legislation providing authority for multiyear funding.

It is the Committee's understanding that many of the reforms proposed by the Deputy Secretary of Defense can be implemented internally within the Department. The Committee urges the Department to implement these reforms as quickly as possible including, but not limited to, increased use of firm-fixed price contracting, increased use of past performance in source selection, greater competition in both R. & D. and procurement stages of programs, and increased R. & D. funding and competition at the lower-tiered producer level.

The Committee is also concerned about the high cost of new programs and directs the Department to provide to the Committee a design-to-cost analysis for all new procurement items. While U.S. strength lies in its technology, the use of high technology can result in cost inefficiency when inappropriately utilized.

The Committee also directs the Secretary of Defense to report to the Committee by March 1, 1982, what steps have been implemented in the Department of Defense to provide for increased efficiency in R. & D. and procurement. The Committee further directs the Secretary to report what proposals requiring congressional action would provide for increased efficiency.

INFLATION ALLOWANCE

The Committee has carefully analyzed inflationary trends in the national economy, particularly as they apply to defense activities and purchases. Two points became vividly clear: the rate of inflation is not slowing to the degree projected in the President's budget, and inflation in defense activities and purchases continues to exceed by a substantial margin the national average.

Although the budget anticipated an inflation rate of 8.7 percent for fiscal year 1981, the final composite figure was actually 13.3 percent. And there is no evidence yet that this rate has slowed markedly.

These developments make it painfully apparent that the optimistic 8.4-percent inflation rate projection contained in the President's September budget revisions is not attainable.

The impact of badly underestimating inflation is severe. It will cut back fiscal year 1981 program levels by more than \$2 billion, and the

impact in fiscal year 1982 will be much the same if steps are not taken now to finance a more realistic rate. It should be noted parenthetically that the Committee foresaw this problem in its recommendations for supplemental appropriations in fiscal year 1981. Increased funding to minimize the erosion of inflation on the defense budget was recommended, but only a portion of that increase was finally accepted.

Based on its analysis, the Committee is recommending an increase above the President's budget and above the authorization levels for fiscal year 1982 totaling \$1.6 billion, which is the amount needed to finance a 10-percent inflation rate. Even this projection is considered moderate, but it at least presents a more realistic approach to the economic realities confronting the Nation.

This increase has been allocated as follows:

Operation and maintenance	\$525,000,000
Procurement.....	887,000,000
Research, development, test and evaluation	197,000,000

These amounts in turn have been allocated among the various appropriation accounts for the services and defense agencies, and the Committee will expect the Department of Defense to report back on how these additions have been distributed among the various principal activities.

PAY COSTS

The Committee is recommending a departure from tradition and including in the bill the funding necessary to support the military pay raises authorized earlier this year in Public Law 97-60, the Uniformed Services Pay Act of 1981. This unusual step is recommended because the regular Defense appropriation bill for fiscal year 1982 is being taken up so late in the session, more than 6 weeks into the new fiscal year. The recommendation also recognizes that, whenever possible, full funding should be addressed in the regular appropriation bill and not deferred needlessly to a future session of Congress.

It is the Committee's belief that, to the maximum extent possible, the full costs of the rapidly expanding defense budget should be clearly displayed. Further, full funding of pay costs, including the October 1, 1981, increases, assures that program levels will not be degraded by a continuing need to absorb pay costs.

The total increase recommended for these pay costs is \$4.8 billion.

REPROGRAMING FLEXIBILITY

In response to proposals from Department of Defense, the Committee has reviewed the reprogramming guidelines that have been established for both transfers and reprogramming actions. These guidelines include various thresholds on which the Department can shift funds within programs and appropriation accounts with only a simple notification to the congressional committees of jurisdiction. Beyond those thresholds, prior Committee approval in writing is required before any such transfers or reprogrammings can occur.

The Committee is aware that these thresholds have not changed in 18 years and that inflation has overtaken them. It is not the Committee's

intent to encourage reprogramings and transfers, but it recognizes that a reasonable degree of flexibility is beneficial and economical so long as adequate congressional oversight is not impaired.

However, the threshold increases recommended to the Committee by the Department appear excessive. In each case they increase the current limitation five times over. The Committee instead is recommending a more moderate increase in the thresholds which are summarized in the following table:

REPROGRAMMING THRESHOLDS

[In millions of dollars]

	Current	DOD recom- mendation	Committee recom- mendation
Military personnel	\$5.0	\$25.0	\$15.0
Procurement:			
Increase	5.0	25.0	12.0
New start	2.0	10.0	5.0
R.D.T. & E.:			
Increase	2.0	10.0	5.0
New start (1 year cost)	2.0	10.0	5.0
New start (3 year cost)	10.0	50.0	15.0

COMPLIANCE WITH SECTION 308 OF THE BUDGET CONTROL ACT

Section 308(a) of the Budget Control Act (Public Law 93-344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the first concurrent resolution. The following table provides these data:

BUDGETARY IMPACT OF H.R. 0000

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a),
PUBLIC LAW 93-344

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1982: Subcommittee on Defense...	0	0	0	0
Projections of outlays associated with budget authority recommended in the bill:				
1982				
1983				
1984				
1985				
1986 and future year				
Financial assistance to State and local governments for 1982 in the bill				

¹ Includes outlays from prior-year budget authority.
² Excludes outlays from prior-year budget authority.

REPROGRAMMING OF APPROPRIATED FUNDS

In its report on the fiscal year 1974 Defense appropriations bill (S. Rept. 93-622), the Committee directed the Department of Defense to utilize the available reprogramming flexibility in order to meet unanticipated or higher than programmed funding requirements. For fiscal year 1981 the Committee considered 50 reprogrammings with a total dollar value of \$936.9 million. Forty-four of these reprogrammings were approved by the Congress either in whole or in part. The total amount approved was \$789.1 million. A statistical summary of these reprogramming actions during the last decade is shown below:

DEPARTMENT OF DEFENSE REPROGRAMINGS

[Dollars in millions]

Fiscal year:	Number of actions	Value of program increase proposals
1970	129	2,431
1971	132	3,266
1972	82	1,866
1973	56	1,453
1974	24	219
1975	45	1,446
1976 (and transition quarter)	43	791
1977	55	1,036
1978	66	1,237
1979	60	1,163
1980	71	1,217
1981	50	937

TITLE I
MILITARY PERSONNEL

Funds appropriated under this title provide for the pay, allowances, subsistence, permanent change of station, travel, and various other entitlements of the uniformed members of our Armed Forces. The level of active duty military personnel requested in the President's fiscal year 1982 budget is 25,700 above the actual for the end of fiscal year 1981, while the average strength of the Reserve components requested by the administration is 41,800 above the fiscal year 1981 level.

The following tables display major elements of the fiscal year 1982 request for military personnel. The functions and activities for which appropriations are made are described briefly below:

Pay and allowances.—A total of \$30.1 billion is requested for the pay and other entitlements of active duty officers, enlisted personnel and cadets at the military academies. This includes basic pay, special and incentive pays, quarters, uniform and subsistence—except in the case of enlisted personnel—allowances, separation allowances, the U.S. Government's contribution to the social security fund and other applicable allowances. This function also includes enlistment and reenlistment bonuses in the case of enlisted personnel.

Subsistence of enlisted personnel.—This activity reflects the cost of feeding enlisted personnel, either for food served in dining halls—subsistence-in-kind—or in the form of cash allowances for those members authorized to subsist elsewhere. A total of \$2.2 billion is requested for this activity in fiscal year 1981.

Permanent change of station travel (PCS).—The \$2.8 billion requested for this activity in fiscal year 1982 supports the rotation of military personnel between permanent duty stations. It covers the cost of travel of the member and his dependents, either by commercial or organic means, per diem allowances at prescribed rates, transportation and non-temporary storage of household goods, and other related costs.

Other military personnel costs.—The \$12.9 million requested for this activity provides funds for the apprehension of military deserters, absentees, and escaped military prisoners; and for the payment of death gratuities to beneficiaries of deceased military personnel.

Guard and Reserve paid drill and initial training.—The \$2.4 billion requested for this activity includes the costs of the Selected Reserve, members of which attend prescribed numbers of inactive duty training assemblies, ranging from 24 to 48 drill periods per year, as well as 2 weeks active duty for training annually.

Other training and support.—This activity, budgeted at \$1 billion, supports school and special training for Reservists, administration and support of Guard and Reserve units, and the costs of those members of the individual Ready Reserve who perform only 2 weeks active duty for training each year. This activity also includes the costs to support per-

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sonnel undergoing training through the Reserve Officers Training Corps and the health professions scholarship program to become commissioned officers of the Armed Forces.

MILITARY PERSONNEL FISCAL YEAR 1982 BUDGET REQUEST

[Dollars in thousands]

	Fiscal year—		
	1981 actual	1982 estimate	1983 recommended
Requested funding by service component:			
Army.....	\$12,148,300	\$12,631,700	\$14,095,781
Navy.....	\$8,920,295	\$9,340,090	\$10,453,767
Marine Corps.....	\$2,640,700	\$2,807,870	\$3,151,526
Air Force.....	\$10,022,721	\$10,440,820	\$11,688,381
Army Reserve.....	\$869,300	\$955,200	\$1,054,750
Navy Reserve.....	\$318,758	\$329,020	\$361,643
Marine Corps Reserve.....	\$120,357	\$138,920	\$152,212
Air Force Reserve.....	\$277,360	\$298,848	\$326,399
Army National Guard.....	\$1,168,200	\$1,229,100	\$1,468,136
Air National Guard.....	\$386,209	\$418,192	\$475,078
Total budget request.....	\$36,872,200	\$38,659,760	\$43,227,673
Military manpower:			
Active Forces (in end strength):			
Army.....	781,100	780,300	780,300
Navy.....	540,200	554,700	554,700
Marine Corps.....	190,600	192,100	192,100
Air Force.....	570,300	580,800	580,800
Total Active Forces.....	2,082,200	2,107,900	2,107,900
The Guard and Reserve:			
Army Reserve.....	215,800	235,300	235,300
Navy Reserve.....	87,700	87,600	87,600
Marine Corps Reserve.....	35,800	37,600	37,600
Air Force Reserve.....	59,200	62,800	62,800
Army National Guard.....	376,800	392,800	392,800
Air National Guard.....	97,200	98,600	98,600
Total Guard and Reserve.....	872,500	914,700	914,700
Total paid military.....	2,954,700	3,022,600	3,022,600

SUMMARY OF COMMITTEE ACTION

The Committee is recommending a total of \$43,227,673,000 in appropriations for Active and Reserve personnel costs in fiscal year 1982. This amount is \$4,567,913,000 above the budget request. Explanation of the Committee's actions can be found in the following pages.

MILITARY STRENGTH ADJUSTMENTS

For the Active Forces, military manpower is authorized each year in terms of end strength, while for the Reserve components the annual authorization is in terms of average strength. The fiscal year 1982 Defense Authorization Act increased the authorization of the Active Forces by 42,444, over the fiscal year 1981 level, and raised the average

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strength of the reserve forces by 64,700. The table below summarizes the adjustments in the fiscal year 1982 authorization to the Services manpower requests:

AUTHORIZED MILITARY STRENGTHS FOR FISCAL YEAR 1982

	Budget request	Authorization conference report	Change from budget
Active Forces:			
Army.....	780,300	780,300.....	
Navy.....	554,700	554,600.....	- 100
Marine Corps.....	192,100	192,100.....	
Air Force.....	580,800	580,800.....	
Subtotal.....	2,107,900	2,107,800.....	- 100
Reserve Forces:			
Army Reserve.....	235,300	235,300.....	
Navy Reserve.....	87,600	87,600.....	
Marine Corps Reserve.....	37,600	37,600.....	
Air Force Reserve.....	62,800	62,800.....	
Army National Guard.....	392,800	392,800.....	
Air National Guard.....	98,600	98,600.....	
Subtotal.....	914,700	914,700.....	
Total.....	3,022,600	3,022,500.....	- 100

The military personnel budget requests are driven primarily by the average strength, or man-year programs, which the services estimate are required to meet their end strength goals. The end strength goal, however, does not automatically dictate a specific man-year program. Estimates for accession planning, attrition and retirements, for example, must be considered in establishing the total man-year program necessary to meet the authorized end strength.

ACTIVE FORCES

For the Active Forces, the Committee recommends appropriations totaling \$39,389,455,000. This is \$4,168,975,000 above the budget request.

Military manpower and pay adjustments.—The revised Department of Defense fiscal year 1982 budget request reflecting strategic program changes adjusted the manpower and pay of the active Army and Air Force. As regards the former, military end strength for fiscal year 1982 will be held to 780,300, a 6,000 reduction from the original budget request. This action, together with earlier payment of selective reenlistment bonuses, has resulted in a net reduction of \$52.2 million from the original budget request. The Air Force has adjusted its budget request by a \$116 million reduction. Its projected end strength has likewise decreased 6,000 for a total of 580,800. Additionally, savings in the areas of overseas station allowances, permanent change of station moves, and basic allowance for quarters have been made.

NEW PAY AND BENEFITS

In another effort to improve military compensation levels and redress personnel shortages throughout the services, Congress passed the Uniformed Services Pay and Benefits Act of 1981, Public Law 97-60. The purpose of this bill is to increase the pay, allowances, and benefits for members of the military services and certain dependents. The legislation provides for variable increases in the basic pay and allowances for members, depending on grade and years of service. It also authorizes increases in the amounts payable, establishes new authority or modifies existing authority for flight pay, diving duty pay, enlistment bonuses, bonuses for nuclear-qualified officers, hazardous duty pay, and allowances for Armed Forces health professions scholarship program participants. Additionally, the bill provides new authority for temporary lodging entitlements, advance payment of certain travel expenses incurred in conjunction with permanent change of station moves, travel allowances for military members and dependents stationed at certain adverse overseas locations or in conjunction with certain emergencies, and it establishes certain limitations on travel and transportation entitlements for members separating or being released from active duty. Finally, the bill increases the number of senior Reserve Officers' Training Corps (ROTC) scholarships for the Navy and Air Force, provides extended and increased authority for reimbursement of military members for alternate quarters when ship-board quarters are uninhabitable, and makes several amendments to enhance the administration of military justice.

It is estimated by the Department of Defense that the Uniformed Services Pay and Benefits Act of 1981 requires the following funding for both entitlements and discretionary pay:

Military pay raise.—Basic allowance for subsistence (BAS), basic allowance for quarters (BAQ), and officer basic pay is increased by 14.3 percent. Enlisted basic pay increases from 10 to 17 percent. Cadet and midshipmen pay is increased 10 percent. Cost: \$4,561,147,000.

Hazardous duty pay.—Authority is provided for a new special pay for individuals engaged in especially hazardous duties or exposed to severe working conditions (for example, Titan missile fuel handlers). Officers will receive \$110 per month; enlisted personnel will receive \$83 per month. Enlisted pay for existing categories of hazardous duty such as flight pay is raised to \$83 per month. Air weapons controller incentive pay is raised to \$125 to \$350 per month. Cost: \$24,007,000.

Aviation career incentive pay.—Officers with over 6 years of aviation service will receive \$306 to \$400 per month. Payment to officers with more than 25 years of service is allowed. Warrant officer pay rates are increased to the same rates as those of commissioned officers.

Moreover, officers receiving the aviation officer continuation bonus are not authorized to receive increased flight pay. The bonus is not authorized in fiscal year 1982 for Air Force officers; authorization for Navy and Marine Corps aviators terminates at the end of fiscal year 1982. Cost: \$57,293,000.

Submarine duty incentive pay.—This pay is increased for those officers who have served enlisted duty, since this duty will no longer be counted toward total years of service in determining submarine pay

eligibility. Moreover, ballistic missile submarine crews on shore rotation will now be entitled to career sea pay. Cost: \$7,200,000.

Diving duty pay.—This is increased to a maximum \$200 per month for officers and \$300 per month for enlisted personnel. Additionally, persons receiving this pay are now entitled to receive one other type of hazardous duty incentive pay. Cost: \$5,155,000.

Enlistment and reenlistment bonuses.—The maximum enlistment bonus for active duty personnel in critical skills is raised from \$5,000 to \$8,000. A 2-year test program of a \$4,000 bonus for 3-year enlistments of high school graduates in Army critical skills is also authorized. Additionally, any unserved period of an enlistment for which no reenlistment bonus has been paid may be considered part of an immediately subsequent term of reenlistment for the purpose of computing reenlistment bonuses. Cost: \$75,689,000.

Nuclear officer bonuses.—A \$8,000 bonus is now offered to nuclear qualified officers serving under an agreement executed prior to the new bonus provisions enacted January 1, 1981. Additionally, a \$3,000 accession bonus for surface nuclear power applicants is now authorized. Cost: \$309,000.

Engineering and scientific career continuation pay.—\$3,000 per year is now authorized to engineering and scientific officers having 3 to 19 years of service. Cost: \$3,700,000.

Travel and transportation.—Reimbursement is authorized only when travel is actually performed. Any authorized travel and transportation benefit must be used within 180 days of separation or release from active duty. Savings: \$14,197,000.

Mileage allowance.—This is authorized for the shipment of vehicles in connection with a permanent change of station. Cost: \$17,108,000.

Temporary lodging allowance (TLA).—This is authorized for expenses incurred as a result of a permanent change of station move, not to exceed \$110 per day for up to 4 days. This allowance is limited to 2 days within the continental United States when a member moves from the continental United States to overseas. Cost: \$95,125,000.

Basic allowance for quarters (BAQ) and variable housing allowance (VHA).—BAQ and VHA are authorized for those members deprived of shipboard quarters. Cost: \$6,300,000.

Reserve Officer Training Corps (ROTC) scholarships.—These are increased to a maximum of 8,000 for the Navy and 9,500 for the Air Force. Cost: \$659,000.

The fiscal year 1982 budget request did not include any of the funds necessary to pay these new entitlements and discretionary pay. Nevertheless, it is traditional that entitlements except the pay raise and certain discretionary pay—authorized after the budget request is submitted—are funded in an appropriations bill, with the pay raise funded via a supplemental budget appropriation. Indeed, the fiscal year 1981 appropriations bill funded the entitlements of the Nunn-Warner amendment and the fiscal year 1981 authorization bill—except the 11.7 percent pay raise. Discretionary pay not funded in the fiscal year 1981 appropriations bill was funded via subsequent reprogramming or supplemental requests.

The Committee recommends a change in the traditional method of funding new entitlements and discretionary pay. Because military personnel pay entitlements are must pay items and because the Committee finds no disagreement with the discretionary pay authorized by the fiscal year 1982 Defense Authorization Act, it recommends funding what the Department of Defense estimates to be the cost of the 1981 Uniformed Services Pay and Benefits Act. In this way, the full impact of military personnel costs are able to be immediately recognized and the necessity of a military pay supplemental request is eliminated.

COMMITTEE RECOMMENDATIONS

Bachelor cost-of-living allowance (COLA).—Military members stationed in high-cost overseas areas receive a COLA to compensate them for the difference between average living costs at overseas stations and average living costs in the continental United States. All military personnel stationed in designated high-cost overseas areas receive the allowance except single members living on military bases.

Payment of a COLA in the overseas areas of Alaska and Hawaii is authorized by Title 37, U.S.C. 45. Since fiscal year 1980, the Department of Defense has requested funding to begin paying a COLA to single enlisted personnel who live in Government quarters and are authorized to eat in Government dining facilities. This request is based on the knowledge that military members living on base incur many of the excess expenses their counterparts living on the economy incur. Car insurance, dry cleaning, recreation, clothing, and transportation are only some of the items which must be purchased partially or wholly on the local economy. Hence, the provision of a partial COLA at a rate which is 47 percent that of military members without dependents would compensate single enlisted personnel for these costs, help alleviate the economic isolation of single enlistees, and insure a standard of living for single personnel which is equitable to that for married military members.

Traditionally, the House has deleted funding for bachelor COLA. The rationale for the House action has been that individuals targeted to receive this new allowance are provided all their basic amenities by the Government at no cost to themselves. The Committee disagrees with the House rationale. Accordingly, it recommends payment of the budget estimate of \$26 million for bachelor COLA.

Career basic allowance for subsistence (BAS).—Career BAS is an important initiative targeted toward retaining career enlisted personnel in grades E-5 to E-9. The President's budget proposed giving each service the option of allowing its career enlisted force a basic allowance for subsistence in lieu of subsisting-in-kind. About 59,000 careerists are expected to opt for this new allowance. Because the Committee recognizes the positive impact this program will have on enlisted morale, it recommends that the full \$36 million budget request be appropriated.

Permanent change of station (PCS).—The Committee recommends an \$83.8 million reduction to the \$2.8 billion budget request for PCS. The basis of this reduction is threefold: (a) the President has endorsed an Office of Management and Budget initiative to reduce Government travel by \$200 million through the implementation of streamlined pro-

cedures and greater use of commercial travel services. The Department of Defense share of this savings is approximately \$130 million, of which at least \$80 million is expected to be achieved in this fiscal year. Accordingly, half of this amount will be taken out of the military personnel accounts; (b) rate increases for Industrial Fund charges and for anticipated inflation for Interstate Commerce Commission (ICC) Land and International Through Government Bill of Lading (ITGBL) household goods shipments materialized at a lower than projected rate for the past fiscal year. Accordingly, the Committee recommends a reduction of \$40.7 million. (c) Based on fiscal year 1981 experience, funds to transport mobile homes are overbudgeted by \$4.9 million.

Additionally, the Committee recommends that the number of PCS moves budgeted for in the fiscal year 1982 budget request be maintained at that level. An across-the-board reduction in the number of PCS moves had been considered but was rejected based on the following rationale: approximately 84 percent of fiscal year 1982 permanent change of station moves are associated with accession, separation or rotation moves. The remaining 16 percent are related to training, operation, and unit moves. Because the Department of Defense must move people entering and leaving the service, the number of these moves remains fixed. A reduction in rotation and unit moves necessarily implies increased tour lengths and curtailed training regimens. Moreover, operational moves are required to provide needed career development assignments, to support weapons systems changes to accommodate unit activations and inactivations, to correct grade and skill imbalances, and to meet Navy sea/shore rotation requirements. For these reasons, the Committee has determined that a cut in PCS moves to save money will result in a concomitant reduction in readiness, training, and morale.

Unbudgeted reimbursement for air traffic controllers.—Because of the air traffic controllers strike, the Federal Aviation Administration is currently reimbursing the Department of Defense for the services of military air traffic controllers. Accordingly, the Committee recommends an increase in the amounts reimbursable to the various military personnel accounts.

Reenlistment bonuses.—The Committee recommends fully funding the budget request of \$628.5 million for reenlistment bonuses. The present method of awarding a lump-sum payment at the time of a military member's reenlistment is far more preferable to this Committee than is an alternative installment method, even though the latter would save a substantial amount of money this fiscal year. The Committee is convinced that the lump-sum method has a greater positive impact on reenlistment rates than does the installment method. Indeed, the Department of Defense survey data have established that the same reenlistment behavior can be obtained from a lower lump-sum amount than from a higher amount paid in four installments.

Foreign duty pay.—This special pay is paid to enlisted members residing outside the contiguous United States in areas where many of the conventional living amenities are absent such as Diego Garcia, Alaska, and the Peoples Republic of China. Pay ranges from \$8 to \$22 per month and has not been revised since 1953. While the Committee considered reducing this pay in an effort to pressure the Department of

Defense to review its effectiveness, it has been determined that a severe reduction in this program would result in a negative impact on the morale of the 160,000 service members currently receiving foreign duty pay. Accordingly, the Committee expects the Department of Defense to review the necessity for and the effectiveness of foreign duty pay and to submit to the Committee a report on its recommendations no later than June 1, 1982.

Subsistence.—For several years, the Committee has been concerned with Department of Defense management of food service programs, specifically in the accounting for meals and subsistence stocks in the military dining facilities. In response to this concern, the Defense Audit Service recommended in its May 1980 report the establishment of an automated headcount system to better control access to Department of Defense dining halls. In addition to correcting headcount and accounting procedures, this automated system will be used to improve food accountability and control procedures. The Department outlined last year its incremental program to implement the recommendations of the Defense Audit Service. The primary emphasis of the program is on the use of a new plastic identification card which will establish diner eligibility for subsistence-in-kind (SIK) diners. At present, the Department of Defense plans to issue the new identification cards to active duty, retired, and dependent personnel during this fiscal year; issue should be complete by the end of fiscal year 1984.

Use of the card and the automated system will prevent personnel from eating in several dining facilities during the same meal period and will identify those who return for additional servings within the same facility. Moreover, a special feature of the automated system will prevent the cashier from ringing up an SIK sale when the eligibility signal on the cash register indicates the individual must pay for the meal.

In conformance with last year's action, the Committee recommends against any cut to subsistence funding penalizing the Department of Defense for poor dining controls. Indeed, the Committee is encouraged by the Department's action in this area. It recognizes that substantial budget cuts in subsistence will most likely result in a request for reprogramming since people will have to be fed and the Department is continuing its efforts to correct subsistence abuse.

The Committee recommends a budget reduction in SIK funding, however, since food cost increases to date have not occurred to the extent forecast in the fiscal year 1982 budget estimate. Appropriations accounts are reduced by \$27.3 million.

Overseas station allowances.—Likewise, the costs of living overseas did not rise to the level anticipated because of the increased strength of the dollar in relation to foreign currency. The Committee recommends that these allowances be reduced by \$20.8 million.

Variable housing allowance (VHA).—This entitlement is designed to compensate military personnel for the difference between actual housing costs and the BAQ. VHA is authorized for members when the average cost of housing exceeds the BAQ by 15 percent or more. The Committee recommends full funding of the budget estimate of this entitlement. It recognizes that Department of Defense believes this budget request to be too low based on last month's annual survey; additional

funds for VHA, however, can be considered in a subsequent reprogramming request.

Aviation officer continuation bonus.—The Committee recommends deletion of the \$47 million request by the Air Force since the bonus is not authorized for fiscal year 1982. The Committee recommends funding the Navy and Marine Corps bonus, however, since its authorization terminates at the end of this fiscal year.

Like the Armed Services Committee, the Committee is concerned that the bonus has not been implemented as intended by Congress. It has not been targeted to those areas of critical need. Moreover, the Navy has disregarded the strong recommendations of the Appropriations Committee in its reprogramming approval that the bonus award require a minimum 2-year commitment. The purpose of the recommendation was to prevent bonus recipients from aggrandizing their awards by signing up for numerous 1-year terms rather than a multiyear commitment. Since the bonus is based on basic pay, each annual renewal nets additional income.

Most recent data from the Department of the Navy demonstrate that the overwhelming majority of aviators who signed up for only 1 year could have made longer commitments. Accordingly, these aviators can receive a higher bonus due to the recent 14.3 percent pay raise. The Committee therefore directs the Department of the Navy to eliminate the 1-year bonus option for both Navy and Marine Corps aviators.

Funding of military support to the Federal Emergency Management Agency (FEMA).—The civil defense function performed by the Department of Defense was transferred to FEMA upon its establishment in 1979. Beginning in fiscal year 1981, FEMA reimbursed the Department for the services of individual reservists and reserve units that support civil defense. FEMA neglected to fund for these activities, however, in fiscal year 1982. The Department of Defense has made \$1.6 million available for transfer to FEMA so that individual mobilization designee support continues. The Committee recommends that these funds remain in the Army Reserve and Air Force Reserve appropriations accounts so that the subsequent transfer of money from the Department to FEMA takes place.

Individual Ready Reserve.—The Committee recommends a reduction of \$11.672 million in the four reserve accounts since the Individual Ready Reserve bonus is not authorized for fiscal year 1982.

Civilian technicians.—Based on last year's test to determine the best mix of civilian/military technicians in the Reserve and Guard forces, the Air Force Reserve found that a higher percentage of civilian technicians best suits its needs. The Air Force Reserve has requested that the military personnel account be reduced by \$4.6 million and the operations and maintenance account be increased by the same amount to fund its increased requirement for civilian technicians. The Committee recommends that this request be honored.

MILITARY PERSONNEL, ARMY.

1981 appropriation	\$12,148,300,000
1982 budget estimate	12,631,700,000
House allowance	
Committee recommendation	14,095,781,000

The Committee recommends an appropriation of \$14,095,781,000 for fiscal year 1982. This is \$1,464,081,000 above the budget request.

All Committee recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget request	Committee recommendation
Basic pay	\$8,086,707	\$9,569,976
Basic allowance for quarters	934,404	928,604
Subsistence	979,854	968,754
Incentive, hazardous duty, aviation pay	65,878	88,052
Physician and special pay	86,728	86,728
Sea and foreign duty pay	10,081	10,081
Diving duty pay	61	199
Reenlistment bonuses	139,316	139,316
Proficiency pay	61,518	34,718
Enlistment bonuses	89,039	104,039
Overseas extension pay	1,256	1,256
Uniform and clothing allowances	176,186	176,186
Overseas station allowances	140,102	158,202
Variable housing allowances	161,890	161,890
Other allowances	24,683	24,683
Separation payments	106,498	106,498
Social security tax payments	538,219	538,219
Permanent change of station	1,103,100	1,074,600
Other military personnel costs	5,040	5,040
Cadets	27,540	27,540
Less reimbursables	- 106,400	- 108,800

Displayed below are details of the Committee's adjustments:

[In thousands of dollars]

	Budget request	Committee recommendation
NCO proficiency pay	\$26,800	- \$26,800
Rate and fuel reductions		- 22,300
PCS savings		- 14,500
Temporary lodging allowance	37,891	- 9,000
KATUSA rate error		- 100
Pay longevity	8,086,707	- 7,800
Basic allowance for quarters	691,102	- 5,800
Overseas station allowances	140,102	- 11,000
Air traffic controllers		- 2,400
Trailer allowances	3,900	- 900
Subsistence	979,854	- 11,000
Pay and Benefits Act		+ 1,575,681

Noncommissioned officer proficiency pay.—This proposed pay would have paid monthly stipends of \$90 to \$150 to enlisted members in key

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combat arms leadership positions at company, battery, and troop level. The pay was opposed by field commanders, however, and the request was subsequently withdrawn by the Army. The Committee, therefore, has deleted this funding from the Army budget estimate.

Skill shortage pay.—This new discretionary pay program offers approximately 11,000 enlisted personnel between \$100 and \$150 per month in high-technology specialties, such as air defense radar and missile maintenance/electronics mechanics/communications equipment maintenance positions. Personnel must be on their second or subsequent enlistment to qualify for this pay. The Committee recommends full funding of the \$17,300,000 budget estimate since this pay is expected to greatly improve retention rates in critical skill areas. Because this pay is a new initiative which will supplement personnel already receiving reenlistment bonuses, however, the Army is directed to report to the Committee no later than July 1, 1982, on the effect of this pay on critical skill retention.

Miscellaneous reductions.—The Committee recommends a reduction of \$7 million based on overstated pay longevity calculations; a \$9 million reduction in temporary lodging allowances because of lower than expected inflation rates overseas; and a \$5.8 million reduction based on a lower than expected number of personnel receiving this allowance in fiscal year 1982.

Proposed Fort Ord reduction.—The Committee is concerned with the Army's plan to reduce the Seventh Infantry Division at Fort Ord, Calif., to cadre status. This unit is a highly mobile, light infantry division which is less costly to operate and maintain than heavier divisions. The Army is unable to provide the Committee with definite cost data on the planned fiscal year 1983 drawdown and the subsequent buildup in fiscal years 1986 and 1987. Recognizing that the proposed reduction of this unit to cadre strength is in its early planning stages and that the Army has not informed the Committee as to the costs and benefits of its proposal, the Committee instructs the Army that none of the funds appropriated by this act shall be used for a reduction in the size of the Seventh Infantry Division pursuant to a change in status of that division.

MILITARY PERSONNEL, NAVY

1981 appropriation	\$8,893,095,000
1982 budget estimate	9,340,090,000
House allowance	
Committee recommendation	10,453,767,000

The Committee recommends an appropriation of \$10,453,767,000 for fiscal year 1982. This is \$1,113,677,000 above the budget request.

All Committee recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget request	Committee recommendation
Basic pay	\$5,628,217	\$6,704,411
Basic allowance for quarters	730,441	733,591
Subsistence	724,599	714,799
Incentive, hazardous duty, aviation pay	155,775	177,109
Physician and special pay	80,714	81,023
Sea and foreign duty pay	173,922	168,522
Diving duty pay	2,249	7,137
Reenlistment bonuses	321,601	321,601
Proficiency pay	18,125	18,125
Enlistment bonuses	12,500	50,300
Other special pay	13	13
Uniform and clothing allowances	108,075	108,075
Overseas station allowances	77,310	94,003
Variable housing allowances	218,268	221,418
Other allowances	10,465	10,465
Separation payments	83,510	78,110
Social security tax payments	374,420	374,420
Permanent change of station	669,257	641,616
Other military personnel costs	4,868	4,868
Midshipmen	29,761	29,761
Less reimbursables	- 84,000	- 85,600

Displayed below are details of the Committee's adjustments:

[In thousands of dollars]

	Budget request	Committee recommendation
Rate and fuel reductions		- \$18,400
PCS savings		- 9,500
Separation payments	\$83,510	- 5,400
Sea pay	169,269	- 5,400
Overseas station allowances	77,310	- 7,700
Subsistence	724,599	- 9,800
Air traffic controllers		- 1,600
Trailer allowances	1,700	- 1,100
Pay and Benefits Act		+ 1,172,577

Miscellaneous reductions.—The Committee recommends a reduction of \$5.4 million in separation payments since the level of payment for lump sum terminal leave is expected to decrease in this fiscal year; and a \$5.4 million reduction in sea pay based on a refinement in the number of officers entitled to this pay.

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MILITARY PERSONNEL, MARINE CORPS

1981 appropriation	\$2,633,300,000
1982 budget estimate	2,807,870,000
House allowance	
Committee recommendation	3,151,526,000

The Committee recommends an appropriation of \$3,151,526,000 for fiscal year 1982. This is \$343,656,000 above the budget request.

All Committee recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget request	Committee recommendation
Basic pay	\$1,798,133	\$2,125,654
Basic allowance for quarters	196,644	196,644
Subsistence	223,412	219,212
Incentive, hazardous duty, aviation pay	27,908	30,000
Physician special pay		
Sea and foreign duty pay	7,791	7,137
Diving duty pay	216	344
Reenlistment bonuses	57,936	72,936
Proficiency pay	5,478	5,478
Enlistment bonuses	10,930	16,719
Overseas extension pay		
Uniform and clothing allowances	51,820	51,820
Overseas station allowances	21,464	25,679
Variable housing allowances	56,484	56,484
Other allowances	3,209	3,209
Separation payments	30,459	28,559
Social security tax payments	119,665	119,665
Permanent change of station	205,105	200,970
Other military personnel costs	2,252	2,252
Cadets		
Less reimbursables	- 11,036	- 11,236

Displayed below are details of the Committee's adjustments:

[In thousands of dollars]

	Budget request	Committee recommendation
PCS savings		- \$2,900
Overseas station allowances	\$21,464	- 2,100
Reenlistment bonuses	57,936	+ 15,000
Air traffic controllers		- 200
Trailer allowances	900	- 500
Subsistence	223,412	- 2,700
Separation payments	30,459	- 1,900
Flight/sea pay rate errors		- 654
Leave rations		- 1,500
Pay and Benefits Act		+ 341,110

Selective reenlistment bonus.—This bonus is offered to Marines who reenlist for a minimum of 3 years in critical skill specialties such as aircraft maintenance, air defense warfare, and electronics maintenance.

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The bonus has been highly successful in retaining highly trained personnel; accordingly, the Committee recommends a \$15 million increase so the Marine Corps can continue the momentum of this retention aid.

Miscellaneous reductions.—The Committee recommends a reduction of \$1.9 million in separation payments since the number of severance payments is expected to decrease in this fiscal year; a \$654,000 reduction in flight and sea pay since the rates used in the budget estimate were overcalculated by this amount; and a \$1.5 million reduction in basic allowance for subsistence since the number of personnel entitled to leave rations has decreased.

MILITARY PERSONNEL, AIR FORCE

1981 appropriation	\$10,001,821,000
1982 budget estimate	10,440,820,000
House allowance	
Committee recommendation	11,688,381,000

The Committee recommends an appropriation of \$11,688,381,000 for fiscal year 1982. This is \$1,247,561,000 above the budget request.

All Committee recommended adjustments to the House bill and to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget request	Committee recommendation
Basic pay	\$6,721,409	\$7,968,861
Basic allowance for quarters	842,977	842,977
Subsistence	769,087	765,287
Incentive, hazardous duty, aviation pay	174,374	162,651
Physician special pay	69,939	69,939
Sea and foreign duty pay	8,989	8,989
Diving duty pay	2	3
Reenlistment bonuses	99,616	99,616
Proficiency pay	6,478	10,122
Enlistment bonuses	3,784	20,884
Overseas extension pay	700	700
Uniform and clothing allowances	87,386	87,386
Overseas station allowances	129,878	155,378
Variable housing allowances	205,189	205,189
Other allowances	11,612	11,612
Separation payments	77,900	77,900
Social security tax payments	448,865	448,865
Permanent change of station	875,043	854,430
Other military personnel costs	1,604	1,604
Cadets	28,613	28,613
Less reimbursables	- 122,625	- 132,625

Displayed below are details of the Committee's adjustments:

[In thousands of dollars]

	Budget request	Committee recommendation
Aviation officer continuation bonus	\$47,000	-\$47,000
PCS savings		- 13,100
Pay longevity	6,721,409	- 12,800
Proficiency pay	6,478	- 56
Air traffic controllers		- 10,000
Trailer allowances	1,500	- 600
Subsistence	769,087	- 3,800
Pay and Benefits Act		+ 1,334,917

Physicians assistants.—The Committee recommends a reduction of \$56,000 to the enlisted proficiency pay account based on the recent authorization of commissioned physicians assistants.

Miscellaneous reductions.—The Committee recommends a reduction of \$12.8 million based on overstated pay longevity calculations.

RESERVE PERSONNEL, ARMY

1981 appropriation	\$869,300,000
1982 budget estimate	955,200,000
House allowance	
Committee recommendation	1,054,750,000

The Committee recommends an appropriation of \$1,054,750,000 for fiscal year 1982. This is \$99,550,000 above the budget request.

All Committee recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget request	Committee recommendation
Unit and individual training:		
Pay group A	\$515,120	\$583,642
Pay group F	93,701	97,201
Pay group P	1,279	1,379
Other training and support:		
Pay group D	11,800	13,000
Mobilization training	35,196	38,696
School and special training	56,511	63,011
Administration and support	168,301	182,229
Reserve Officers Training Corps	43,749	46,049
Health professions scholarship	15,196	15,196
Branch officers basic course	13,937	13,937
Chaplain candidate program	410	410

Committee adjustments.—The Committee recommends the above changes based on the Pay and Benefits Act (+\$106,022,000) and on the elimination of the Individual Ready Reserve bonus (−\$6,472,000).

RESERVE PERSONNEL, NAVY

1981 appropriation	\$318,758,000
1982 budget estimate	329,020,000
House allowance	
Committee recommendation.....	361,643,000

The Committee recommends an appropriation of \$361,643,000 for fiscal year 1982. This is \$32,623,000 above the budget request.

All Committee recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget request	Committee recommendation
Unit and individual training:		
Pay group A	\$261,099	\$290,965
Pay group F	10,179	11,279
Pay group D	753	853
Other training and support:		
School and special training	12,231	11,469
Administration and support	14,743	16,043
Reserve Officers Training Corps	17,564	18,583
Health professions scholarship	12,451	12,451

Committee adjustments.—The Committee recommends the above changes based on the Pay and Benefits Act (+\$34,023,000) and on the elimination of the Individual Ready Reserve bonus (−\$2,300,000).

1979 Reserve deficit. This account ran a deficit in 1979 by overexpending \$4,000 and overobligating \$266,000. The Committee recommends that up to \$100,000 of the fiscal year 1982 budget be used to begin payment of debts incurred in 1979.

RESERVE PERSONNEL, MARINE CORPS

1981 appropriation	\$120,357,000
1982 budget estimate	138,920,000
House allowance	
Committee recommendation.....	152,212,000

The Committee recommends an appropriation of \$152,212,000 for fiscal year 1982. This is \$13,292,000 above the budget request.

All Committee recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

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[In thousands of dollars]

	Budget request	Committee recommendation
Unit and individual training:		
Pay group A	\$70,996	\$78,366
Pay group F	36,300	39,600
Pay group P	287	287
Individual mobilization augmentees	1,228	1,228
Other training and support:		
Mobilization training	2,905	3,105
School and special training	9,177	9,577
Administration and support	12,445	14,106
Reserve Officers Training Corps	5,612	5,912

Committee adjustments.—The Committee recommends the above changes based on the Pay and Benefits Act (+\$13,692,000) and on the elimination of the Individual Ready Reserve bonus (−\$400,000).

RESERVE PERSONNEL, AIR FORCE

1981 appropriation	\$277,360,000
1982 budget estimate	298,848,000
House allowance	
Committee recommendation	326,399,000

The Committee recommends an appropriation of \$326,399,000 for fiscal year 1982. This is \$27,551,000 above the budget request.

All Committee recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget request	Committee recommendation
Unit and individual training:		
Pay group A	\$130,748	\$148,870
Pay group F	11,597	12,797
Pay group P	571	571
Pay group D	1,399	1,499
Pay group B	23,915	27,015
Other training and support:		
School and special training	70,611	77,611
Administration and support	26,876	23,665
Reserve Officers Training Corps	20,592	21,832
Health professions scholarship	12,539	12,539

Committee adjustments.—The Committee recommends the above changes based on the Pay and Benefits Act (+\$34,651,000), the elimination of the Individual Ready Reserve bonus (−\$2,500,000), and the Reserve request for civilian technician funding (−\$4,600,000).

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NATIONAL GUARD PERSONNEL, ARMY

1981 appropriation	\$1,168,200,000
1982 budget estimate	1,299,100,000
House allowance	
Committee recommendation	1,468,136,000

The Committee recommends an appropriation of \$1,468,136,000 for fiscal year 1982. This is \$169,036,000 below the budget request.

All Committee recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget request	Committee recommendation
Unit and individual training:		
Pay group A	\$760,907	\$868,517
Pay group F	161,559	179,359
Pay group P	9,987	11,487
Other training and support:		
School and special training	89,020	98,420
Administration and support	277,627	310,353

Committee adjustments.—The Committee recommends the above changes based on the Pay and Benefits Act (+\$169,036,000).

NATIONAL GUARD PERSONNEL, AIR FORCE

1981 appropriation	\$386,209,000
1982 budget estimate	418,192,000
House allowance	
Committee recommendation	475,078,000

The Committee recommends an appropriation of \$475,078,000 for fiscal year 1982. This is \$56,886,000 above the budget request.

All Committee recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget request	Committee recommendation
Unit and individual training:		
Pay group A	\$249,447	\$287,139
Pay group F	23,332	25,232
Pay group P	1,027	1,127
Other training and support:		
School and special training	63,872	70,472
Administration and support	80,514	91,108

Committee adjustments.—The Committee recommends the above changes based on the Pay and Benefits Act (+\$56,886,000).

TITLE II

RETIRED MILITARY PERSONNEL

RETIRED PAY, DEFENSE

1981 appropriation	\$13,887,800,000
1982 budget estimate	14,981,815,000
House allowance	
Committee recommendation.....	14,944,815,000

The Committee recommends an appropriation of \$14,944,815,000 for retired pay. This is an increase of \$1,057,015,000 over the fiscal year 1981 appropriation and a decrease of \$37,000,000 from the budget estimate. The recommended reduction is based on the action of the 1981 Omnibus Reconciliation Act which entitled military personnel not participating in the survivors benefits program to do so. The Committee's recommendation concurs with the Congressional Budget Office estimate of the amount of funding projected to be saved in fiscal year 1982.

Appropriations under this title finance retirement pay, as authorized and prescribed by law, for military personnel on the retired lists of the Army, Navy, Marine Corps, and Air Force. This includes payments for nondisability retirement at completion of prescribed lengths of service, for those in temporary or permanent disability status, for Navy and Marine Corps members of the Fleet Reserve who have 20, but less than 30, years' creditable service, and for survivors of deceased members who qualify for continued annuities. The estimates exclude payments to individuals who elect to receive compensation for physical disability from the Veterans Administration. The amounts requested are also exclusive of any administrative expense.

TITLE III
OPERATION AND MAINTENANCE

The Committee recommends appropriations totaling \$63,368,634,000 in title III, Operation and Maintenance, for fiscal year 1982. This is \$778,513,000 above the budget estimate. The recommendation for the 1982 annual bill does not include amounts to be requested by DOD at a later time for supplemental appropriations to cover civilian pay raises, fuel price increases, and other contingent requirements.

The Committee recommendations by appropriation account are compared with the budget estimate in the following table:

[In thousands of dollars]

	Fiscal year 1981 enacted	Budget estimate	Committee rec- ommendation
Operation and maintenance:			
Army.....	\$13,160,533	\$15,207,500	\$15,351,400
Army Stock Fund	34,000	211,300	211,300
Navy.....	17,728,799	19,611,170	19,880,389
Navy Stock Fund.....	309	17,435	17,435
Marine Corps	1,072,206	1,176,940	1,186,440
Marine Corps Stock Fund	4,108	13,334	13,334
Air Force	14,769,614	16,696,076	16,903,069
Air Force Stock Fund	28,300	107,800	107,800
Defense agencies.....	4,380,816	4,635,500	4,778,000
Defense Stock Fund	458,000	79,000	79,000
Army Reserve	522,793	614,900	619,700
Navy Reserve	554,172	578,640	565,540
Marine Corps Reserve.....	28,854	40,299	40,799
Air Force Reserve	601,980	678,008	682,608
Army National Guard	958,770	1,041,200	1,047,600
Air National Guard	1,531,907	1,682,468	1,682,568
National Board for the Promotion of Rifle Practice	845	444	845
Claims, Defense.....	141,850	195,500	198,200
Court of Military Appeals.....	2,310	2,607	2,607
Total, operation and main- tenance.....	55,980,234	62,590,121	63,368,634

INFLATION AND PROGRAM GROWTH

The Department's budget estimate of \$62,590,121,000 includes \$3,191,000,000 for inflation and \$3,178,400,000 for real program growth over the previous year programs. The Department assumed an average rate of inflation of 8.4 percent. In consideration of the actual rate of inflation for fiscal year 1981 of 13.3 percent, the Committee is concerned that the Department has assumed an overly optimistic projection for fiscal year 1982. Inflationary impact in excess of the Department's projection will erode the planned program growth for needed readiness improvements.

Consequently, the Committee recommends the addition of \$525,000,000 to the operation and maintenance accounts to provide for an austere inflation projection of 10 percent. The incremental change between 8.4 percent and 10 percent is illustrated in the following table:

<i>Appropriation account</i>	<i>Recommended increase</i>
Operation and maintenance:	
Army	\$110,600,000
Navy	201,600,000
Marine Corps	9,600,000
Air Force	147,200,000
Defense agencies	32,000,000
Army Reserve	4,800,000
Navy Reserve	3,200,000
Marine Corps Reserve	500,000
Air Force Reserve	1,600,000
Army National Guard	6,400,000
Air National Guard	4,800,000
Claims, Defense	2,700,000
Total	\$25,000,000

REAL PROPERTY MAINTENANCE AND REPAIR PROGRAMS

The following table shows the real property maintenance and repair funding programs and unfunded backlogs for fiscal years 1980 through 1982:

[In millions of dollars and fiscal years]

	Program			Backlog		
	1980	1981	1982	1980	1981	1982
Army	\$647.2	\$743.8	\$1,211.3	\$1,853.0	\$2,370.4	\$2,270.2
Navy	530.2	662.5	710.2	587.0	564.0	585.0
Marine Corps	136.0	167.4	200.4	167.1	177.5	171.7
Air Force	831.3	859.1	1,191.2	488.6	531.2	347.0
Defense agencies	62.3	82.5	80.5	36.0	54.0	61.1
Reserve forces	105.2	142.2	159.9	143.8	128.0	119.5
Total, DOD	2,312.2	2,657.5	3,553.5	3,275.5	3,825.1	3,554.5

The Committee reaffirms its view that the growth of the backlog should be contained at the fiscal year 1978 dollar level, so that the size of the backlog will decline in real terms to a more manageable level over a period of years. This view was expressed in the Committee's reports the past 2 years. The backlog has grown from a total of \$2.32 billion in fiscal year 1978 to a projected \$3.554 billion at the end of fiscal year 1982.

The Department has made a clear commitment to contain the growth of the backlog of real property maintenance projects as evidenced in the requested funding level of 35 percent over fiscal year 1981 programs. However, real property maintenance projects have been neglected for so long and the backlog is accelerating at such a rate that if definitive action is not realized this fiscal year, dedication of future resources for repair and maintenance of these facilities may no longer be cost effective. In recognition of this circumstance, the Committee

recommends that a total of \$400 million be added to the Army, Navy, and Air Force operation and maintenance accounts to further reduce the backlog of maintenance and repair of real property. Specific direction of the additional funds is contained in the appropriate sections of this report under the various appropriation account headings.

CONSULTANTS, STUDIES, TECHNICAL SERVICES, AND OTHER
MANAGEMENT SUPPORT CONTRACTS

In nearly every legislative action in recent years regarding the operations of the Government or budgetary matters, the Congress has expressed a continued concern over the excessive use and misuse of contractor support to perform tasks which should be done by Government employees or not performed at all. Despite repeated direction to the contrary, the use of contractor support for "paper" missions seems to be accelerating as an accepted mode for doing the business of the Department of Defense. However, the Department is beginning to seek methods to control the use of contractor support and has made some positive steps to this end as evidenced by an overall reduction of \$210 million since the January budget submission.

Despite the initiatives of control, the problem of attaining visibility of the extent of contractor support still remains. For the past 2 years the Department has submitted a budgetary document which defines and quantifies the types of contractor support functions performed and further aggregates this information by appropriation account. As supporting data to the fiscal year 1982 amended budget, the Department estimated that over \$1.5 billion would be used for consultants, studies, technical services, and other management support contracts. By comparison, it was estimated that over \$1.3 billion would be used for these purposes in fiscal year 1980. Despite this voluminous budgetary information, accounting data estimated that nearly three times the amount reported for this purpose was actually spent. These conflicting reporting mechanisms suggest a myriad of problems, but at a minimum it is clear that there is no relationship between the budget and accounting systems to determine the actual extent to which the department is utilizing contractor support.

In an effort to yield a better understanding of the use of contractor support, the Committee directs the Department to improve the budget and accounting reporting systems to include the same information established by identical definitions as supporting data for the fiscal year 1983 budget submission.

The current data for the fiscal year 1982 submission estimates that the Navy appropriation accounts comprise over 60 percent of the budget request for consultants, studies and analyses, and management support contracts. Regardless of any other proposals, the Committee recommends that the Navy accounts be reduced \$77 million in order to decrease the dependence on the use of contractor support services. It should be emphasized that the preponderance of this reduction be applied to the general categories of consultants, contract studies and analyses, and the specific categories of program management support, and other professional and management services by contract.

Although the largest share of this reduction is applied under the Navy operation and maintenance account, the Committee recognizes that the use of the existing budgetary documents poses the prospect of severe inequities. Consequently, the Department of Defense may propose a redistribution of this reduction to all appropriation accounts, and report to the Committee on the redistribution by a notification reprogramming.

CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED
SERVICES (CHAMPUS)

COMPETITIVE RATE PROGRAM

Biofeedback.—The Committee is concerned that no real progress has yet been made by CHAMPUS in authorizing reimbursement for biofeedback services. The Committee expressed its initial interest in this matter during its fiscal year 1978 deliberations, and it has consistently raised this issue with the Department of Defense. Indeed, last year the Department reported that an amendment of its regulations had been drafted that would provide biofeedback therapy coverage for the following medical conditions: headache; idiopathic, essential hypertension; primary idiopathic Raynaud's disease; neuromuscular rehabilitation; gastrointestinal disorders; and cardiac arrhythmias. The Committee remains convinced that biofeedback therapy is a highly cost-effective modality and accordingly directs CHAMPUS to explore under what conditions these services should be reimbursed.

Peer review.—The Committee remains highly impressed by the pioneering efforts of CHAMPUS to establish professional peer review panels in order to insure that mental health services reimbursed under CHAMPUS are necessary and appropriate. It is the Committee's opinion that this particular initiative has been highly instrumental in keeping the costs of mental health care at a reasonable level during the past fiscal year.

Child and spouse abuse.—During its fiscal years 1980 and 1981 deliberations, the Committee expressed its concern that the Department of Defense begin to aggressively address the many needs of children and spouses of active duty personnel. The General Accounting Office has reviewed the problem of dependent abuse and has acknowledged that the situation is confounded by the fact that those individuals with the Department of Defense assigned to address child and spouse abuse are at the same time charged with other competing responsibilities. Moreover, although the Department has been asked by Congress to identify a budget amount for this effort, it has not done so. Accordingly, the Committee recommends an increase of \$10 million so that child advocacy and family counseling programs are established in fiscal year 1982. The Department is expected to use the appropriation on these programs only. Additionally, the Committee asks the Department of Defense to identify in its fiscal year 1983 budget estimate specific funds and resources that will be allocated to correcting the problem of child and spouse abuse.

Clinical social worker demonstration project.—The Committee is pleased that the clinical social worker direct reimbursement program,

begun last year, is progressing and that over 360 health billings have been submitted. The Committee understands that there is no evidence to indicate that the overall quality of care has been jeopardized and that the majority of the billings have been at either the same or lower rate than that for prevailing CHAMPUS psychotherapy care. Accordingly, the Committee recommends that the pilot project be continued for an additional year, and it expects that during its fiscal year 1983 deliberations, the decision will be made whether to concur with independent reimbursement pursuant to the President's 1978 Commission on Mental Health recommendation.

Fraud and abuse.—The Committee agrees with the recent CHAMPUS reorganization that created an Office of Program Integrity and recognizes the difficulties associated with assigning a high priority to individual beneficiary or provider fraud. The Committee expects to be kept informed of any further difficulties that CHAMPUS might experience in insuring that allegations of fraud are fully explored.

Health maintenance organization (HMO) project.—The Committee is pleased with CHAMPUS implementation of the health maintenance organization demonstration project in Portland, Oreg. This program is expected to continue for 3 years at a minimum in order for the Department to obtain sufficient data to assess the possibility of expanding the project. The Committee is especially interested in learning the extent to which CHAMPUS beneficiaries using this "prepaid" approach are more or less satisfied with their health care. Recognizing that retirees are reluctant to participate in the HMO project due to its experimental nature, the Committee urges CHAMPUS to use its authority to explore means of addressing retirees' concern, perhaps by guaranteeing beneficiaries that additional costs in regaining earlier coverage will be covered by CHAMPUS. The Committee further expects that CHAMPUS, under this broad authority, will consider exploring other types of health insurance.

Inpatient psychiatric care.—The Committee remains concerned that there continues to be excessive reliance on the most costly in-patient psychiatric care treatment modality than is appropriate. This is primarily because, unlike the mental health benefit of private sector health care plans, there is no annual limitation under CHAMPUS. The Committee recognizes the concern of CHAMPUS and the mental health community for the 30-day annual limitation on in-patient psychiatric care. CHAMPUS assures the Committee that long-term psychiatric in-patient care is being closely monitored and that the American Psychiatric Association's peer review committees, in particular, will increase their efforts in this area. Accordingly, the Committee is not recommending such a limit. The Committee is disturbed, however, by statistics indicating that the fiscal year 1980 average cost per in-patient psychiatric care was nearly twice that for in-patient surgery or medical care. And, the Committee has reviewed evidence suggesting that a 30-day annual limit would not have the adverse impact that the providers contend.

Nonphysician health care providers.—Last year the Committee directed the Department to address allegations of morale problems among nonphysician health care providers. The Committee remains concerned

that highly competent health care professionals are not allowed to function to the fullest extent of their training. This is partly because the services demonstrate a decided preference to selecting physicians, rather than other health care professionals, when assigning a health care professional to an administrative position. Further, the Committee is concerned that, since administrative skills differ from clinical skills, the use of limited medical resources in this way may not be in the best interest of the services. Accordingly, the Committee directs the Department to renew its attention to this matter and to report to this Committee the extent to which primarily administrative positions are filled by clinicians. This report should include a comparison with generally accepted practices in the civilian community and should describe the extent to which any particular professional discipline may have been systematically favored in such assignments.

Nurse-midwives.—The Committee is pleased by the good faith efforts made by CHAMPUS for the direct reimbursement of certified nurse-midwives. The Committee is likewise pleased with the pioneering efforts that CHAMPUS has undertaken in establishing national standards for birthing centers.

Optometry.—The Committee directs CHAMPUS to continue consideration of an increased vision therapy benefits package. Available evidence suggests that approximately 15 percent of private sector employees have routine vision care available through the health care benefits program, and that eye and vision disorders account for the second most chronic national health condition. Further, on a nationwide basis, it is estimated that only half of those requiring some form of vision care actually receive it.

Nurse practitioners.—The Committee has supported direct reimbursement of nurse practitioners and clinical specialists by CHAMPUS since 1977. The Committee believes that since these individuals are licensed to perform independently at the State level and since they possess a master of arts degree, a nursing degree, and professional certification, there should be no concern about the possible diminution of quality of care. To date, all evidence provided to the Committee confirms that nurse practitioners/clinical specialists are fully competent to provide as much as 90 percent of the care currently provided by physicians, and in an equally effective manner. Since 1978, certified nurse-midwives have been directly reimbursed. The fiscal year 1980 appropriations bill (Public Law 96-154) permitted direct reimbursement of certified nurse practitioners on an experimental basis. To date, there have been less than 50 billings nationwide. Accordingly, the Committee feels that it is now appropriate to remove the experimental designation and it directs CHAMPUS to provide for their direct reimbursement.

Dental plan demonstration project.—The Committee recommends that CHAMPUS explore the possibility of offering a dental benefit plan to its beneficiaries. Accordingly, the Committee has included a general provision (sec. —) that would authorize a special demonstration test during which CHAMPUS could spend up to \$50 million during the fiscal year to provide preventive and basic restorative dental care. The Committee further directs CHAMPUS to obtain information on beneficiary utilization patterns and on potential comprehensive dental benefit package offerings.

COMPETITIVE RATE PROGRAM

The Committee recommends the inclusion of a general provision to prohibit the obligation of funds under the competitive rate program of the Department of Defense for the transportation of household goods to or from Alaska and Hawaii. This provision has been included in every Defense Appropriation Act since fiscal year 1979. Despite repetitive action and a recent General Accounting Office report which questions the value of the competitive rate program, the Department has not attempted to develop a policy which is both competitive in nature and commercially acceptable. In recognition of this impasse, the Committee directs the Military Traffic Council of the Department of Defense to review proposals of the moving industry with the objective of developing an alternative rate program to improve competition in the household shipment industry. A report on the findings of this review is expected by March 15, 1982.

FEDERAL EMPLOYEE INJURY COMPENSATION SYSTEM

Since the fiscal year 1979 Defense Appropriation Act, in each successive year the Congress has adopted a provision to limit payments that the Department of Defense may make to the Department of Labor for the Federal employee compensation fund. These provisions have been included in recognition of the excessively large percentage increases for such payments from year to year. The attempt has been to reduce the amount paid by the Department of Defense into the employee compensation fund to an amount equal to the average cost increase of the direct labor for that year. The Committee concurs with other proposals to constrain such payments to a level of \$206.1 million which allows for an approximate increase of 7 percent from the fiscal year 1981 level. Section 735 of the bill contains this limitation.

FORMAT OF COMMITTEE RECOMMENDATIONS

The Committee recommendations for the operation and maintenance accounts of this report are organized by program package to illustrate the variety and types of programs financed through these accounts. Changes to the budget and a comparative fiscal year 1981 program are reflected by these program packages in order to demonstrate the extent to which the Committee has reviewed these programs. Regardless of any other proposals to the contrary, the inclusion of this level of detail does not suggest a new reporting requirement for the Department of Defense.

OPERATION AND MAINTENANCE, ARMY

1981 appropriation	\$13,160,533,000
1982 budget estimate	15,207,500,000
House allowance	
Committee recommendation	15,351,400,000

The Committee recommends an appropriation of \$15,351,400,000. This is \$143,900,000 above the budget estimate.

This appropriation provides for the activities of the active Army, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

The following detail table provides a program comparison of the Committee recommendations to the budget request.

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
GENERAL PURPOSE FORCES			
Unified commands	\$6,766	\$7,749	\$7,749
Alaska forces	13,323	13,891	13,891
Europe forces	765,951	1,046,904	1,015,809
Pacific forces	170,557	211,201	211,201
South forces	6,457	6,722	6,722
CONUS forces—FORSCOM	546,681	735,762	721,202
Other CONUS forces	148,861	197,117	197,117
JCS directed and coordinated exercises	51,584	79,623	79,623
Combat development activities	126,447	175,214	175,214
Base operations:			
FORSCOM and other CONUS	469,976	525,114	525,114
Real property maintenance (RPMA)-			
United States	395,832	512,589	576,589
Europe	535,191	672,382	612,382
RPMA—Europe	640,275	859,954	919,954
Pacific	183,359	232,464	229,864
RPMA—Pacific	196,916	226,941	239,941
Economic assumptions		- 166,800	- 166,800
Subtotal	4,258,176	5,336,827	5,365,572
INTELLIGENCE AND COMMUNICATIONS			
Worldwide military command and CON system—ADP	8,730	16,638	16,638
Traffic control and landing systems	19,564	23,318	23,318
Foreign counterintelligence	5,952	6,135	6,135
Security and investigative activities	12,128	12,277	12,277
Management headquarters—other	20		
Base operations:			
Other	2,812	3,944	3,944
RPMA—other	2,484	3,217	3,217
Mission—info in separate intelligence justification book	120,235	143,820	140,520
Base operations:			
Intelligence	2,447	1,624	1,624
RPMA—intelligence	3,788	5,379	5,379

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Worldwide military and CON system (WWMCCS) Facility.....	11,335	7,764	7,764
Long haul communications	273,738	302,237	302,237
Communications security.....	18,832	18,428	18,428
Management headquarters—communications.....	27,695	28,544	28,544
Base communications.....	144,898	200,595	200,595
Base operations:			
Communications	33,976	36,601	36,601
RPMA—Communications	27,239	23,643	23,643
Subtotal.....	715,873	834,164	830,864

CENTRAL SUPPLY AND
MAINTENANCE

Supply depot operations	558,646	683,327	673,527
Supply management operations	163,326	173,242	165,957
Central procurement activities	166,435	207,910	207,910
Logistics administration support.....	101,464	123,688	123,688
Audiovisual support—logistics element...	3,892	3,161	3,161
Resale commissaries.....	166,100	171,782	171,782
Troop issue subsistence activities.....	22,098	28,087	28,087
Management headquarters.....	110,431	106,426	106,426
First destination transportation	40,222	28,831	28,831
Second destination transportation.....	799,804	965,203	953,745
Industrial preparedness operations	112,666	111,166	111,166
Logistics support activities	184,770	167,503	167,503
Overseas port units.....	53,697	62,850	62,550
Real estate administration and construction supervision.....	56,295	60,219	60,219
Base operations.....	154,453	159,748	157,248
Base operations RPMA.....	124,546	134,893	155,893
Depot maintenance	955,320	1,070,855	1,070,855
Maintenance support activities	377,239	411,167	393,565
Subtotal.....	4,151,404	4,670,058	4,642,113

TRAINING AND MEDICAL

Recruit training.....	8,773	9,881	9,881
One station training	22,224	32,950	32,950
Officer acquisition	25,678	28,802	28,802
Senior ROTC.....	40,605	45,775	45,775
Specialized training	159,982	174,012	174,012
Flight training.....	105,198	113,811	113,811
Professional education.....	26,907	33,144	33,144
Training support	299,680	330,781	328,981
Base operations:			
Training	462,097	532,685	531,285
RPMA—training.....	406,432	468,740	510,740
Care in reg defense facilities.....	278,646	289,380	289,380
Station hospitals and medical clinics	366,281	428,972	428,972
Dental care activities	54,636	54,800	54,800
Care in nondefense facilities	42,203	43,064	43,064
Education and training—health care	51,335	53,050	53,050
Command—health care	8,791	8,704	8,704
Recruiting and examining	14,589	15,360	15,360
Other medical activities	101,171	105,192	105,192
Audiovisual support.....	4,120	5,545	5,545
Base operations:			
Medical	21,792	22,459	22,459

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RPMA—medical	38,606	40,722	40,722
Recruiting activities	105,889	132,701	132,701
Advertising activities	58,978	67,770	67,770
Examining activities	33,216	45,151	45,151
Other personnel activities	23,611	28,446	28,466
Civilian education	69,598	75,271	75,271
Junior reserve officer training program ..	14,958	14,690	14,690
Army continuing education system	106,619	127,390	127,390
Audiovisual support	8,957	8,606	8,606
Subtotal	2,961,572	3,337,854	3,376,654
ADMINISTRATION AND ASSOCIATION ACTIVITY			
Department headquarters support	93,177	89,294	89,294
Personnel administrative support	91,617	108,784	108,784
Public affairs	7,927	7,603	7,603
Criminal investigation activities	16,174	18,677	18,677
Service-wide support	534,925	615,203	612,203
Audiovisual support	4,779	4,396	4,396
Base operations	36,271	35,855	35,855
Base operations—RPMA	26,107	31,995	31,995
Subtotal	810,977	911,807	908,807
MILITARY ASSISTANCE ACTIVITY			
International military headquarters and agencies	108,177	114,553	114,553
Miscellaneous support of other nations ..	2,505	2,237	2,237
Subtotal	110,682	116,790	116,790
Inflation adjustment			110,600

COMMITTEE ADJUSTMENTS

Specific program adjustments recommended by the Committee are as follows:

Force modernization/operational support.—Based on the current projection of systems requiring operational support, fewer M-1 tanks and support vehicles will be fielded than originally assumed in the amended request. In addition, operation and maintenance costs appear to be overstated, except in the training base, for the infantry/cavalry fighting vehicles, Hawk missile, TACFIRE, and truck programs. Current projections appear to be reliable due to the impressive upgrade to cost estimating procedures in the Army modernization information memorandum (AMIM) and the modernization resource information submission (MRIS) reviews. The Committee recommends a reduction of \$60 million to reflect this reevaluation of requirements.

Pre-positioning of material in configured unit sets (POMCUS).—The amended budget request includes funding for tool kits and repair parts in advance of planned fiscal year 1983 initiatives to process equipment for POMCUS Division set 5. In light of ongoing negotiations with the Federal Republic of Germany to determine the extent of wartime host nation support, the Committee feels that it is ill advised to revise current plans for the POMCUS program at this time. Regardless of any proposals to the contrary, the Committee recommends funding at the budget request.

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Civilian personnel.—The Committee recommends a reduction of \$60 million which is the estimated cost to add 5,000 civilians to convert military positions. Current restrictions on United States direct hire and foreign national indirect hire civilian end strength ceilings preclude the use of funds for additional personnel.

Base level commercial equipment.—Current restrictions limit the purchase of items with a unit cost in excess of \$3,000 to the investment appropriation accounts. The Committee recommends the reduction of \$23.3 million to reflect the transfer of such items from the operating account to the investment account.

Supply depot operations.—The Army requested funding to handle and store 80,000 short tons of ammunition shipments to Europe. However, the existing storage capacity in Europe could only accommodate shipments of 50,000 short tons. Therefore, it is recommended that the request be reduced \$17.1 million to reflect actual funding requirements for transportation of ammunition to Europe.

Base operations.—Other pending proposals recommend the reduction of funds for base operations functions related to quality of life improvements, upgrades for facilities in Korea, vehicle maintenance projects in Hawaii, and other real property maintenance initiatives. The Committee views any reductions to the perennially underfunded base operations accounts as undesirable in the absence of further justification.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

Operational support.....	-\$60,000,000
Civilian personnel.....	-60,000,000
Base level commercial equipment.....	-23,300,000
Ammunition handling—Europe.....	-17,100,000
Inflation.....	+110,600,000
DOL payments.....	-3,000,000
Real property maintenance.....	+200,000,000

ARMY STOCK FUND

1981 appropriation.....	\$34,000,000
1982 budget estimate.....	211,300,000
House allowance.....	
Committee recommendation.....	211,300,000

This appropriation provides for the purchase of war reserve material. The Army Stock Fund purchases consummable items—repair parts, clothing, and other materials—and holds them for use in the event of an outbreak of hostilities.

The Committee recommends an appropriation of \$211,300,000, the same as the budget estimate.

OPERATION AND MAINTENANCE, NAVY

1981 appropriation.....	\$17,728,799,000
1982 budget estimate.....	19,611,170,000
House allowance.....	
Committee recommendation.....	19,880,389,000

The Committee recommends an appropriation of \$19,880,389,000. This is \$269,219,000 above the budget estimate. This appropriation provides for the activities of the active Navy, including the pay of civilian personnel, operation and maintenance of aircraft, vessels, equipment and bases, training, direct care medical programs, and all associated activities.

The following detail table provides a program comparison of the Committee recommendations to the budget request.

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
STRATEGIC FORCES			
FBM ship:			
Operations.....	\$74,067	\$80,232	\$80,232
Charter.....	30,045	24,709	24,709
Maintenance and mod.....	652,526	517,555	517,555
FBM supporting programs.....	15,054	15,648	15,648
Strategic weapons systems.....	455,248	478,397	478,397
Trident system operational support.....	130,212	219,112	219,112
Trident command and management.....	3,880	4,225	4,225
Fleet command (FBM).....	3,760	3,670	3,670
FBM airborne communications.....	18,399	27,598	27,598
FBM ship/shore communications.....	17,857	18,380	18,380
Missile and space defense.....	7,065	7,363	7,363
Activations/inactivations.....	3,535		
Base operations.....	97,035	86,157	86,931
Less fiscal year 1982 anticipated pay raise.....		-7,822	-7,822
Less stock fund credit.....	-10,000	-3,000	-3,000
Subtotal.....	1,498,683	1,472,224	1,472,998
GENERAL PURPOSE FORCES			
TACAIR/ASW.....	1,040,889	1,137,935	1,153,935
Fleet air operations support.....	156,399	144,210	144,210
Air logistic support ships.....	3,667	3,580	3,580
General purpose ship:			
Operations.....	1,935,404	2,189,384	2,231,384
Chart.....	382,212	423,199	423,199
Maintenance and mod.....	3,367,823	3,936,825	3,938,725
Operations support.....	31,717	30,805	30,805
Base operations.....	1,282,177	1,291,077	1,320,935
Air special support.....	23,184	26,980	26,980
Construction battalion operations.....	36,007	38,925	38,925
Special combat support.....	39,076	39,672	39,672
Fleet air:			
Training.....	241,793	271,409	271,409
Training support.....	15,605	16,649	16,649
Fleet ship training support.....	3,791	4,218	4,218
Fleet commands and staffs.....	114,755	208,647	208,647

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Unified commands.....	20,079	22,483	22,483
Undersea surveillance programs	10,160	13,234	13,234
Cruise missile.....	6,999	13,283	13,283
JCS directed and coord. exercises.....	8,194	18,663	18,663
Naval command and control system.....	23,036	27,374	27,374
Foreign currency	22,400		
Less fiscal year 1981 anticipated pay raise.....		- 66,777	- 66,777
Depot level repairable credits.....	- 100,700	- 39,500	- 39,500
CPETE credits.....		- 6,600	- 6,600
Economic assumptions		- 53,000	- 53,000
Subtotal.....	8,664,667	9,692,675	9,782,433

INTELLIGENCE AND
COMMUNICATIONS

Consolidated cryptological program.....	73,342	77,758	77,977
General defense intelligence program....	85,471	98,850	98,850
Foreign counterintelligence	2,589	3,294	3,294
Special activities.....	40,883	50,009	50,009
Station operations (T & CCP).....	52,727	62,904	62,904
Leased communications (T & CCP).....	102,540	117,860	117,860
Equipment installation (T & CCP).....	23,079	35,059	35,059
Communications security.....	14,282	14,046	14,046
Other telecommunications.....	358	406	406
Worldwide military command and control	14,229	14,597	14,597
Management headquarters (T & CCP)..	6,025	6,403	6,403
Environmental support for strategic systems.....	52,034	56,193	56,193
Environmental support for TAC and surveillance system.....	45,791	54,728	54,728
Environmental support for navigation and chart.....	25,546	22,446	22,446
Prediction support to command and control.....	11,591	11,723	11,723
Naval investigative service	26,728	30,796	30,796
Naval observatory.....	4,442	4,676	4,676
Base operations.....	102,426	109,457	111,550
Subtotal.....	683,083	771,205	773,517

CENTRAL SUPPLY AND
MAINTENANCE

Aircraft rework and maintenance (NASC)	1,388,492	1,474,115	1,474,115
Air launched weapons rework (NASC)...	57,274	78,089	78,089
Calibration (NASC).....	47,187	59,698	59,698
Ground support equipment rework (NASC)	50,376	76,113	76,113
Other aviation support (NASC).....	18,593	24,818	24,818
Procurement operations (NASC)	31,447	31,062	31,062
Command and administration (NASC) ...	14,304	14,884	14,884
Operational support-field (NASC)	54,338	53,847	53,847
Industrial preparedness (NASC)	1,351	1,841	1,841
Inactive aircraft storage and disposal (NASC)	2,074	1,885	1,885
Field operations (NASC).....	104,294	110,897	110,897
Logistic support services (NASC).....	50,866	70,833	70,833
Maintenance engineering and support services (NASC).....	52,574	58,819	58,819

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Material management and information system (NASC).....	1,867	1,441	1,441
Operational equipment/system testing (NASC).....	21,145	21,041	21,041
Technical support (NASC).....	76,140	115,325	115,325
ASW technical support (NASC).....	11,793	6,740	6,740
Base operating support (NASC).....	9,018	11,775	11,775
RSS & I (NSSC).....	51,179	56,064	56,064
Procurement operations (NSSC).....	173,937	186,584	186,584
Command (NSSC).....	27,951	27,234	27,234
Operational support (NSSC).....	102,783	100,521	100,521
Industrial preparedness (NSSC).....	1,871	2,496	2,496
Field operations (NSSC).....	45,438	48,390	48,390
Logistics support services (NSSC).....	19,803	19,549	19,549
Operational equipment/system test (NSSC).....	11,014	13,418	13,418
Salvage (NSSC).....	6,670	6,320	6,320
Material management and information system (NSSC).....	23,316	18,087	18,087
SMS logistics and maintenance (NSSC).....	78,699	115,331	115,331
Search radar (NSSC).....	22,265	30,922	30,922
Maintenance eng and spt services (NSSC).....	16,492	24,933	24,933
Ships and ordnance maintenance act. (NSSC).....	25,850	26,994	26,994
Improvement of operational equipment system (NSSC).....	34,479	42,411	42,411
ASW support (NSSC).....	84,890	107,682	107,682
Inact ships maintenance facility (NSSC).....	6,630	6,976	6,976
Major equipment support (NSSC).....	30,386	49,837	49,837
Nuclear prop tech logistics (NSSC).....	32,998	36,188	36,188
Maintenance systems (NSSC).....	15,176	17,668	17,668
Electronic support (NSSC).....		210	210
Technical support (NSSC).....	60,511	76,892	76,892
Surface ordnance maintenance support (NSSC).....	18,042	24,541	24,541
Planning and engineering pera (NSSC) .	15,092	17,925	17,925
Surface ordnance rework (NSSC).....	34,164	58,067	58,067
Shipbuilding/electric national rework (NSSC).....	147,202	83,409	83,409
Calibration (NSSC).....	10,451	15,227	15,227
AS/ASW maintenance support (NSSC) ..	91,044	144,928	144,928
Other sea maintenance support (NSSC).....	42,705	45,460	45,460
Base operations:			
RPMA (NSSC).....	22,783	26,533	26,533
Other (NSSC).....	3,373	8,129	8,129
Command and administration (NESC)	5,490	6,342	6,342
Field operations (NESC).....	24,655	23,487	23,487
Operational support-field (NESC).....	17,663	17,247	17,247
Procurement operations (NESC).....	18,845	18,972	18,972
Air station electrical system (NESC).....	22,034	34,605	34,605
Shipboard electrical system support (NESC).....	7,254	7,251	7,251
Tactical electromagnetic programs (NESC).....	13,696	17,225	17,225
Remote sensors (NESC).....	6,162	6,608	6,608
Shipboard electrical national rework (NESC).....	27,448	14,648	14,648

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Calibration (NESC)	19,777	29,052	29,052
Other electrical maintenance support (NESC)	9,800	6,331	6,331
Industrial preparedness (NESC).....	494	492	492
Logistic support services (NESC).....	2,701	2,885	2,885
Maintenance engineering and support services (NESC)	10,120	10,511	10,511
Shipboard surveillance (NESC).....	31,552	37,722	37,722
Electronic support (NESC)	16,914	16,901	16,901
Undersea surveillance (NESC).....	87,191	102,142	102,142
Base operations (NESC).....	4,091	4,360	4,360
Supply depots (NSUPSC)	162,777	182,425	182,425
Inventory control points (NSUPSC).....	154,558	169,502	169,502
Procurement operations (NSUPSC).....	28,447	31,370	31,370
Commissary stores (NSUPSC)	59,552	62,985	62,985
Command (NSUPSC)	21,297	22,177	22,177
Transportation (NSUPSC).....	402,826	413,314	413,314
Base operations:			
RPMA (NSUPSC).....	51,370	51,274	51,274
Other (NSUPSC).....	63,700	65,320	65,320
Command (NFEC).....	13,787	14,350	14,350
Engineering field division (NFEC).....	44,142	46,126	46,126
Facilities logistic support (NFEC)	42,466	82,139	82,139
Base operations (NFEC).....	125,178	172,269	223,982
Command (CNM).....	30,241	31,887	26,887
Field operations (CNM).....	11,870	18,258	18,258
Employee comp fund (CNM).....	84,800	98,820	86,820
Navy ind. and stock fund support (CNM).....	204,256		
Base operations (CNM).....	262	263	263
Navy regional data automation centers (CNO).....	75,366	93,897	93,897
Logistic support services (CNO).....	4,921	8,858	8,858
Base operations (CNO).....	7,575	7,306	7,306
Subtotal.....	5,165,605	5,581,470	5,616,183
TRN, MED, OTHER GP			
Recruit training.....	3,003	3,243	3,243
Specialized skills	75,827	84,133	84,133
Officer acquisition	32,848	35,499	35,499
Professional development and education	16,268	15,940	15,940
NROTC.....	21,795	23,702	23,702
Flight training.....	173,761	210,782	209,582
Routine maintenance	19,318	22,461	22,461
Other training support	109,997	144,968	144,968
Care, regional defense facilities	92,500	98,971	98,971
Station hospitals and medical clinics	113,114	137,268	137,268
Dental care activities	10,432	11,048	11,048
Care in nondefense facilities	42,327	45,952	45,952
Other health activities	28,242	28,080	28,080
Education and training health care	22,314	26,124	26,124
Command-health care.....	6,856	7,091	7,091
Recruiting activities.....	62,521	66,955	66,955
Advertising activities	20,214	22,180	22,180
Other personnel services	56,170	62,024	62,024
Off-duty voluntary education	20,232	22,833	22,833
Civilian education	14,339	15,892	15,892
NJROTC.....	4,299	4,678	4,678
Base operations.....	531,395	568,024	579,286

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Subtotal.....	1,477,772	1,657,848	1,667,910
ADMINISTRATION AND ASSOCIATION ACTIVITY			
SECNAV staff offices	25,256	25,148	25,148
CNO staff offices	22,921	25,315	25,315
Navy finance activities	65,157	71,346	71,346
Navy audit service.....	18,859	18,963	18,963
Board of Inspection and Survey.....	1,292	1,850	1,850
Naval data automation command.....	8,449	8,863	8,863
Naval Safety Center	4,368	4,509	4,509
Naval Historical Center.....	1,612	1,746	1,746
Judge Advocate General-field.....	2,032	2,191	2,191
Naval Legal Services Offices	4,414	4,719	4,719
Public affairs	2,192	2,264	2,264
Historical ships	666	999	999
OPNAV support activity	5,300	5,380	5,380
Consolidated civilian Personnel Offices .	8,650	8,602	8,602
Naval civilian personnel command-field .	7,341	8,591	8,591
Navy manpower and national analysis centers	14,775	16,339	16,339
Management headquarters	11,157	12,558	12,558
Naval military personnel command	51,494	56,625	56,625
Enlisted Personnel Management Center.	3,251	3,251	3,251
Navy family allowance activity	1,995	2,032	2,032
Navy personnel evaluation boards	3,539	3,622	3,622
Human Resources Management Center .	217	248	248
Base operations.....	100,091	108,806	108,806
Payments for postal services	35,293	37,257	37,257
Vice President's grounds support	162	168	168
White House/MCDEC helicopter sup- port.....	3,153	3,477	3,477
Congressional travel.....	89	112	112
NCR facilities and services staff	616	602	602
Subtotal.....	404,341	435,583	435,583
International headquarters and agen- cies.....	148	165	165
OTHER ADJUSTMENTS			
Contract consultant support			- 70,000
Inflation adjustment			201,600

COMMITTEE ADJUSTMENTS

Specific program adjustments recommended by the Committee are as follows:

Maritime pre-positioning ship program (TAK-X).—The latest budget revision proposed a chartering program to lease ships at a cost of \$60 million for fiscal year 1982. However, the Navy did not substantiate the request or provide any outyear estimates to assess the relative advantage of charter versus purchase. Accordingly the authorization conference committee specifically denied the request. Therefore, the Committee recommends that this amount be deleted from the budget request.

Ship operations.—Navy reduced ship steaming hours by \$173 million in the last budget revision which partially draws down commitments in the Indian Ocean. Other proposals have been recommended to restore

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\$100 million to yield roughly 1 more hour per quarter for ship steaming hours. Recommend the addition of \$100 million for this purpose.

Other sea maintenance support.—Without regard to any other proposals to the contrary, the Committee recommends that funds be provided at the budget request level for the overhaul of crew berthing barges. Failure to overhaul these barges would force the Navy to assign fewer ships' crews to the barges, and seek alternative accommodations away from the industrial facility at a greater expense. Due to the cost inefficient alternative, the Committee recommends support of this program at the budget request.

Leased satellite communications (LEASAT program).—Navy has identified advance funding need of \$59 million for LEASAT due to a change in the financing procedures and leasing agreements. Although this item was identified prior to budget revisions, the Navy did not request any change in funding authority to accommodate this priority. In view of the conference authorization action, the Committee recommends that the Navy fund this priority within appropriation funding available.

Stores ship "Tarbatness".—The revised budget request provides for funding to lease the stores ship *Tarbatness* from the British Government. Due to the current requirement for additional stores of ships, and regardless of any proposals to the contrary, the Committee recommends that funding be provided at the budget request.

Ship overhaul—DD-976 U.S.S. "Merrill".—As a direct consequence of the Navy's decision to reactivate the U.S.S. *New Jersey* at the Long Beach Naval Shipyard, the Navy was forced to reassign a number of ship overhauls which had been planned for this yard prior to that decision. Consequently, the *Merrill* overhaul was slipped to fiscal year 1984. In view of this action the Committee recommends that \$16.4 million be deleted from the request to reflect the realignment of this overhaul beyond fiscal year 1982. Funds are provided for a short industrial period to install the Tomahawk missile system on this ship. Further, the Committee views any increases to the cost of overhauls reassigned from this shipyard as a direct cost associated with the decision to reactivate U.S.S. *New Jersey*.

Naval Arctic Research Laboratory.—The Committee recommends a reduction of \$4.3 million to reflect the reversal of the decision to transfer control of this facility from the Navy to the Department of the Interior. This amount had been requested to assume the cost of closure and transportation of equipment from this lab.

Ship overhaul change orders and advanced funding.—Beginning in fiscal year 1983 the Committee directs that the Navy budget for ship change orders in the same fiscal year in which the ship is inducted. Further, the Navy should finance the procurement of all long-lead materials through the stock fund to be provided in the same fiscal year in which a ship enters an industrial facility. The effect of this recommendation will be to improve the accountability of fiscal year funding provided for ship maintenance. Unlike prior year programs, as of fiscal year 1983 all costs associated with ship overhauls and repair will be charged to the same fiscal year funding as the year that the ship enters overhaul. The recommendation to defer implementation of this financ-

ing procedure has been made in recognition of the adjustments necessary to accommodate this effort in the fiscal year 1983 budget submission.

S-3 flying hours.—Committee recommends the reduction of \$9 million from the S-3 aircraft flying hour program due to avionics equipment and maintenance problems which will preclude the accomplishment of the full flying hour program.

Helo maintenance.—It is recommended that \$1.2 million be reduced from the request to reflect actual contract cost vice budget estimates for the maintenance of helicopters.

Flying hour program.—Committee recommends the addition of \$25 million to raise the number of flying hours beyond the constrained program currently budgeted. This recommendation considers current tensions in the Mediterranean and Indian Oceans.

Barge operations—Diego Garcia.—Without regard to any proposals to the contrary, the Committee recommends a funding level at the budget request for barge operations on Diego Garcia. Navy conducts all servicing of logistics in transports ships from barges assigned to this island base.

Transfer of ammunition ships from reserve to active fleet.—The Committee recommends that \$20.3 million be added to the budget request to reflect the realignment of funding for Navy ammunition ships which had been transferred from the reserve to the active fleet. Funds will provide for the operation of the *Mauna Kea* and *Pyro*.

Chief of naval material—(CNM) headquarters.—This is the headquarters operation of Navy acquisition and logistics functions. As such, it is the parent command of a multitude of specialized systems commands, engineering laboratories and performs as the overall corporate management of systems procurement and resources. CNM headquarters performs very few direct line management functions, but acts as a review and oversight authority. A variety of internal Navy, Office of the Secretary of Defense and congressional reviews have questioned the possible duplication of CNM headquarters as it relates to subordinate commands and its relative impact on the overall program it was designed to manage.

In light of this continued speculation, the Committee directs the Department of Defense to develop a report in conjunction with the Navy which: examines the role of the CNM headquarters, excluding the Consolidated Civilian Personnel Office, Strategic Systems Project Office, and the Joint Cruise Missile Project Office; proposes several organizational alternatives to the present CNM headquarters concept; and addresses the specific alternative of disestablishment of this headquarters by the end of fiscal year 1983. It is requested that this report be provided to the Committee by February 1, 1982. In the interim, reduction of \$5 million is recommended to cancel the emphasize on headquarters control of cost estimating and analysis, reduce management support contracts of CNM headquarters and associated project managers, and a decrease of civilian personnel as planned by the CNM headquarters.

Commander-In-Chief, Naval Forces, Europe.—The Commander-In-Chief, U.S. Naval Forces, Europe (CINCUSNAVEUR) performs a number of functional roles including operational control of the 6th

Fleet, and supervises the Navy shore activities in Europe. Despite numerous attempts to reduce management headquarter staffs, this organization is growing despite the overall management headquarters trend of negative or no growth. Regardless of any other proposal to the contrary, the Committee supports funding at the budget request, yet it is the Committee's intention to examine this growth pattern during the upcoming fiscal year 1983 budget reviews.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

	<i>Committee recommendation</i>
<i>Operation and maintenance, Navy</i>	
Maritime prepositioning ship program (T-AKX).....	- \$60,000,000
Ship operations	+ 100,000,00
U.S.S. <i>Merrill</i>	- 16,400,000
Naval Arctic Research Laboratory.....	- 4,300,000
S-3 flying hours	9,000,000
Helo maintenance.....	- 1,200,000
Flying hours.....	+ 25,000,000
Contract consultants.....	- 70,000,000
Ammunition ships.....	+ 20,300,000
DOL payments	- 12,000,000
Inflation.....	+ 201,600,000
Real property maintenance.....	+ 100,000,000
Management headquarters—(CNM-HQ).....	- 5,000,000

NAVY STOCK FUND

1981 appropriation	\$309,000,000
1982 budget estimate	17,435,000
House allowance	
Committee recommendation	17,435,000

This appropriation provides for the purchase of war reserve material. The Navy Stock Fund purchases consummable items—repair parts, clothing, and other materials—and holds them for use in the event of an outbreak of hostilities.

The Committee recommends an appropriation of \$17,435,000, the same as the budget estimate.

OPERATION AND MAINTENANCE, MARINE CORPS

1981 appropriation	\$1,072,206,000
1982 budget estimate	1,176,940,000
House allowance	
Committee recommendation	1,186,440,000

The Committee recommends an appropriation of \$1,186,440,000. This is \$9,500,000 above the budget estimate.

This appropriation provides for the activities of the active Marine Corps, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, and all associated activities.

The following detail table provides a program comparison of the Committee recommendation to the budget request.

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
GENERAL PURPOSE FORCES			
Land forces	\$220,796	\$216,903	\$216,903
Naval forces	7,098	10,282	10,282
Tactical air forces	32,118	32,788	32,788
Base operations—forces	401,652	459,801	459,801
Base communications—forces	10,274	9,993	9,993
Economic assumptions		-3,000	-3,000
Subtotal	671,938	726,767	726,767
CENTRAL SUPPLY AND MAINTENANCE			
Supply depot operations	30,785	31,621	31,621
Inventory control point	12,893	14,833	14,833
Transportation of things	30,114	37,372	37,372
Centrally managed programs	28,860	29,440	29,440
Commissary stores operations	11,893	12,074	12,074
Equipment maintenance	56,741	60,785	60,785
Base operations—supply and main- tenance	40,299	41,492	41,492
Base communications—supply and maintenance	1,330	1,909	1,909
Subtotal	212,915	229,626	229,526

TRAINING AND MEDICAL

Recruit training	3,975	4,248	4,248
Specialized skill training	7,273	7,498	7,498
Professional development	1,138	1,165	1,165
Officer acquisition	243	236	236
Flight training	47	51	51
Training support	13,409	15,005	15,005
Recruiting	31,227	35,472	35,472
Advertising	13,719	13,217	13,217
Off-duty education	5,175	4,476	4,476
MCJROTC	1,668	1,735	1,735
Other personnel support	751	764	764
Base operations—training	73,149	76,946	76,946
Base communications—training	1,371	1,467	1,467
Subtotal	153,145	162,280	162,280

ADMINISTRATIVE AND ASSOCIATION
ACTIVITIES

Departmental administrative	4,246	4,310	4,310
Nondepartmental administrative	15,912	16,248	16,248
Other administrative	29,985	32,878	32,878
Base operations—administrative	5,122	3,508	3,508
Base communications—administrative	1,243	1,323	1,323
Subtotal	56,508	58,267	58,267

OTHER ADJUSTMENTS

Inflation adjustment	9,600
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All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

DOL payments	<i>Committee recommendation</i> - \$100,000
Inflation adjustment	+ 9,600,000

MARINE CORPS STOCK FUND

1981 appropriation	\$4,108,000
1982 budget estimate	13,334,000
House allowance	
Committee recommendation	13,334,000

This appropriation provides for purchase of war reserve material. The Marine Corps Stock Fund purchases consummable items—repair parts, clothing, and other materials—and holds them for use in the event of an outbreak of hostilities.

The Committee recommends an appropriation of \$13,334,000, the same as the budget estimate.

OPERATION AND MAINTENANCE, AIR FORCE

1981 appropriation	\$14,769,614,000
1982 budget estimate	16,696,076,000
House allowance	
Committee recommendation	16,903,069,000

The Committee recommends an appropriation of \$16,903,069,000. This is \$206,993,000 above the budget estimate.

This appropriation provides for the activities of the active Air Force, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

The following detail table provides a program comparison of the Committee recommendation to the budget request.

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
STRATEGIC FORCES			
Aircraft	\$1,280,178	\$1,378,014	\$1,389,414
Missiles	99,475	109,426	109,426
Other offensive OPNS	58,695	62,637	59,137
Telecommunications and command control	89,723	113,843	113,843
Base operations	513,994	561,168	586,168
Surveillance and warning—radars	250,073	280,066	270,666
Surveillance satellites	95,315	113,246	111,246
Other defensive OPNS	126,100	137,461	137,461
Telecommunications and command control	71,591	87,743	87,743
Base operations	291,200	319,765	344,665
Subtotal	2,876,344	3,163,369	3,209,769
GENERAL PURPOSE FORCES			
Tactical fighters and weapons	1,014,603	1,191,052	1,188,852
Tactical reconnaissance electronic warfare and special operations forces	97,166	111,845	109,545
JCS exercises	200,049	299,710	299,710
Combat support	467,999	555,205	544,105
Other command and control	176,512	160,946	160,946
Other tactical operations	78,166	95,515	91,815
Major range and test facilities	34,129	40,637	40,637
Tactical intelligence and special activities	77,976	101,589	101,589
Telecommunications and command control	84,021	96,674	96,674
Base operations	1,081,153	1,273,730	1,314,730
Foreign currency reduction (German mark)		- 13,000	- 13,000
Subtotal	3,311,774	3,913,903	3,935,603
INTELLIGENCE AND COMMUNICATIONS			
Consolidated cryptologic program	92,679	95,682	95,682
General defense intelligence program (GDIP)	212,860	228,420	228,420

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Foreign counterintelligence program	2,008	2,204	2,204
Communications security program	8,321	9,654	9,654
Other communications	136,724	163,008	159,008
Station operations communications	88,699	114,026	114,026
Leased communications	175,603	212,327	212,327
Service-wide activities	129,518	122,206	122,206
Space support	135,127	185,530	185,530
Base operations	25,230	28,982	28,982
Subtotal	1,006,769	1,162,039	1,158,039
AIRLIFT AND SEALIFT			
Assigned airlift mission	505,097	557,253	557,253
Mission support	167,512	199,687	199,687
Command support	16,781	20,504	20,504
Telecommunications and command control	15,942	19,970	19,970
Base operations	347,556	402,522	406,522
Subtotal	1,052,888	1,199,936	1,203,936
CENTRAL SUPPLY AND MAINTENANCE			
Supply depots	237,089	260,324	260,324
Inventory control	344,407	388,276	388,276
Procurement operations	120,398	140,510	140,510
Depot maintenance	2,449,801	2,655,759	2,660,259
Industrial fund/stock fund support	45,700	- 58,591	- 58,591
Transportation	470,142	579,788	579,788
Miscellaneous logistics support activities	157,431	189,416	189,416
Printing publications distribution	31,206	46,449	46,449
Test ranges	182,308	214,944	209,497
Command	56,808	57,678	57,678
Commissary operations	158,657	168,799	168,799
Telecommunications and command control	22,300	24,527	24,527
Base operations	416,305	468,019	469,019
Inflation reduction		- 14,900	- 14,900
Subtotal	4,692,552	5,120,998	5,121,051
TRAINING, MEDICAL, OTHER GROUP			
Recruiting and advertising	50,074	53,895	53,895
Recruit and specialized training	135,852	176,247	169,387
Officer acquisition	44,045	48,978	48,978
Flight training	260,030	322,876	322,876
Professional development education	30,708	33,921	33,921
Medical training	22,572	25,592	25,592
Other personnel activities	74,333	89,308	89,308
Other training support	47,944	51,173	51,173
T & CCP—training	15,846	17,729	17,729
Base operations	354,622	416,257	418,257
Hospital operations	398,446	413,254	413,254
Care in nonservice facilities	21,328	30,529	30,529
T & CCP—medical	3,331	3,726	3,726
Base operations	75,637	86,043	86,043
Subtotal	1,534,768	1,769,528	1,764,668

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ADMINISTRATIVE AND ASSOCIATION ACTIVITIES			
Departmental headquarters	59,825	64,107	64,107
Servicewide support	235,154	207,431	203,931
Personnel activities	34,781	38,909	38,909
Other support activities	9,113	9,501	9,501
Telecommunications and command con- trol	5,529	6,824	6,824
Base operations	18,649	18,629	18,629
Subtotal	363,051	345,401	341,901
MILITARY ASSISTANCE ACTIVITY			
Support of other nations	5,668	20,902	20,902
Total, military assistance activity ..	5,668	20,902	20,902
OTHER ADJUSTMENTS			
Inflation adjustment			147,200

COMMITTEE ADJUSTMENTS

Specific program adjustments recommended by the Committee are as follows:

Depot maintenance industrial fund.—The Committee has determined that it is undesirable for the Air Force to continue to award depot maintenance contracts in advance of appropriations and directs the Air Force to award only those contracts for which appropriations are currently available.

For many years the Air Force has awarded contracts to private contractors for depot maintenance work financed through the industrial fund. This practice affords the opportunity to award contracts beyond the end of a fiscal year, but for which appropriations are not yet available. The Air Force in effect awards many contracts on the basis of anticipated reimbursements.

An August 1981 General Accounting Office report questioned the propriety of this practice, holding that obligations cannot legally be incurred prior to provision by Congress of appropriation authority. The Air Force and the Department of Defense disagreed with the findings.

Regardless of the legal arguments over Air Force use of the industrial fund, the Committee finds the practice tantamount to creating an entitlement and one that forecloses congressional funding decisions.

A number of alternatives were considered to modify the financial management of this program to achieve the financing of contracts with current appropriations. The alternative selected should accommodate both the Air Force budget requirements and the Committee's desire to preserve appropriation integrity. The Air Force is directed on a phased basis to:

Award only those depot maintenance contracts for which appropriations are available;

Award only those contracts based on inputs in future years which include the provision that renewal is contingent upon the availability of future appropriations, and;

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Discontinue the financing of depot maintenance contracts through the industrial fund.

The Committee recognizes that this approach is a dramatic departure from current practice which will require extensive administrative adjustment. However, it should be noted that this alternative should have the least impact on the actual performance of the industrial work. Because of the administrative difficulties involved this change should become effective in fiscal year 1983. Throughout fiscal year 1982 the Air Force should maximize the number of contracts within current available funding and make adjustments to contracting procedures to assure a full transition to this approach commencing in fiscal year 1983.

Training.—The March amendment included an additional \$8 million for the recruitment and training of 7,000 nonprior service enlistments. The most recent budget revision reduced the Air Force military personnel end strength and eliminated 6,000 nonprior service enlistments from the plan. The Committee recommends a reduction of \$6.86 million to reflect realignment of funding with actual training plan requirements.

Test ranges.—The Air Force maintains a number of test ranges and launch sites for Government and nongovernment users. Nongovernment users are charged the total cost associated with test launches, yet Government users are charged only the direct expense of a launch and the Air Force assumes all overhead expenses. The Committee recommends a decrease of \$5.447 million which represents the overhead cost associated with Government use of test ranges. This recommendation would change the Air Force financial practice to charge all users the same rate without regard to Government or nongovernment use.

National emergency airborne command post.—The March amendment requested funding for the proposed movement of the airborne command post primary alert aircraft. Current information indicates that the relocation of the aircraft has been delayed beyond this fiscal year. Therefore, a decrease of \$4 million is recommended.

Alaskan Air Command real property maintenance.—The Alaskan Air Command backlog of real property maintenance is estimated at over \$34 million which is an inordinately high share of the total Air Force backlog for this singular command to assume. An increase of \$7 million is recommended to lower this backlog and will be used to affect needed repairs and improvements to the Shemya Air Force Base facilities.

Desert and mountain unit training.—The request includes \$10 million for support training of units in desert and mountain environments, yet the Air Force has not identified the training which would be conducted or types and quantities of aircraft that would be involved. Committee feels that this request is redundant to other increases for training exercises and recommends that funds be denied.

Simplified processing station.—Funds are requested for operational costs associated with the decision to move this station of the defense support program to an overseas location. Current information indicates the planned movement has been canceled thereby negating the requirement for the additional \$2 million.

Air base ground defense flights.—Regardless of any other proposals to the contrary, the Committee recommends funding at the budget request for Air Force initiatives to improve detection capabilities in the event of ground attack against air bases in Europe and Korea.

Cadin-Pinetree line air defense system.—Additional funding is requested to pay the Canadian Government for the cost of radar site operations and maintenance. Regardless of any other proposals to the contrary, the Committee recommends concurrence with the budget request, but directs the Air Force to begin reviewing the agreement with the Canadian Government to yield greater accountability of cost incurred.

Distant early warning line radar.—An additional \$19.4 million is requested to operate 18 DEW line radars which is a reversal of a prior decision to phase out part of this operation. However, previous budget information did not reflect a reduction of funds for this purpose. Current estimates indicate that the Air Force request is overstated by \$9.4 million and is reduced accordingly.

Miscellaneous adjustments.—Committee recommends a reduction of \$4.1 million to reflect changes in funding requirements for the Rapier air defense system, B-52 trainer and ground launch cruise missile.

B-52D retirements.—The amended budget included the recommendation to retire three B-52D aircraft squadrons and a combat training squadron. In view of the recent improvements to these aircraft, the Committee recommends restoring \$18.9 million to retain operation of these aircraft through this fiscal year.

Base operations support.—The Committee recommends a reduction of \$7.1 million to reflect savings as indicated in this area by the General Accounting Office and to reduce support costs associated with the F-106 phasedown.

Flying hours.—A reduction of \$8 million is recommended to realine funding estimates for the support cost of helicopter units, offensive training and reconnaissance aircraft programs.

Foreign exchange rate-Korean Won.—The Committee recommends the reduction of \$2 million to reflect the improved exchange rate of the dollar to the Korean Won. Since the budget submission, rates have improved to a ratio of 686 to 1. This reduction reflects savings from the budget estimate.

Management headquarters.—The Air Force engages in a series of innovative financing methods in an effort to accommodate increases in management headquarters level staff. The most unique practice is to commingle operations funding with research and development funding to finance the actual cost of civilian personnel and associated support expenses. In addition, there has been continuing speculation and other proposals which suggest duplicity of special management headquarters operations. Other proposals have been advanced to examine the consolidation of the U.S. Readiness Command which is the parent headquarters of the rapid deployment joint task force and myriad of subordinate activities. In recognition of these other proposals and the unusual financing methodology, the Committee recommends a reduction of \$3.7 million. Despite many initiatives from the Congress to reduce management headquarters operations, there is strong reason to believe that these reductions have not been effected fully. It is the Committee's intention to examine the growth of management headquarters during the fiscal year 1983 review.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

<i>Item</i>	<i>Committee recommendation</i>
Training	- \$6,800,000
Test ranges.....	- 5,447,000
National emergency airborne command post.....	- 4,000,000
Alaskan Air Command real property maintenance.....	+ 7,000,000
Desert and mountain unit training.....	- 10,000,000
Simplified processing station.....	- 2,000,000
DEW line radar systems.....	- 9,400,000
Miscellaneous reductions.....	- 4,100,000
B-52D retirements.....	+ 18,900,000
Base operations support.....	- 7,100,000
Flying hours.....	- 8,000,000
Foreign exchange rate.....	- 2,000,000
Management headquarters.....	- 3,700,000
DOL payments.....	- 3,500,000
Real property maintenance.....	+ 100,000,000
Inflation.....	+ 147,200,000

AIR FORCE STOCK FUND

1981 appropriation	\$28,300,000
1982 budget estimate	107,800,000
House allowance	
Committee recommendation	107,800,000

This appropriation provides for purchase of war reserve material. The Air Force Stock Fund purchases consummable items—repair parts, clothing, and other materials—and holds them for use in the event of an outbreak of hostilities.

The Committee recommends an appropriation of \$107,800,000, the same as the budget estimate.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

1981 appropriation	\$4,380,816,000
1982 budget estimate	4,635,500,000
House allowance	
Committee recommendation	4,778,000,000

The Committee recommends an appropriation of \$4,778,000,000. This is \$142,500,000 above the budget estimate.

This appropriation finances the operation and maintenance costs of the Office of the Secretary of Defense, the Office of the Joint Chiefs of Staff (JCS), nine Defense-wide agencies, and several field activities. Included are funds for American Forces Information Service, Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), Tri-Service Medical Information System (TRIMIS), Dependents Education, Uniformed Services University of the Health Sciences (USUHS), and the Washington Headquarters Service.

The following detail table provides a program comparison of the Committee recommendation to the budget request.

[in thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
OPERATION AND MAINTENANCE, AGENCIES			
Defense investigative service	68,619	76,205	76,205
Defense mapping agency	308,383	326,048	326,048
Defense nuclear agency	30,708	33,570	33,570
Intelligence and communications	1,079,026	1,172,144	1,172,144
Defense logistics agency	1,232,703	1,292,315	1,292,315
Overseas dependent education	390,435	400,548	475,548
American forces information service	30,971	32,109	32,109
Uniformed services University of the Health Science	22,301	25,593	25,593
Civilian health and medical progress of the uniformed service	880,764	938,631	968,631
Medical information system	37,923	46,921	46,921
Secretary of Defense	84,415	98,012	108,012
Office of Economic Adjustment	2,080	2,402	2,402
Defense audiovisual agency	14,946	16,552	16,552
Washington headquarters service	49,848	54,662	54,662
Office of Joint Chiefs of Staff	16,984	17,510	17,510

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Defense contract audit agency.....	99,920	102,725	102,725
Defense audit service	16,990	17,753	17,753
Inflation, foreign currency, economic as- sumptions.....		- 18,200	- 18,200
DOL disability compensation.....			- 4,500
Inflation adjustment			32,000

COMMITTEE ADJUSTMENTS

Specific program adjustments recommended by the Committee are as follows:

Dependent education.—The Department of Defense is directed to assume the cost of the continuing operation and maintenance of the schools on military installations. The Omnibus Reconciliation Act of 1981 shifted the responsibility for the cost of these schools from the Department of Education to the Department of Defense. Authority had previously been covered under Public Law 81-874, section 6. Although the impact of the provisions of the Reconciliation Act have been known for some months, the Department of Defense failed to address the funding requirement for this program despite successive budget revisions. Despite this circumstance, the Committee concurs with other proposals to recommend funding of \$75 million for the Department of Defense to assume the cost of operation of the schools. The Department is directed to budget for this program in fiscal year 1983 under the operation and maintenance account for defense agencies.

CHAMPUS payments.—The most recent budget revision reduced \$30 million to adjust the estimate of payments for expected CHAMPUS billings in fiscal year 1982. However, the Committee recognizes that CHAMPUS payments are must pay bills which would be absorbed from other programs if sufficient funding were not provided. No evidence exists to suggest that billings will be any less than assumed in the original budget submission. The consequence of not providing this funding would be to stretch out reimbursements to military personnel. The Committee views untimely reimbursements as an unacceptable alternative to fully funding the original budget estimate. Accordingly the addition of \$30 million is recommended for continued payments throughout this fiscal year.

Defense Investigative Service.—This agency is tasked with the performance of completing personnel security investigation of employees of the Department of Defense and contractor personnel involved in defense programs. The requirement for investigations has been increasing in recent years, yet the number of investigators for this agency has remained constant over these years. Consequently, a large backlog is developing of uncompleted investigations. Moreover, the time to complete investigations is now approaching 150 days between request and completion. This circumstance poses a significant problem for the Department and Defense contractors who may not effectively utilize recently hired personnel until clearances have been completed.

Subsequent to the budget submission this problem was addressed by the Department at hearings conducted by this Committee. The Committee has been notified that the Deputy Secretary of Defense has approved the hiring of 200 additional investigators for the Defense In-

vestigative Service, and the hiring of an additional 100 investigators by contract. The Committee agrees that the current situation is unacceptable, yet the solution to the problem is more appropriately found within existing civilian personnel ceilings of the Department of Defense, and does not concur with the use of contractor personnel to assume a portion of this investigation workload. The Committee directs the Department of Defense to proceed with the addition of Government service investigators within appropriation funding available.

COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

	<i>Committee recommendation</i>
Dependent education.....	+ \$75,000,000
CHAMPUS.....	+ 30,000,000
Spouse and child advocacy programs.....	+ 10,000,000
DOL payments.....	- 4,500,000
Inflation.....	+ 32,000,000

DEFENSE STOCK FUND

1981 appropriation.....	\$458,000,000
1982 budget estimate.....	79,000,000
House allowance.....	
Committee recommendation.....	79,000,000

This appropriation provides funds for purchase of war reserve material. The Defense Logistics Agency purchases consummable items that are centrally managed, and holds them in its own and the services' depots for use in the event of an outbreak of hostilities.

The Committee recommends an appropriation of \$79,000,000, the same as the budget estimate.

OPERATION AND MAINTENANCE, ARMY RESERVE

1981 appropriation.....	\$522,793,000
1982 budget estimate.....	614,900,000
House allowance.....	
Committee recommendation.....	619,700,000

The Committee recommends an appropriation of \$619,700,000 for fiscal year 1981. This is 4,800,000 above the budget request.

This appropriation provides for the activities of the Army Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

The following detail table provides a program comparison of the Committee recommendation to the budget request.

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
OPERATION AND MAINTENANCE, ARMY RESERVE			
Training and organization of mission forces	293,321	373,600	373,600
Depot maintenance	5,706	7,500	7,500
Communications	9,338	10,063	10,063
Base operations.....	150,455	153,583	153,583
Recruiting and advertising	33,518	40,316	40,316
Management support	29,210	31,838	31,838
Economic assumptions		- 2,000	- 2,000
Inflation adjustment			4,800

OPERATION AND MAINTENANCE, NAVY RESERVE

1981 appropriation	\$554,172,000
1982 budget estimate	578,640,000
House allowance	
Committee recommendation.....	565,540,000

The Committee recommends an appropriation of \$565,540,000. This is \$13,100,000 below the budget request.

This appropriation provides for the activities of the Navy Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities. Costs of operating the Marine Reserve Air Wing are also included.

The following detail table provides a program comparison of the Committee recommendation to the budget request.

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
OPERATION AND MAINTENANCE, NAVY RESERVE			
Naval air forces	190,872	209,721	209,721
Surface support forces	2,519	3,710	3,710
Ship operations.....	47,797	53,583	55,583
Ship maintenance.....	100,643	84,299	65,999
Overhaul mod. shipping equipment and related spt.....	1,013	525	525
Special combat support forces.....	2,907	2,583	2,583
Fleet operations support	677	477	477
Economic assumptions		-2,000	-2,000
Subtotal.....	346,428	352,898	336,598
DEPOT MAINTENANCE			
Aircraft maintenance	77,708	76,071	76,701
Contractor engineering technical serv- ices.....	7,977	8,980	8,980
Subtotal.....	85,685	85,051	85,051
OTHER SUPPORT			
Management headquarters	4,690	4,467	4,467
Base operations.....	117,369	136,224	136,224
Subtotal.....	122,059	140,691	140,691
Inflation adjustment.....			3,200

Ammunition ship transfer.—The Committee recommends the reduction of \$20.3 million to reflect the transfer of the *Mauna Kea* and *Pyro* from the reserve to the active fleet.

Mine sweeper operations.—The Committee recommends the addition of \$4 million for continued operations of six mine sweepers. These ships had been scheduled for deactivation at the end of this fiscal year.

COMMITTEE ADJUSTMENTS

All committee adjustments recommended are summarized in the following table:

	Committee recommendation
Ammunition ship transfer.....	-\$20,300,000
Mine sweeper operations	+4,000,000
Inflation.....	+3,200,000

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

1981 appropriation	\$28,854,000
1982 budget estimate	40,299,000
House allowance	
Committee recommendation	40,799,000

The Committee recommends an appropriation of \$40,799,000. This is \$500,000 above the budget request.

This appropriation provides for the activities and training of the units of the selected reserve of the Marine Corps, including the pay of civilian personnel and all associated activities.

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
OPERATION AND MAINTENANCE, MARINE CORPS RESERVE			
Mission forces	12,980	19,096	19,096
Depot maintenance	1,234	1,349	1,349
Base operations	8,910	10,168	10,168
Other activities	5,730	9,686	9,686
Inflation adjustment			500

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

1981 appropriation	\$601,980,000
1982 budget estimate	678,008,000
House allowance	
Committee recommendation	682,608,000

The Committee recommends an appropriation of \$682,608,000. This is \$4,600,000 above the budget request.

This appropriation provides for the activities of the Air Force Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

All Committee recommended adjustments to the House bill and budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
OPERATION AND MAINTENANCE, AIR FORCE RESERVE			
Mission forces.....	429,025	488,041	487,441
Depot maintenance	70,910	80,042	80,042
Other support.....	102,045	112,925	111,925
Civilian technicians			4,600
Economic assumptions		- 3,000	- 3,000
Inflation adjustment			1,600

Headquarters and logistics support.—The Committee concurs with other proposals to recommend a decrease of \$1.6 million for reserve headquarters reductions and logistics support service facilities sharing initiatives.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

1981 appropriation	\$958,770,000
1982 budget estimate.....	1,041,200,000
House allowance.....	
Committee recommendation.....	1,047,600,000

The Committee recommends an appropriation of \$1,047,600,000. This is \$6,400,000 above the budget request.

This appropriation provides for the activities and training of the Army National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD			
Training operations	194,205	186,751	186,751
Logistical support.....	688,726	778,647	778,647
Headquarters and command support	61,592	70,992	70,992
Medical support.....	6,601	7,810	7,810
Economic assumptions		- 3,000	- 3,000
Inflation adjustment			6,400

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

1981 appropriation	\$1,531,907,000
1982 budget estimate	1,682,468,000
House allowance	
Committee recommendation	1,682,568,000

This appropriation provides for the activities of the Air National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$1,682,568,000. This is \$100,000 above the budget request.

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	1981 enacted amount	Budget estimate	Committee recommendation
OPERATION AND MAINTENANCE, AIR NATIONAL GUARD			
Operation of aircraft	500,401	574,650	574,650
Logistical support	202,697	242,398	240,398
Training support	851,156	865,944	963,244
Service-wide support	3,453	3,476	3,476
Economic assumptions		-4,000	-4,000
Inflation adjustment			4,800

Headquarters and logistics support.—The Committee recommends a reduction of \$4.7 million to reflect decreases in headquarters operations and encourage service facility sharing of logistics support services.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

1981 appropriation	\$845,000
1982 budget estimate	401,000
House allowance	
Committee recommendation	845,000

This appropriation provides funds for the Board which promotes marksmanship training with military type individual small arms among able-bodied citizens outside the active services of the Armed Forces, formulates policy governing civilian marksmanship programs, and formulates rules and regulations governing the national trophy matches.

The Committee recommends an appropriation of \$825,000. This is \$401,000 above the budget estimate.

CLAIMS, DEFENSE

1981 appropriation	\$141,850,000
1982 budget estimate	195,500,000
House allowance	
Committee recommendation	198,200,000

This appropriation provides for the payment of all noncontractual claims against the Department of Defense, as authorized by law, and represents the consolidated requirements of the Secretary of Defense and the Departments of the Army, the Navy, and the Air Force.

The Committee recommends an appropriation of \$198,200,000. This is \$2,700,000 above the budget for inflation.

Other proposals suggest reducing the budget for this account for the purpose of obtaining leverage in negotiating revised host nation support agreements for real property maintenance in West Germany, as a means of causing a general renegotiation of the status of forces agreements.

Although the Committee feels that there are opportunities for greater defense cost sharing between the United States and our allies, and that these opportunities should be actively explored and pursued by the Departments of State and Defense, the Committee believes that the withholding of appropriations for legal and valid claims against the U.S. Government is not the proper way to address the issue.

COURT OF MILITARY APPEALS

1981 appropriation	\$2,310,000
1982 budget estimate	2,607,000
House allowance	
Committee recommendation	2,607,000

This appropriation provides for the salaries of the three judges, officers and employees, and other necessary expenses of the Court. The Court, which is established pursuant to the Uniform Code of Military Justice, serves as the appellate court of last resort for the more serious court-martial convictions of military personnel.

The Committee recommends an appropriation of \$2,607,000. This is the same as the budget estimate.

TITLE IV
PROCUREMENT

APPROPRIATION SUMMARY

The Committee recommends \$65,846,872,000 for Department of Defense programs in fiscal year 1982. This is an increase of \$1,620,968,000 above the budget request and \$17,843,202,000 above the fiscal year 1981 appropriations.

AIRCRAFT PROCUREMENT, ARMY

1981 appropriation	\$1,193,100,000
1982 budget estimate.....	1,897,300,000
House allowance.....	
Committee recommendation	1,942,900,000

The Committee recommends an appropriation of \$1,942,900,000, an increase of \$45,600,000 above the President's budget.

This appropriation provides funding for the acquisition of tactical and utility airplanes and helicopters, including associated electronics and communications equipment and armament; modification of in-service aircraft; ground support equipment; production base support; and depot reparable assemblies, components, and repair parts including spare engines, transmissions, and gear boxes.

The Committee recommendations and the budget estimates are detailed in the following comparative table:

[In thousands of dollars]

	Budget estimate	Committee recommendation
C-12D cargo aircraft.....		\$10,500
UV-18A utility aircraft		3,600
AH-1S attack helicopter		55,000
AH-64 attack helicopter	\$365,000	438,400
Advance procurement.....	64,000	64,400
UH-60A utility helicopter	484,600	484,600
Advance procurement.....	60,600	60,600
Multiyear procurement.....	126,000	
Modification of aircraft	449,800	449,800
Spares and repair parts	220,700	220,700
Support and equipment facilities.....	128,200	128,200
Inflation adjustment.....	- 2,000	27,100

PROGRAM RECOMMENDED

The Committee recommendation will provide the following program for fiscal year 1981:

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COMMITTEE RECOMMENDATIONS

C-12D cargo aircraft.—The Committee recommends \$10.5 million for procurement of six aircraft. No funds for procurement of the C-12D aircraft were included in the budget request.

The C-12D is a commercial-type, all metal, low wing, twin turbo-prop, pressurized cabin, passenger/cargo carrying utility aircraft capable of operating under instrument flight conditions day or night, in high density air traffic control zones and in known icing weather conditions.

An appropriation of \$3.6 million is recommended for procurement of two UV-18A Twin Otter aircraft. There was no budget estimate.

The UV-18A is a twin-engine, high wing, short takeoff and landing (STOL) aircraft that can be configured for passenger or cargo operations. It is capable of flight into instrument meteorologic conditions and severe weather, including known icing conditions.

The Alaska Army National Guard has an urgent requirement for two more of these aircraft that are uniquely suited for Arctic environment. They will be assigned to scout and Arctic reconnaissance battalions of the 297th Infantry.

AH-1S attack helicopter.—The Committee recommends \$55 million for procurement of 12 AH-1S Cobra-Tow attack helicopters. No request for this helicopter was included in the President's budget estimate.

The AH-1S is a single rotor, single engine, two-place attack helicopter with the capability of delivering an antitank Tow missile as well as conventional weapon rounds.

AH-64 advanced attack helicopter.—The Committee recommends \$438.4 million for procurement of eight AH-64 attack helicopters and \$64.4 million in advance procurement funding for this new system. This is six aircraft less and \$73.4 million more than the budget estimate.

The AH-64 advanced attack helicopter is a twin engine, two-place, fully integrated antiarmor weapon system capable of destroying tanks and other armored vehicles during day or night and under adverse weather conditions.

Although the Committee recommends the authorized funding increase, it has learned that substantial cost overruns will permit little more than half the anticipated unit procurement in fiscal year 1982, despite the additional funds. And the Army now estimates the programmed fiscal year 1983 buy will drop from 78 to 67 aircraft even under the recommended funding level.

Further, although the September 30, 1981, Selected Acquisition Report estimated total program costs of \$5.9 billion for 545 aircraft, the Army now indicates that figure will exceed \$7 billion. This would drive up program unit costs of the AH-64 to at least \$12.8 million, an increase of nearly \$2 million even with moderate inflation projections.

These figures clearly suggest program costs are out of control; and the Committee will require a full and detailed accounting. Before any of the recommended procurement funds are committed, the Army is directed to report on all cost data to the Armed Services and Appropriations Committees of the House and Senate. The report should include full background information and explanations for these sharp overruns, and detail what measures are being established to control

them in the future. It should also explain the late timing of the cost increase disclosure and specify any additional known problems that might further drive up costs. Finally, a detailed, updated, and explicit cost estimate revision for the program should be developed and certified.

UH-60A utility tactical transport helicopter.—The Committee recommends \$484.6 million for procurement of 96 UH-60A Black Hawk utility helicopters. The recommendation is the same as the President's budget request. In addition, the Committee recommends \$60.6 million for advance procurement of long leadtime items.

In agreement with the authorization bill, the Committee has deleted the \$126 million budget request to initiate multiyear procurement of the Black Hawk. Development and procurement of this aircraft has suffered cost overruns similar to those of the AH-64 discussed earlier. This system should be fully cost stabilized before long-term procurement contracts are financed.

The Black Hawk helicopter is the Army's first true squad-carrying helicopter and is replacing the UH-1 in the air assault, air cavalry, and aeromedical evacuation missions.

Modification of aircraft.—The Committee recommends \$449.8 million for modification of in-service aircraft. This is the same as the President's budget estimate. Increased funding over fiscal year 1981 levels are provided in all but a few modification programs. Major modification efforts include \$273.1 million for the CH-47 Chinook and \$65.9 million for the AH-1S Cobra helicopters; and \$53.6 million for the RC-12D reconnaissance and \$18.5 million for the OV-1 surveillance airplanes.

Spares and repair parts.—The Committee recommends \$220.7 million for procurement of spares and repair parts. The recommendation is in agreement with the President's budget estimate.

The funds provide for centrally managed, high dollar value, depot reparable assemblies, components, and repair parts such as engines, transmissions, and gear boxes in support of an Army fleet of approximately 750 fixed wing and 8,000 rotary wing aircraft.

Support equipment and facilities.—The Committee recommends \$128.2 million for the cost of ground support equipment including air traffic control equipment, avionics, communications equipment and avionics maintenance shelters, tool sets, shop sets, ground handling and servicing equipment, special test and diagnostic equipment; component improvement; industrial facilities; and other production charges. No change in the budget estimate is recommended.

MISSILE PROCUREMENT, ARMY

1981 appropriation	\$1,544,900,000
1982 budget estimate.....	2,210,200,000
House allowance.....	
Committee recommendation	2,180,200,000

The Committee recommends an appropriation of \$2,180,200,000 for "Missile procurement, Army." This is an increase of \$30,000,000 below the President's budget estimate.

This appropriation provides for the procurement of surface-to-air and surface-to-surface missile systems; air defense control and coordination systems; antitank/assault missile systems; modification of in-service mis-

siles and supporting equipment; and related costs such as production base support.

The Committee recommendation is detailed in the following comparative table:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Chaparral (MIM-72-A/C)	\$4,300	\$4,300
Hawk (MIM-23-B)	4,700	4,700
U.S. Roland		50,000
Patriot (SAM-D)	720,800	670,000
Stinger	223,900	203,900
Laser Hellfire	128,400	113,400
Pershing	191,800	191,800
TOW (BGM-71A, BTM-71A)	96,600	96,600
Multiple Launch Rocket System	179,300	179,300
Modification of missiles	440,800	413,300
Spares and repair parts	181,800	181,800
Support equipment and facilities	40,800	40,800
Inflation adjustment	-3,000	30,300

Missile allowances.—Revisions in the budgeted program are in conformance to the authorizing legislation with the exception of the inflation adjustment.

The allowance for U.S. Roland, a program proposed for termination in the September budget revision, did not permit sufficient funding for closeout costs. The recommended allowance will permit 27 fire units and 595 missiles to equip 3 batteries that will be available to the rapid deployment force. This appears to be the most effective approach to closing out additional procurement for this short-range air defense system in which the United States has already invested some \$1.2 billion.

The allowance for the Patriot low- to medium-altitude air defense system reduces purchases from 280 to 244 missiles.

Although there has been slippage in the passive optical seeker for the Stinger short-range, shoulder-fired antiaircraft missile, the Committee recommends the full authorization to avoid any further slowdown.

A reduction from 1,075 to 800 missiles is recommended in the allowance for the Laser Hellfire system, which is the primary antiarmor missile for the AH-64 attack helicopter.

Modifications.—The recommended allowance for modification of missile systems includes the elimination of \$17.5 million budgeted for the Dragon and an undistributed reduction of \$10 million, in agreement with the authorization.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

1981 appropriation	\$3,378,200,000
1982 budget estimate	3,856,700,000
House allowance	
Committee recommendation	3,963,600,000

The Committee recommends an appropriation of \$3,963,600,000, an increase of \$106,900,000 above the President's budget.

This appropriation provides for the procurement of tanks, armored personnel carriers and combat engineer vehicles. Funds are also included for the acquisition of machine guns, grenade launchers, towed and self-propelled guns and howitzers, laser rangefinders, associated training equipment, modification of in-service equipment, investment spares and repair parts and major components, and production base support.

The Committee recommendation and budget estimates are tabulated below:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Tracked combat vehicles:		
Fighting vehicle system (M-2, M-3).....	\$809,800	\$800,000
Advance procurement.....	59,100	59,100
Field artillery ammo support vehicle.....	4,000	
Medium, full-tracked recovery vehicle, M-88A1 .	148,000	123,700
M-1 combat tank, 105mm gun.....	1,348,000	1,424,000
Advance procurement.....	212,100	212,100
Training equipment, M-1.....	50,600	50,600
Modifications.....	203,100	203,100
Support equipment and facilities.....	383,600	383,600
Subtotal.....	3,206,300	3,256,200
Weapons and other combat vehicles:		
DIVAD gun.....	282,000	282,000
Advance procurement.....	53,500	53,500
155mm howitzer, M-198.....	72,200	72,200
7.62mm armor machine gun, M-240.....	26,300	26,300
5.56mm squad automatic weapon.....	14,200	14,200
Radar chronograph set, M-90.....	3,300	3,300
81mm mortar, SM-242.....	1,900	1,900
Vehicle rapid-fire weapon system (Bushmaster)	31,300	31,300
Fire port weapon.....	19,400	19,400
Modifications.....	13,900	13,900
Support equipment and facilities.....	137,400	137,400
Subtotal.....	655,400	655,400
Inflation adjustment.....	- 5,000	52,000

TRACKED COMBAT VEHICLES

The recommended allowances for tracked combat vehicles follow the authorizing legislation.

Fighting vehicle system.—The Committee recommends a \$9.8 million reduction in the budget allowance for the infantry fighting vehicles, in conformance with the authorizing legislation. This is to support procurement of 400 vehicles, the same as the budgeted program.

Field artillery ammo support vehicle.—Because of program slippage and the planned use of a stand M-109/110 howitzer chassis, the Committee deleted the \$4 million request for the field artillery ammunition support vehicle as premature.

Recovery vehicle.—The \$24.3 million reduction recommended for the M-88A1 recovery vehicle request involves a procure drop from 180 to 150 vehicles, in conformance with the authorization.

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M-1 combat tank.—The Committee recommends a \$76.3 million increase in the revised budget to maintain M-1 tank production at 720 units, as supported in the March budget amendment. This is 55 tanks more than requested in the September budget revision.

Weapons and other combat vehicles.—The Committee recommends the full budget request and authorization of \$655.4 million for the weapons and other combat vehicle activity. The DIVAD gun allowance is for procurement of 50 units.

PROCUREMENT OF AMMUNITION, ARMY

1981 appropriation	\$1,558,700,000
1982 budget estimate.....	2,282,500,000
House allowance.....	
Committee recommendation	2,341,400,000

The Committee recommends an appropriation of \$2,341,400,000, an increase of \$58,900,000 above the President's budget.

This appropriation provides for the procurement of all Army ammunition except missiles. Funds are also included for industrial facilities required for the production of ammunition components and end items, the modernization of Army ammunition facilities (including construction), and the layaway of Government-owned plants and equipment where it has been established that such facilities will be required in the event of mobilization.

The Committee recommendation is displayed in the following comparative table:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Ammunition	\$1,975,600	\$1,990,600
Production base support:		
Provision of industrial facilities.....	241,800	251,300
Layaway of industrial facilities.....	29,900	29,900
Manufacturing technology program	27,900	27,900
Depot maintenance plant equipment.....	10,300	10,300
Subtotal, production base support.....	309,900	319,400
Inflation adjustment.....	- 3,000	31,400

Following is a listing of principal funding items under the ammunition allowance:

	Quantity	Amount
7.62mm cartridge, all types.....	174,748	\$48,600
.50 caliber cartridge, all types.....	49,533	77,100
25mm cartridge, HEIT-T.....	1,020	54,100
105mm cartridge, TP-T F/tank gun	389	68,500
105mm cartridge, DS-TP.....	357	82,200
155mm projectile, HE, ICM (DP)	233	116,800
155mm projectile, HE, ADAM.....	15	75,600
155mm projectile, HE, RAAMS	21	58,400
8-inch projectile, HE, ICM (DP)	84	104,400
Viper antiarmor	59	77,400

Louisiana Army Ammunition Plant.—The Committee recommends an increase of \$15 million in the allowance for the 155mm projectile, HE, ICM (DP) to continue preproduction of the M-483 improved conventional munitions through the fiscal year 1982 funded delivery period. This munition will then transition to a new Mississippi facility the following year.

It has come to the attention of the Committee that the Army is experiencing a shortage of metal parts for this round. In addition, the Committee recognizes the similarities between the automated metal parts line at the Louisiana Army Ammunition Plant (LAAP) and the self-contained fully automated Mississippi Army Ammunition Plant (MAAP). Until the MAAP moves to a full production status, the Committee considers it prudent to keep the LAAP M-483 projectile line in an active status. The recommended amount will permit continued production of metal parts on the LAAP M-483 line at a monthly rate of 5,000 rounds per month or 60,000 rounds per year. Available funds will be used to load the 60,000 rounds to be produced in fiscal year 1982.

Mississippi Army Ammunition Plant.—The Committee recommends a \$9.5 million increase in the provision of industrial facilities activity to complete the Mississippi production facility. This automated plant will produce 120,000 rounds per month of the M-483 munition when completed in fiscal year 1983.

Viper.—The Committee, while recognizing the urgent need for a new, light antiarmor weapon, questions the wisdom of entering a production contract without a full competitive analysis of alternative systems to insure the selection of the most cost-effective system. Despite Army contentions, the Committee is not convinced that technical problems which have plagued Viper's prolonged development have been satisfactorily resolved. Its escalating costs clearly warrant the kind of competitive evaluation, including a shoot-off of available candidate systems. Moreover, these problems have been seriously compounded by recurrent delays and slippage in the Viper IOC date even as the armor threat expands. A premature production run on Viper could result in fielding an inadequate system.

Accordingly, the Committee directs that no portion of the Viper funds appropriated for fiscal year 1982 be released for production, and that no funds be expended for research or production for any other light antiarmor systems, foreign or domestic, until the competitive analysis has been completed and the results reported to the Appropriations Committees of the House and Senate, no later than June 30, 1981. In taking this action, the Committee recognizes (1) that funds to maintain existing Viper production capabilities on a standby basis will be required, and (2) that production of a limited number of Viper test rounds will be required to insure participation in the competitive analysis provided for. These requirements may be funded from fiscal years 1981 and 1982 appropriations.

Once the competitive analysis, including the shoot-off, has been completed, the Army may enter into a production contract on the basis of results indicating the most cost-effective light, antiarmor alternative.

All parties desirous of participating in such competitive analysis shall be permitted to do so.

OTHER PROCUREMENT, ARMY

1981 appropriation	\$2,822,408,000
1982 budget estimate.....	3,683,800,000
House allowance.....	
Committee recommendation	3,732,071,000

The Committee recommends an appropriation of \$3,732,071,000, an increase of \$48,271,000 above the President's budget.

This appropriation finances the acquisition of: (a) tactical and commercial vehicles including trucks, semitrailers, and trailers of all types to provide mobility and utility support to field forces and the worldwide logistical system; (b) communications and electronics equipment of all types to provide fixed, semifixed, and mobile strategic and tactical communications equipment; (c) other support equipment such as chemical defensive equipment, tactical bridging, shop sets, construction equipment, floating and rail equipment, generators and power units, material handling equipment, medical support equipment, special equipment for user testing, and nonsystem training devices. In each of these activities funds are also included for modification of in-service equipment, investment spares and repair parts, and production base support.

PROGRAM RECOMMENDED

The Committee recommendation will provide funding for the following program for fiscal year 1982:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Tactical and support vehicles.....	\$1,029,300	\$1,029,300
Communication and electronics equipment	1,611,700	1,594,671
Other support equipment	1,046,800	1,057,200
Inflation	- 4,000	50,900
Total	3,683,800	3,728,071

COMMITTEE RECOMMENDATIONS

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

Radar set, artillery locating.—The Committee recommends \$79 million for procurement of the AN/TPQ-37 radar set. This is a reduction of \$16,000,000 below the budget estimate. The Committee has been advised that the requested procurement included assets for a classified program which is currently being reevaluated. Funds for the AN/TPQ-37 assets associated with this program are no longer required in fiscal year 1982.

Intelligence data handling system.—The Committee recommends \$4,271,000 for the intelligence data handling system. This is a reduction of \$1,029,000. Rationale for this reduction is contained in the classified annex to this report.

OTHER SUPPORT EQUIPMENT

Detector, chemical agent.—The Committee recommends \$55 million for procurement of 18,000 M43A1 chemical agent detector kits. The recommendation is a reduction of \$12 million below the budget estimate.

This item is a new procurement initiative in fiscal year 1982. Delays have been encountered in contracting for procurement of these kits due to provisions of the continuing resolution.

Base level commercial equipment.—The Committee recommends \$45,700,000 for base level commercial equipment. The recommendation is an increase of \$22,400,000 above the budget estimate.

The recommended adjustment will provide the Army with funds to procure investment end items with a unit cost of \$3,000 and over from the proper investment appropriation rather than the operation and maintenance appropriation. The types of equipment involved include snow removal equipment, construction equipment, word processing equipment, industrial cleaning equipment, and postage meters.

A corresponding reduction is reflected in the appropriation recommended in this report for operation and maintenance, Army.

ARMY NATIONAL GUARD EQUIPMENT

1981 appropriation	
1982 budget estimate	
House allowance	
Committee recommendation	\$50,000,000

The Committee recommends an appropriation of \$50 million in a separate account to provide military equipment to the Army National Guard. There was no specific budget estimate for this activity.

The Committee's recommendation under this new account is detailed below:

ARMY NATIONAL GUARD EQUIPMENT

[In thousands of dollars]

	Quantity	Amount
155mm howitzer, M-109	36	\$20,700
Armored vehicle launch bridge	38	18,000
Mortar carrier, M-125A2	42	6,900
Command post vehicle	27	4,400

AIRCRAFT PROCUREMENT, NAVY

1981 appropriation	\$6,254,307,000
1982 budget estimate	9,244,500,000
House allowance	
Committee recommendation	9,442,400,000

The Committee recommends an appropriation of \$9,442,400,000, an increase of \$197,900,000 above the President's budget request. The following table details the Committee recommendation:

[In thousands of dollars]

	Budget estimate	Committee recommendation
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Combat aircraft:		
A-6E Intruder.....	269,000	269,900
Advance procurement.....	7,300	7,300
EA-6B Prowler.....	229,500	229,500
Advance procurement.....	16,800	16,800
AV-8B V/STOL.....	575,200	575,200
Advance procurement.....	49,000	37,000
F-14A Tomcat.....	888,700	888,700
Advance procurement.....	159,100	180,600
F-18 Hornet.....	1,890,100	1,890,100
Advance procurement.....	236,400	236,400
CH-53E Super Stallion.....	270,600	270,600
Advance procurement.....	2,500	2,500
SH-60B Seahawk.....	585,600	585,600
Advance procurement.....	155,300	155,300
P-3C Orion.....	380,200	380,200
Advance procurement.....	84,300	54,300
E-2C Hawkeye.....	266,300	266,300
Advance procurement.....	20,500	20,500
SH-2F Seasprite.....	173,600	173,600
Advance procurement.....	20,000	20,000
Other aircraft:		
UC-12B.....	200	200
C-2 multiyear procurement.....	37,000	37,000
T-34C.....	53,200	53,200
TH-57.....	15,800	15,800
EC-130D (TACAMO) Hercules.....	74,900	74,900
Modification of aircraft.....	977,300	977,300
Spares and repair parts.....	1,529,400	1,607,900
Support equipment and facilities.....	331,800	331,800
Consultants, studies, and analyses.....	- 5,000	- 5,000
Inflation adjustment.....	- 11,000	128,900

Advance procurement.—Adjustments in advance procurement for the AV-8B Harrier, the F-14A Tomcat and the P-3C Orion aircraft are in conformance with the authorization. They reflect cost adjustments and are not intended to constrain the respective programs.

F/A-18 strike fighter.—Although the Committee has recommended the full \$343.3 million request to procure 63 additional F/A-18 strike fighter aircraft, there is a continuing concern over the resolution of technical and cost problems associated with its development and initial procurement. Criticism of the aircraft's weight, performance, and range, together with sharply rising costs, have generated widespread criticism of the program. However, the Navy and the Marine Corps have consistently backed the F/A-18 as a primary weapon of the carrier force.

The fiscal year 1982 procurement, adding to the 60 aircraft initially procured in the previous year, should provide the necessary fighter capability for the Marine Corps as a replacement for the aging F-4 system.

The Committee will expect the Navy to keep in close touch on any operational problems that develop and to keep the Committee up to date on the resolution of lingering technical and cost problems.

WEAPONS PROCUREMENT, NAVY

1981 appropriation.....	\$2,766,029,000
1982 budget estimate.....	3,283,800,000
House allowance.....	
Committee recommendation.....	3,330,100,000

The Committee recommends an appropriation of \$3,330,100,000, an increase of \$46,300,000 above the President's budget request.

The Committee recommendations and budget estimates are summarized below by activity:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Ballistic missiles:		
UGM-73A (C-3) Poseidon.....	\$18,700	\$18,700
UGM-76A (C-4) Trident I.....	665,105	665,105
Advance procurement.....	244,795	244,795
Modification of missiles.....	30,300	30,300
Strategic missiles:		
BGM-109 Tomahawk.....	210,900	210,900
Advance procurement.....	14,000	14,000
Tactical missiles:		
AIM/RIM-7 F/M Sparrow.....	144,700	144,700
AIM-9L/M Sidewinder.....	49,500	49,500
AIM-54A/C Phoenix.....	140,800	140,800
Advance procurement.....	26,200	26,200
AGM-84A Harpoon.....	232,700	232,700
Advance procurement.....	18,000	18,000
AGM-88A HARM.....	107,600	107,600
RIM-66B standard MR.....	164,800	164,800
RIM-66C standard MR.....	61,600	61,600
RIM-67B standard ER.....	215,000	215,000
Other missile support.....	3,800	3,800
Laser Maverick.....	5,000	5,000
Aerial targets.....	67,900	67,900
Modification of missiles.....	39,700	39,700
Support equipment and facilities.....	108,900	108,900
Torpedoes and related equipment:		
Torpedo MK-48.....	133,500	133,500
Torpedo MK-46.....	65,000	65,000
MK-60 Captor.....	116,900	116,900
Related equipment.....	23,300	23,300
Modification of torpedoes and related equipment.....	141,400	141,400
Support equipment.....	36,500	36,500
Other weapons:		
Guns and gun mounts.....	139,200	139,200
Modifications of guns and gun mounts.....	26,700	26,700
Support equipment.....	34,300	34,300
Inflation adjustment.....	-3,000	43,300

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SHIPBUILDING AND CONVERSION, NAVY

1981 appropriation	\$7,697,100,000
1982 budget estimate	8,475,300,000
House allowance	
Committee recommendation	9,136,900,000

The Committee recommends an appropriation of \$9,136,900,000, an increase of \$688,600,000 above the President's budget.

A comparative table of the Committee recommendations and the budget estimates follows:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Nuclear submarines:		
Trident (advance procurement)	\$330,700	\$330,700
SSN-688 class	953,100	953,100
Advance procurement	213,900	397,900
Surface combat ships:		
CVN aircraft carrier (nuclear) (advance procurement)	658,000	658,000
<i>New Jersey</i> battleship reactivation	237,000	237,000
<i>Iowa</i> battleship reactivation	88,000	
Carrier SLEP (advance procurement)	100,800	100,800
CG-47 AEGIS Cruiser	2,925,600	2,925,600
Advance procurement	20,700	20,700
FFG-7 frigate	747,900	971,900
MCM mine countermeasures ship	99,700	99,700
Amphibious and auxiliary vessels:		
LSD-41 landing ship dock		301,000
Advance procurement	34,000	
LHA/LHDX helicopter assault ship (advance procurement)		45,000
Maritime pre-positioning ship (T-AKX)(RO/RO conversion)		139,000
T-AO	200,000	200,000
T-AGOS SURTASS ship	156,500	156,500
T-ALS auxiliary lighterage barge	54,000	
ARS salvage ship	160,500	160,500
Fast logistics ship (T-AKRX)(SL-7 conversion)	668,400	184,000
T-AFS LYNESS (conversion)	37,000	37,000
Service craft	42,400	42,400
Landing craft	122,800	122,800
Outfitting	73,000	73,000
Post delivery	122,300	122,300
Cost growth/escalation	448,000	448,000
Consultants, studies, and analyses	-7,000	-7,000
Acquisition, construction, and improvements, Coast Guard		300,000
Inflation adjustment	-12,000	117,000

RECOMMENDED CHANGES

The Committee has recommended the following changes, most of them in conformance with the authorization:

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SSN-688-class nuclear attack submarine.—An increase of \$183.2 million is recommended for the SSN-688-class nuclear attack submarine to provide long-lead items for construction of three of these vessels beginning in fiscal year 1983 and three beginning in fiscal year 1984.

Battleship U.S.S. "Iowa" reactivation.—The Committee recommends deferring \$88 million to begin reactivation of the battleship U.S.S. *Iowa* pending more reliable cost data and other supporting information. Reactivation of the U.S.S. *New Jersey* has just begun, and the Committee prefers to await cost and feasibility data from that project before considering additional battleship reactivations.

Landing ship dock (LSD-41).—The Committee recommends deletion of advance procurement funding and appropriation of \$301 million to begin construction of this LSD vessel in fiscal year 1982, 1 year earlier than programed under the budget estimates.

Helicopter assault ship.—Advance procurement of \$45 million is recommended for the LHA/LHDX helicopter assault ship to permit starting construction of this vessel in 1983. There was no budget estimate.

Guided missile frigate.—The increase of \$224 million for the FFG-7-class frigate would maintain the three-ship construction program included in the March budget estimates but reduced to two vessels in the September revision. This program will continue construction in two shipyards, assuring second source procurement and maintaining the industrial base.

Maritime pre-positioning ship (T-AKX).—The \$197 million allowance for roll-on/roll-off conversion of maritime pre-positioning ships is the amount contained in the March budget but dropped in the September revision. The Committee believes this program should go forward because the long-term costs are more economical than the leasing alternative. The Committee recommends the appropriation of \$139 million and the use of \$58 million in unobligated funds from prior years.

Fast logistics ship (T-AKRX).—The Committee recommends total funding of \$228.4 million for the conversion of SL-7 vessels for use as fast logistics ships in support of the rapid deployment force. The allowance consists of \$184 million in new appropriations and the use of \$44.4 million in unobligated funds from prior years. This allowance will finance the conversion of two vessels instead of eight contemplated in the budget estimates.

Acquisition, construction, and improvements, U.S. Coast Guard.—The Committee recommends an appropriation of \$300 million to supplement the capital investment program of the U.S. Coast Guard. There was no budget estimate for this initiative.

This funding is established with a provision for its immediate transfer to the U.S. Coast Guard, thus insuring Coast Guard participation in the expansion and modernization of military aircraft, vessels, and equipment. The U.S. Coast Guard should give full consideration to the guidance provided to it by the Senate Commerce Committee and the Senate Appropriations Committee's Transportation Subcommittee in the use of these supplemental funds.

Appropriations directly available to the U.S. Coast Guard under the Transportation appropriations bill provided only limited funding increases and resulted in a reinvestment rate of under 5 percent. This additional funding will provide the Coast Guard a total of \$837 million for its capital program, still less than initially requested by the Coast Guard in the fiscal year 1982 budget formulation process. The augmented total represents a reinvestment rate of less than 8 percent.

The Committee considers the U.S. Coast Guard an integral part of the Armed Forces, falling as it does under the command structure of the Navy during wartime. The U.S. Coast Guard supports the Navy in coastal defense, antisubmarine warfare, convoy escort, and icebreaking.

Beginning in 1933, the U.S. Coast Guard and the U.S. Navy formally agreed that the U.S. Navy would provide communications equipment for U.S. Coast Guard use. This has expanded into support of a variety of modern electronics, avionics, weapons, and combat systems aboard Coast Guard cutters and aircraft today.

The need for additional acquisition funding is self-evident, in the Committee's judgment. The average cost of U.S. Coast Guard cutters is 27 years, which is approaching what is normally considered the maximum service life of 30 years. Many of the cutters in the fleet are 35 years old and older. Most cutters now assigned directly to drug interdiction efforts, for example, have an average age of 35 years. These cutters are frequently inoperative, and maintenance costs continue to soar. The General Accounting Office found in a recent survey that 70 percent of the Coast Guard cutters had problems relating to obsolete equipment, poor habitability, and excessive maintenance.

The Committee recommendation is directed at helping correct these serious deficiencies.

OTHER PROCUREMENT, NAVY

1980 appropriation	\$3,037,657,000
1981 budget estimate	3,822,000,000
House allowance	
Committee recommendation	3,884,268,000

The Committee recommends an appropriation of \$3,884,268,000, an increase of \$62,268,000 above the President's budget request (as amended).

This appropriation finances the procurement of major equipment and weapons other than ships, aircraft, missiles, torpedoes, and guns. Equipments range from the latest electronic sensors for updating of naval forces to trucks, training equipment, and spare parts.

PROGRAM RECOMMENDED

The Committee recommendation will provide funding for the following programs for fiscal year 1982:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Ship support equipment	\$697,754	\$697,754
Communications and electronics equipment	1,190,266	1,190,266
Aviation support equipment	585,136	590,036
Ordnance support equipment	855,172	855,172
Civil engineering support equipment	181,136	181,136
Supply support equipment	74,971	74,971
Personnel/command support equipment.....	244,565	244,565
Consultants, studies, and analyses	- 3,000	- 3,000
Inflation	- 4,000	52,000
Classified programs.....		1,368

AVIATION SUPPORT EQUIPMENT

AN/SSQ-47 sonobuoy.—The Committee recommends \$8,137,000 for procurement of AN/SSQ-47 sonobuoys. This production line will be laid away following the fiscal year 1982 funded delivery period. An updated model, AN/SSQ-62, will be produced in future years. The recommended amount is an increase of \$4,900,000 and will enable the Navy to complete its inventory requirement for this sonobuoy and complete the lay away procedure.

Classified programs.—The Committee recommends an increase of \$1,368,000 for classified programs contained in this appropriation. Rationale for this increase is discussed in the classified annex to this report.

PROCUREMENT, MARINE CORPS

1981 appropriation	\$506,013,000
1982 budget estimate.....	1,734,916,000
House allowance	
Committee recommendation.....	1,760,700,000

The Committee recommends an appropriation of \$1,760,700,000, an increase of \$25,784,000 above the President's budget estimate.

This appropriation provides the Marine Corps with funds for the procurement, delivery, and modification of missiles, armament, ammunition, communication equipment, tracked and wheeled vehicles, and various support equipment.

PROGRAM RECOMMENDED

The Committee recommendation will provide funding for the following programs for fiscal year 1982:

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[In thousands of dollars]

	Budget estimate	Committee recommendation
Ammunition	\$326,147	\$326,147
Weapons and combat vehicles.....	417,718	417,718
Guided missiles.....	216,917	216,917
Communications and electronics	369,438	369,438
Support vehicles.....	148,595	148,595
Engineering and other equipment.....	258,085	258,085
Inflation.....	- 1,984	23,800

AIRCRAFT PROCUREMENT, AIR FORCE

1981 appropriation	\$10,427,428,000
1982 budget estimate.....	13,843,898,000
House allowance.....	
Committee recommendation.....	14,061,298,000

The Committee recommends an appropriation of \$14,061,298,000, an increase of \$217,400,000 above the President's budget. The following comparative table displays the Committee's recommendations by major activity:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Strategic aircraft:		
Long-range combat aircraft (B-1B).....	\$1,674,000	\$1,724,200
Advance procurement.....	227,000	233,800
Tactical aircraft:		
A-10.....	249,700	229,700
Advance procurement.....	20,000	
F-5F.....	16,700	16,700
Advance procurement.....	6,300	6,300
F-15.....	1,091,800	980,200
Advance procurement.....	100,400	100,400
F-16A/B.....	1,331,600	1,270,800
Advance procurement (multiyear contract).....	546,800	481,100
KC-10A.....		220,200
MC-130H.....		27,000
E-3A.....	170,000	170,000
Advance procurement.....	100,000	100,000
C-130H.....		109,500
Wide-bodied cargo airlift.....		50,000
Other aircraft:		
UH-60A.....	33,000	33,000
TR-1A.....	104,100	104,100
Advance procurement.....	9,600	9,600
Modification of aircraft:		
Strategic aircraft.....	476,900	461,300
Tactical aircraft.....	596,700	596,700
Airlift aircraft.....	288,200	288,200
Trainer aircraft.....	8,000	8,000
Other aircraft.....	642,500	642,500
Other modifications.....	49,400	49,400
Civil Reserve airlift fleet (CRAF).....	47,700	47,700
Spares and repair parts.....	4,002,500	3,889,800
Aircraft support equipment and facilities:		

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Common ground equipment	404,200	404,200
Industrial facilities	93,400	93,400
War consumables	83,900	83,900
Other production charges	1,128,298	1,092,498
NATO AWACS	358,200	344,300
Inflation adjustments	- 17,000	192,800

RECOMMENDED CHANGES

Long-range combat aircraft (B-1B).—The recommended allowance for initial procurement of the B-1B bomber includes a \$50.2 million increase over the budget estimate based on a 3-percent annual cost growth, excluding inflation. This is the Committee's best estimate of yearly cost growth, based on averages from other recent combat aircraft procurement patterns. This is a moderate estimate and considers the fact that most of the development of the improved B-1 prototype has already occurred.

The same 3-percent annual cost growth increase has been applied to the budget estimate for B-1B advance procurement, amounting to a \$6.8 million increase.

The Committee recognizes the sharp controversy that has surrounded the President's selection of the B-1B as the best long-range combat aircraft to succeed the aging B-52 fleet. However, the Committee believes this modern weapon system is essential to span the balance of the 1980's and into the 1990's pending development and production of the advance technology bomber utilizing Stealth technology.

The Committee also is aware of the challenges to the U.S. Air Force cost estimates for this upgraded aircraft. Indeed, the Committee has recognized the inevitability of cost overruns and the likelihood that inflation rates will be higher than projected under current budget policy. It is hoped, however, that the fixed-price contracts negotiated by the U.S. Air Force will bring stability to the production of this new system and that any additional modifications not included in current estimates will not be necessary.

The Committee views the B-1B not only as an interim bomber to fill the penetrating role but as a modern and capable launch platform for cruise missiles. Both of these roles are considered vital to the defense of the United States.

A-10 attack aircraft.—The \$20 million reduction recommended for procurement of 20 A-10 aircraft conforms to the authorization ceiling, which provided no advance procurement funding authority.

F-15 air superiority fighter.—The recommended allowance for F-15 A/B/C/D aircraft provides for production of 36 instead of the 42 budgeted, a reduction of \$111.6 million, in conformance with the authorization.

F-16A/B.—The Committee recommends a reduction of \$60.8 million to provide for procurement of 120 F-16A/B fighters, the same as the budget estimate but utilizing anticipated savings resulting from multi-year procurement.

The full budget request for long-lead procurement front-end funding for multiyear contracting has been approved for the F-16. However, the Committee recommends \$65.7 million in unobligated funds from prior

years be applied as an offsetting reduction. This is the same amount recommended for rescission by the President as part of a move to shift F-16 production to a 120-unit annual rate.

KC-10A tanker aircraft.—The recommended funding for procurement of four KC-10A tanker aircraft restores this program to the March budget level in conformance with the authorization.

Other increases.—The Committee also recommends increases of \$27 million for advance procurement for MC-130H and \$109.5 million for eight C-130H aircraft, pursuant to the authorization bill.

Other reductions.—The \$112.7 million reduction in spares and repair parts is in agreement with the authorization ceiling, as are reductions of \$15.6 million in F-106 fighter modification, \$13.9 million in North Atlantic Treaty Organization airborne warning and control system (AWACS) support and \$35.8 million in production charges, \$8.1 million of it for a classified program and \$27.7 million for tactical improvements.

KC-135 re-engining.—The Department of Defense requested \$250 million to re-engine and modernize the KC-135A tanker. The program for re-engining the KC-135 with CFM-56 engines is a total tanker modernization effort providing substantial fuel savings, increased fuel offload and vastly improved environmental benefits. It is noted that in 1981, Congress directed the Air Force to accelerate this program with the addition of \$60 million for tooling and long-lead materials. In response, the Air Force increased the fiscal year 1982 procurement request to \$250 million to implement this direction.

The Committee fully supports the KC-135/CFM-56 modernization program and recommends that it be fully funded at the \$250 million level in fiscal year 1982. This funding will result in an efficient production schedule providing for increased savings due to inflation avoidance and fuel cost reductions with early KC-135R deliveries. The Air Force is encouraged to continue at an efficiently funded level.

MISSILE PROCUREMENT, AIR FORCE

1981 appropriation	\$3,346,786,000
1982 budget estimate	4,204,646,000
House allowance	
Committee recommendation	4,198,146,000

The Committee recommends an appropriation of \$4,198,146,000, a reduction of \$6,500,000 below the President's budget request.

Recommended allowances are tabulated by major activity in the following comparative table:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Ballistic missiles:		
Minuteman II/III	\$34,326	\$34,326
Minuteman upgrade and expansion		5,000
ICBM C-3 integration	54,436	54,436
Other missiles:		
Air launch cruise missile	588,675	588,675

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Advance procurement.....	1,184	1,184
Ground launch cruise missile.....	299,440	299,440
Advance procurement.....	29,802	29,802
AIM-7 F/M Sparrow.....	227,041	227,041
AIM-9 L/M Sidewinder.....	132,467	132,467
AGM-65D Maverick.....	232,240	232,240
AGM-88A HARM.....	89,100	89,100
Rapier.....	110,086	110,086
Target drones.....	17,182	17,182
Modifications:		
Class IV.....	60,916	34,016
Minuteman II/III.....		35,000
AIM-70 Sparrow.....	13,736	13,736
Spares and repair parts.....	194,568	203,568
Other support:		
Spaceborne equipment (COMSEC).....	19,461	19,461
NAVSTAR GPS.....	73,596	73,596
Space launch support.....	33,575	33,575
Satellite data system.....	20,649	20,649
Advance procurement.....	21,271	21,271
Defense meteorological satellite program.....	36,866	36,866
Defense support program.....	230,254	230,254
Defense satellite communication system.....	129,964	129,964
Space boosters.....	77,523	77,523
Advance procurement.....	35,744	35,744
Space Shuttle.....	212,365	212,365
Industrial facilities.....	15,616	24,616
Special programs:		
Forest Green.....	2,070	2,070
IONDS.....	16,435	16,435
Special programs.....	757,772	763,072
Special update programs.....	441,286	333,786
Inflation adjustment.....	- 5,000	59,600

Minuteman III deployment.—The Committee recommends an un-budgeted \$5 million, based on an unappropriated fiscal year 1981 authorization, for the first year deployment of 550 Minuteman III missiles to replace Minuteman II weapons. The Committee understands the Air Force needs to move forward with Minuteman III deployment because of a shortage of test assets for Minuteman II.

Modification of inservice missiles.—The Committee recommends an appropriation of \$82,752,000 for the modification of inservice missiles, in conformance to the authorization, including \$35 million for the Minuteman extended survivable power and \$2,400,000 for Titan II safety modifications. The allowance assumes the use of \$22,500,000 in unobligated appropriations available from prior years.

Spares and repair parts.—The \$9 million increase in missile spares and repair parts is for Rapier systems spares, and conforms to the authorization.

Special programs.—Recommended changes in special programs are treated in the Committee's classified annex to the report.

NAVSTAR global positioning system.—The Committee has provided the full budget estimate for the NAVSTAR-GPS satellite system so as to prevent any further slippage in the currently planned initial operational capability (IOC) date. The Committee directs the Secretary of Defense to consider the NAVSTAR-GPS system as a candidate for multiyear procurement and to consider utilizing the cost savings from

multiyear procurement for deployment of the original 24-satellite constellation rather than the currently planned 18-satellite constellation.

The Committee further directs the Secretary of Defense to formulate a program to make NAVSTAR-GPS available, on a user-fee basis, to both nondefense governmental and civilian users in a secure manner that will provide for the recouping of as much of the development, acquisition and operating costs of the GPS system as is deemed feasible.

Defense support program.—The Committee recommends \$230,254,000 for the defense support program (DSP) under a multiyear incrementally-funded concept. The DSP satellites contain sensors which provide near real-time data to the national command authorities and other designated users. The recommended appropriation will initiate a block procurement of four satellites with incremental funding through fiscal year 1986.

The Committee has long adhered to the concept of full funding of defense procurement programs. However, allowing a block-buy of the four satellites on an incremental basis with funding for long-lead time items is estimated to save a minimum of \$130 million. The savings will accrue from more efficient material and subcontract parts procurement and reductions in inspections, testing and program support. On this basis, the Committee recommends the use of multiyear, incremental-funded procedures for this program.

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OTHER PROCUREMENT, AIR FORCE

1981 appropriation	\$3,149,578,000
1982 budget estimate.....	5,174,144,000
House allowance.....	
Committee recommendation	5,286,589,000

The Committee recommends an appropriation of \$5,286,589,000 for "Other procurement, Air Force." The recommendation is an increase of \$112,445,000 above the budget estimate.

This appropriation provides for the procurement of weapons systems and equipment other than aircraft and missiles. Included are munitions, other weapons, vehicles, electronic and telecommunications systems for command and control of operational forces, and ground support equipment for weapons systems and supporting structure.

PROGRAM RECOMMENDED

The Committee recommendation will provide funding for the following program for fiscal year 1982:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change
Munitions and associated equipment.....	\$1,114,699	\$1,104,699	-\$10,000
Vehicular equipment	337,002	337,002	
Electronics and telecommunications equipment	1,123,601	1,123,601	
Other base maintenance and support equipment	2,604,842	2,576,787	-8,055
Reduction, offsets.....	-6,000	-6,000	
Selected activities.....		59,000	+59,000
Inflation.....		71,500	+71,500
Total	5,174,144	5,286,589	+112,445

MUNITIONS AND ASSOCIATED EQUIPMENT

30mm API cartridge.—The Committee recommends \$222,619,000 for procurement of the 30mm API cartridge. The recommendation is a reduction of \$10,000,000 from the budget estimate.

The Committee notes that a substantial increase in quantity of cartridges to be procured caused the existing contract to be renegotiated and the savings will result from the new contract.

OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT

Depot plant and materials handling equipment.—The Committee recommends \$20,000 for the category items less than \$900,000. This category provides a wide range of industrial plant equipment such as mills, lathes, grinders, saws, welders, and furnaces. The Committee notes that a substantial increase is requested in the budget estimate above the allowance for fiscal year 1981. The recommendation is a reduction of \$3,025,000 below the budget estimate and will provide for an increase of \$1,200,000 above the fiscal year 1981 allowance.

Base mechanization equipment.—The Committee recommends \$8,300,000 for base mechanization equipment. Equipment procured in this category includes roller conveyors, monorails, driverless tractors, bridge cranes, automatic stock picker equipment and associated process control systems.

The Committee notes that the Air Force canceled or postponed requirements financed under this activity exceeding \$6,000,000. It would appear that a reduction of \$5,030,000 can be effected from the budget request.

Selected activities.—The Committee recommends an increase of \$59,000,000 for selected activities. A discussion of the rationale for this increase is included in the classified annex to this report.

PROCUREMENT, DEFENSE AGENCIES

1981 appropriation	\$321,464,000
1982 budget estimate.....	512,200,000
House allowance.....	
Committee recommendation	518,700,000

The Committee recommends an appropriation of \$518,700,000, an increase of \$6,500,000 above the budget estimate. The increase is to provide funds to accommodate the abnormal inflation costs above the rate projected in the budget estimate.

This appropriation provides for procurement of capital equipment for the Defense Communications Agency, the Defense Investigative Service, the Defense Mapping Agency, the Defense Logistics Agency, and other agencies of the Department of Defense. The fiscal year 1982 program includes procurement of automatic data processing equipment, mechanical materials handling systems, general and special-purpose vehicular equipment, communications equipment, and mapping, charting, and geodetic equipment.

PROGRAMS AND ACTIVITIES

Defense Communications Agency.—An appropriation of \$14,697,000 is recommended for procurement of mission-essential equipment for the Defense Communications Agency.

Defense Contract Audit Agency.—An appropriation of \$301,000 is recommended for the procurement of equipment to support the mission requirements of the Defense Contract Audit Agency. The Agency provides contract audit and financial advisory services to DOD components with procurement and contract administration responsibilities.

Defense Investigative Service.—An appropriation of \$1,747,000 is recommended for the procurement of equipment to support the mission requirements of the Defense Investigative Service which conducts personnel security investigations for the Department of Defense and, when authorized, law enforcement investigations of activities involving DOD components and DOD contractors.

Defense Logistics Agency.—An appropriation of \$17,592,000 is recommended for the procurement of equipment to support the activities and missions of the Defense Logistics Agency.

Defense Mapping Agency.—An appropriation of \$8,272,000 is recommended for procurement of equipment for the support of Defense Mapping Agency activities.

Defense Nuclear Agency.—An appropriation of \$1,930,000 is recommended to procure equipment to support the mission requirements of the Defense Nuclear Agency.

Office, Secretary of Defense.—An appropriation of \$19,957,000 is recommended for the procurement of equipment for the support of Secretary of Defense activities. Funds are included for the Washington headquarters services, the Joint Chiefs of Staff, the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), and OSD field activities, including the American Forces Information Service, the Department of Defense dependents schools, the medical information systems, the Defense Audiovisual Agency, and the U.S. Court of Military Appeals.

Uniformed Services University of the Health Sciences.—An appropriation of \$1.1 million is recommended for the cost of equipment for the operation of the School of Medicine in the Uniformed Services University of the Health Sciences.

Special activities.—An appropriation of \$447,058,000 is recommended for the procurement of equipment to support a number of special activities of the Department of Defense.

TITLE V

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The fiscal year 1982 Department of Defense budget for research, development, test and evaluation totaled \$20,274,388,000. The accompanying Senate bill contains \$20,870,389,000. This is a net increase of \$596,001,000 from the revised fiscal year 1982 budget. The following table summarizes the budget estimates and Committee recommendations:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Research, development, test and evaluation, Army	\$3,768,500	\$3,764,409
Research, development, test and evaluation, Navy	5,840,488	6,118,579
Research, development, test and evaluation, Air Force...	8,823,400	9,088,906
Research, development, test and evaluation, Defense Agencies	1,789,000	1,845,495
Director, test and evaluation, Defense	53,000	53,000

COMMITTEE OVERVIEW

The funding requirement for defensewide research, development, test, and evaluation is approximately one-third that of either the procurement or operations and maintenance accounts in the fiscal year 1982 defense program. Because research, development, test, and evaluation is proportionately smaller, there is a tendency to give research, development, test and evaluation less scrutiny when defense appropriations are made. The Committee notes at the outset that the research, development, test and evaluation account was scrutinized this year to ensure that only those new developmental programs truly deserving of transition to engineering development and deployment receive funding support.

Because new program starts initiate in research, development, test, and evaluation, it serves as an important driver in future procurement and operations and maintenance cost requirements. The principal criteria used by the Committee in making its decisions on research, development, test, and evaluation program funding were whether the program clearly meets essential military requirements and cost-effectiveness considerations.

U.S. defense needs are far too great for Congress to fund programs having marginal military utility, serious performance deficiencies or the net effect of constraining budgetary support for essential defense programs. The Committee believes that hard choices had to be made concerning termination or restructuring of such programs, so that essential efforts receive full funding support. For these reasons, the Committee has chosen to terminate or restructure research and development programs rather than "nickle and dime" necessary programs across the

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board. In doing so, the Committee has strengthened, rather than weakened, the U.S. defense research and development program.

The Committee has acted to terminate the CX air transport program and the Army standoff target acquisition system (SOTAS). It has sought to save program management and support overhead costs through reductions in consultants and management support costs. It has moved to restructure programs, such as DARPA's Project SORAK, the Navy F/A-18 research and development effort and certain other programs, which it believes can be successfully accomplished at a more restrained pace. In making these choices, the Committee has supported other programs beyond the budget request where they appeared to be seriously underfunded.

The Committee supports the development of technologies that potentially make an order of magnitude difference in U.S. defense capabilities. Consequently, it strongly supports the technology base budget activities of each of the Services and the Defense Advanced Research Projects Agency (DARPA) programs. Technology base programs fund basic research and exploratory development, with the goal of increasing scientific and technical knowledge needed to maintain U.S. technological superiority and lead to the development of cost-effective weapons systems. DARPA programs invest funding in high-risk technologies that permit rapid exploitation for high military payoff. Because Soviet military research and development investment is exceeding that of the United States by ever-increasing margins, the Committee believes that strong support for these programs is essential.

The Committee notes that serious deficiencies exist in many Department of Defense university and in-house laboratories. These deficiencies, underscored by the 1981 Defense Science Board summer briefing report on the technology base, include critical personnel shortages, an aging population of scientists, and an immediate need to produce more scientists in the future. These problems are of even greater significance considering the fact that technologies that could make an order of magnitude difference in the military balance in the future (very high-speed integrated circuits, Stealth, advanced software, etc.) need to be vigorously pursued. The Committee encourages efforts to improve Department of Defense university and laboratory quality through educational incentives and sustained investment.

The Committee believes that the research, development, test and evaluation program recommended in the bill will significantly improve future U.S. defense capabilities and provide for much needed force modernization.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

1981 appropriation	\$3,127,774,000
1982 amended request	3,768,500,000
House allowance	
Committee recommendation	3,764,409,000

The Committee recommends an appropriation of \$3,764,409,000, a reduction of \$4,091,000 in the budget request for fiscal year 1982.

[In thousands of dollars]

	Budget estimate	Committee recommendation
Technology base	\$596,062	\$619,377
Advanced technology development.....	218,120	213,556
Strategic programs	480,568	464,068
Tactical programs.....	1,660,700	1,624,816
Intelligence and communications	68,299	47,297
Defensewide mission support	749,751	761,795
Inflation	- 5,000	33,500

PROGRAMS AND ACTIVITIES

The budget activities and programs funded under this appropriation are discussed below. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86-149, as amended.

TECHNOLOGY BASE

The recommended program includes \$619,377,000 for the technology base activity. This activity finances basic research and exploratory development with the primary objective of increasing the store of fundamental scientific knowledge adaptable to the solution of widely varying future Army requirements. A strong technology base is needed in order to (1) maintain technological superiority in military weapons, thus offsetting adversary numerical advantages, (2) avoid technological surprise that could cause premature obsolescence of major weapons systems, and (3) lead to acquisition of effective but less costly capabilities by using innovative products built on new technology.

The Committee recommends the following major changes to the budget estimate in Army technology base programs, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Defense research sciences	\$161,811	\$166,000
Aircraft avionics technology.....	6,107	5,977
Small caliber fire control technology.....	8,516	11,500
Jt. services food sys. tech	5,736	5,569

Defense research sciences.—The Committee recommends an appropriation of \$166,000,000 for defense research sciences. This is an increase of \$4,189,000 over the revised request. The Committee notes that the March request was \$172,311,000, and that even with this reduction, the fiscal year 1982 budget will still receive a major increase in investment needed to upgrade the Army's research capabilities.

Chemical munitions.—The Committee recommends an appropriation of \$20,528,000 for the Army chemical munitions program. Any reduction would delay the timely development of the technology base for the binary intermediate volatility agent (IVA), chemical munitions concepts and new agent technology and delay engineering development of chemical warheads for the corps support weapons system (CSWS) and multiple launch rocket system (MLRS).

Ballistic technology.—The Committee recommends an appropriation of \$23,912,000 for the Army's ballistics technology program. The full budget request is required to initiate the first phase of the construction of the artillery command and experiment model and apply the model to the analyses of tactical artillery scenarios and also make a 60GHz mm wave sensor for use onboard an air defense smart bullet.

Chemical/biological defense and general investigation.—The Committee recommends an appropriation of \$22,970,000 for the Army's chemical/biological defense and general investigation program. The full funding request will complete exploratory development for a protective mask and initiate exploratory development on a combined nuclear, biological, and chemical detection alarm system to reduce logistics burdens.

High-energy laser technology.—The Committee recommends an appropriation of \$24,956,000 for high-energy laser technology. The entire budget request is recommended for approval because a higher rate of funding will permit an accelerated design effort for the Army close combat laser weapon (CCLAW/Roadrunner) and the forward laser weapon-demonstrator projects. Both of these projects involve development of fire control subsystems.

Small caliber fire control technology.—The Committee recommends an appropriation of \$5,500,000 for the Army's small caliber fire control technology program. The funding for this program will further advance testing of the advanced combat rifle program and special purpose ammunition.

ADVANCED TECHNOLOGY DEVELOPMENT

The recommended program includes approximately \$213,556,000 in fiscal year 1982 for advanced technology development. This activity provides for exploration of alternatives and concepts prior to development of specific weapons systems. New technological developments are pursued which are not formally identified to specific operational requirements. This effort includes feasibility demonstrations of innovative new concepts and emphasizes hardware competition and pursuit of alternate solutions to potential military problems. Particular emphasis is placed on demonstrating new concepts to provide improved land warfare capabilities in the 1980's and 1990's, including land and helicopter vehicles and related propulsion and electronics technology, land warfare target detection, acquisition and weapon technology, chemical/biological defense, training and personnel technology, and medical developments related to combat personnel.

The Committee recommends the following changes in the budget request for advanced technology development in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Materials scale-up	\$5,426	\$4,000
Synthetic flight simulators	7,773	6,000

Advanced development of automatic test equipment.—The Committee was informed that the Commanding General of Development and Readiness Command (DARCOM) recommended to the Department of the Army that, after a review of the direct support automatic test support system (DS-ATSS) solicitations on the request for quotation (RFQ), the program was not executable within available resources because of cost, schedule, and technical risks. The need for DS-ATSS and the need to standardize the automated test equipment were not questioned. The Army is revising a new RFQ for DS-ATSS which will restructure the program to allow for a concept demonstration with representative user systems, followed by engineering development and operational testing.

The Army notified the Committee that this revision will leave \$4,700,000 unobligated in fiscal year 1981. In the absence of any reprogramming proposal, the Committee believes these funds should be used to cover any increased costs in the fiscal year 1982 program.

STRATEGIC PROGRAMS

The recommended program includes approximately \$464,068,000 in fiscal year 1982 for the budget activity entitled "Strategic Programs." This activity provides for all research and development efforts on strategic offensive, defensive, and control systems. Primary emphasis is on ballistic missile defense.

The Committee recommends the following changes to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
BMD systems technology	\$353,685	\$336,685
Electric power modernization		500

Ballistic missile defense.—The Committee recommends an appropriation of \$336,685,000 for the ballistic missile defense (BMD) systems technology program. The Committee has consistently supported this program in previous years, and it believes an accelerated development effort on the low-altitude defense (LoADS) program is essential if the United States is to maintain the option for deployment of a BMD system for the MX missile.

The Committee also continues to support exploratory research in the area of strategic missile materials. The hardened ballistic missile defense materials program supports the necessary materials technology base by developing specialized materials and technologies and by continually assessing U.S. materials, capabilities, and limitations vis-a-vis Soviet capabilities. The Committee recognizes the potential of this research to

programs such as BMD and strategic systems. It believes that some \$6 million in program funding could be dedicated to hardened BMD materials research. This materials research is to be coordinated with the Army's research in materials program.

Electric power modernization.—The Committee recommends an appropriation of \$500,000 for electric power modernization. This appropriation would provide the fully authorized amount for the electric power modernization of Army critical facilities. The program will upgrade the electrical power systems to all critical Army command posts, sensor sites, and other high-priority locations.

TACTICAL PROGRAMS

The recommended program includes approximately \$1,624,816,000 for the budget activity entitled "Tactical Programs." This activity provides for advanced, engineering, and operational systems development efforts on all aspects related to all conflict levels of tactical warfare, with emphasis on land warfare, and battlefield air mobility, and related combat support. This includes developments to improve the Army's capabilities in the combat missions of battlefield surveillance, close combat, aerial and surface fire support, field army air defense, and mine warfare, plus improved capability in the related support missions of air and surface mobility, logistics-personnel support, communications, command and control, navigation, position locating, electronic warfare, physical security, and chemical/biological defense.

The Committee recommends the following major changes to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Joint services small arms program	\$3,529	\$5,500
Airdrop equipment development.....	3,126	2,926
Combat feeding, clothing, and equipment	3,536	2,536
Remotely piloted vehicles.....	36,394	73,348
Standoff target acquisition system	69,776
Battlefield data system.....	5,000
Satcom ground environment.....	36,438	41,638

Synthetic flight simulators.—The Committee recommends an appropriation of \$6,000,000 for synthetic flight simulators. The House cut would severely delay the development of the future capabilities for the AH-64 synthetic flight simulator. These include advanced development and demonstration of a dual channel cathode ray visual display system, capable of high resolution out to the maximum effective ranges of aerial weapons.

Single channel ground airborne radio subsystem (SINCGARS).—The Committee recommends an appropriation of \$15,225,000 for the program. The Committee reiterates the position expressed in the fiscal year 1981 supplemental report that it is prudent to continue development of two methods of providing antijam capability for Army communications—both fast and slow frequency hopping. Funding of both methods through the operational test period for SINCGARS (June

1982) should continue. Nevertheless, the Committee is supportive of efforts to expedite the process for selecting which of the three radios under development should be recommended for procurement.

Remotely monitored battlefield sensor system (REMBASS) program (Unattended ground sensors).—The Committee recommends \$6,948,000 for the unattended ground sensors program. The Committee believes that it is essential to reinstate this program. The fiscal year 1982 REMBASS program will continue research and development for hand-placed sensors and allow for development/operational tests (DT/OT) II in fiscal year 1982.

Standoff target acquisition systems (SOTAS).—The Committee recommends termination of SOTAS. The Committee acknowledges that a valid Army requirement exists for the development of an airborne radar system to detect and locate targets at the forward edge of the battlefield. However, the unsatisfactory performance of SOTAS should not be rewarded. In the past year and a half the total acquisition cost of SOTAS has risen by over 250 percent to \$2.4 billion, and the date of initial operating capability has slipped by several years.

Battlefield data systems.—The Committee recommends an appropriation of \$5 million to examine alternatives to SOTAS in the battlefield data systems program.

Landmine warfare.—The Committee recommends an appropriation of \$8,146,000 for landmine warfare. The funding is needed to initiate engineering development of the off-route antitank mine system as well as to conduct final engineering development for the modular pack mine system.

Force level maneuver and control system.—The Committee recommends an appropriation of \$14,869,000 for the force level maneuver and control system. The Committee recommends the full appropriation in order to maintain the simulation and gaming methods for analysis (SIGMA) project, which will provide battlefield commanders with an automated system for processing data in a battlefield environment. This has been identified by the Army as an urgent requirement.

Satellite communication (SATCOM) ground environment.—The Committee recommends an appropriation of \$41,638,000 for the development of tactical single- and multichannel terminals for the Army (SATCOM ground environment). The increase of \$5,200,000 over the budget request will provide for the transition to more survivable systems capable of operating in a nuclear environment.

Remotely piloted vehicles (RPV).—The Committee recommends an appropriation of \$73,348,000 for RPV. This recommendation restores the RPV program to its budgeted level prior to the September revision. The Committee notes that RPV's hold great promise for performing a variety of missions (target acquisition, reconnaissance, et cetera).

Joint tactical communications program.—The Committee recommends an appropriation of \$48,107,000 for the Army's joint tactical communications program.

Joint services small arms program (JSSAP).—The Committee recommends an appropriation of \$11,500,000 for the joint services small arms program. This funding will enable the Army to conduct much needed improvements to the M-16 rifle and new JSSAP efforts such as light-weight M-60 machinegun, 7.62 mm SLAP, and the combat shotgun.

The Department of Defense annually spends billions of dollars, yet failed this year to make the relatively small investment needed to modernize U.S. small arms. Joint services small arms program officers and the Foreign Science and Technology Center have amply documented the fact that the U.S.-Soviet small arms gap is widening due to a sustained Soviet small arms modernization program and a lagging U.S. program. This funding increase will only partially restore the JSSAP/small caliber fire control technology funding increases required to close the U.S.-Soviet small arms gap. The Committee supports these programs, and encourages efforts to further modernize U.S. small arms technology in future years.

Synthetic flight training system.—The Committee recommends an appropriation of \$8,333,000 for the synthetic flight training system program. Any reduction would defer initiation of engineering development of the AH-64 mission simulator.

Aircraft weapons fire control.—The Committee recommends an appropriation of \$10,312,000 for aircraft weapons fire control. Any reduction would delay by 1 year the effort to develop adverse weather/night fire control systems for the AH-1S, AH-64A, and scout helicopters.

INTELLIGENCE AND COMMUNICATIONS

The recommended program includes approximately \$47,297,000 for the budget activity entitled "Intelligence and Communications." This activity provides for advanced, full scale engineering and operational systems development efforts in intelligence, worldwide communications, and other defensewide mission support.

The Committee recommends the following changes to the budget estimate, in accordance with the recommendations of the authorization conference:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Navigation system using timing and ranging—global positioning system (NAVSTAR—GPS) user equipment	\$21,002	

DEFENSEWIDE MISSION SUPPORT

The recommended program includes approximately \$761,795,000 for the budget activity entitled "Defensewide Mission Support." This activity provides for efforts directed toward support of installations or operations required for use in general research and development and not allocable to specific missions. Included are technical integration efforts, technical information activities, major test ranges, test facilities and general test instrumentation, target development, support of user test, international cooperative research and development, and other research and development support.

The Committee recommends the following changes to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Programwide activities	\$67,815	\$68,815
Development and readiness command	292,109	297,653

Programwide activities.—The Committee recommends an appropriation of \$68,815,000 for programwide activities. This is an increase of \$1 million over the revised budget estimate and conforms to authorization. The Committee's recommendation will provide for full funding of much needed Army research and development laboratory upgrades.

Development and Readiness Command (DARCOM).—The Committee recommends an appropriation of \$297,563,000 for the Army's DARCOM. This recommendation conforms to the congressional authorization, and is \$5,544,000 above the revised budget request. A denial of full funding for DARCOM will severely impair the White Sands Missile Range radar program and the Aberdeen and Dugway base maintenance and repair programs.

ITEMS OF SPECIAL INTEREST, ARMY

Rotary wing aircraft escape system.—The Committee recommends an appropriation of \$1 million to evaluate and demonstrate the feasibility and cost effectiveness of adapting the rotor system research aircraft escape system for triservice combat applications.

The statement of the managers accompanying the fiscal year 1981 Defense Appropriations Act directed the Army to evaluate and demonstrate within existing funds the feasibility and cost effectiveness of this system. However, the fiscal year has ended and the directed study efforts are still pending.

The Committee notes the recent loss of lives in an advanced attack helicopter (AAH) prototype crash and Iranian SEA Cobra losses to Soviet-built air defense systems in the Iraqi/Iranian conflict. The Committee believes the rotor system research aircraft escape system offers potential increased survivability for combat crewmen. The Army is encouraged to demonstrate and evaluate this existing technology on a timely basis.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

1981 appropriation	\$4,974,769,000
1982 amended request.....	5,840,488,000
House allowance.....	
Committee recommendation.....	6,118,579,000

The Committee recommends an appropriation of \$6,118,579,000 for the Navy's research, development, test, and evaluation programs, an addition of \$223,091,000 to the budget request for fiscal year 1982.

[In thousands of dollars]

	Budget estimate	Committee recommendation
Technology base	\$793,422	\$790,231
Advanced technology development.....	167,308	172,965
Strategic programs.....	540,611	544,111
Tactical programs.....	3,743,073	3,752,894
Intelligence and communications	195,317	178,114
Defensewide mission support	662,357	662,664
Classified program		6,400
Consultants.....	- 43,300	- 43,300
Inflation adjustment.....	- 7,000	54,500
Undistributed reduction	- 211,300	

PROGRAMS AND ACTIVITIES

The budget activities and programs funded under this appropriation are discussed below. The sums referred to are intended to reflect the magnitude of the various programs and activities and are not to be considered as specific recommendations. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86-149, as amended.

TECHNOLOGY BASE

The recommended program includes \$790,231,000 for the budget activity entitled "Technology Base." This activity finances basic research and exploratory development with the primary objective of increasing the store of fundamental scientific knowledge adaptable to the solution of widely varying future Navy requirements. A strong technology base is needed in order to (1) maintain technological superiority in military weapons, thus offsetting adversary numerical advantages, (2) avoid technological surprise that could cause premature obsolescence of major weapons systems, and (3) lead to acquisition of effective but less costly capabilities by using innovative products built on new technology.

The Committee recommends the following major changes to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Human factors/simulation technology	\$7,973	\$6,973
Materials technology	32,428	34,428
Directed energy technology	6,993	8,000

Materials technology.—The Committee recommends the addition of \$2,000,000 in accordance with the authorization act. These funds will provide for development of metal matrix composite materials as substitutes for critical strategic materials now in short supply.

Directed energy technology.—The Committee recommends an appropriation of \$8,000,000 for directed energy technology. This recommendation conforms to authorization and is \$1,007,000 above the revised budget request. Any reduction will severely impair laser weapon, charged particle beam and pulsed power technology efforts of the Navy.

ADVANCED TECHNOLOGY DEVELOPMENT

The recommended program includes \$172,965,000 for the budget activity entitled "Advanced Technology Development." This activity provides for exploration of alternatives and concepts prior to development of specific weapons systems. New technological developments are pursued which are not formally identified to specific operational requirements. This effort includes feasibility demonstrations of innovative new concepts and emphasizes hardware competition and pursuit of alternate solutions to potential military problems. Particular emphasis is placed on demonstrating new concepts to provide improved naval warfare capability in the 1980's and 1990's, including naval air, surface and subsurface vehicle and related propulsion and electronics technology, undersea and ocean surveillance, naval warfare target detection, acquisition and weapon technology and training and personnel technology.

The Committee recommends the following changes to the budget estimate in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Human factors engineering development	\$4,150	\$3,650
Advanced marine biological system	4,089	3,789
MC diesel rotary engine		9,700

United States Marine Corps high horsepower engine.—The Committee recommends an appropriation of \$9,700,000 for the development of the rotary engine for the United States Marine Corps rotary engine for the landing vehicle tracked (experimental) and MPWS systems. The Navy states that the entire amount can be spent efficiently.

Training device technology.—The Committee recommends an appropriation of \$8,252,000 for training device technology. This recommendation conforms to the authorization request.

Medical development.—The Committee recommends an appropriation of \$11,644,000 for medical development. This conforms to the budget request and authorization.

Human factors engineering development.—The Committee recommends an appropriation of \$3,650,000 for human factors engineering development. This is \$500,000 below the budget request.

Advanced marine biological systems.—The Committee recommends an appropriation of \$3,789,000 for advanced marine biological systems. This is \$300,000 below the budget request.

STRATEGIC PROGRAMS

The recommended program includes approximately \$544,111,000 in fiscal year 1982 for the budget activity entitled "Strategic Programs." This activity provides for all research and development efforts on strategic offensive, defensive, and control systems. Primary emphasis is on development to assure continued viability of sea-based nuclear second strike capability.

The Committee recommends the following change to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Gryphon.....	\$22,260	\$25,760

Trident II submarine launched ballistic missile (SLBM).—The Committee recommends an appropriation of \$239,542,000 for the Trident II SLBM. The Trident II (D-5) is being developed to obtain a large throw-weight SLBM with greater range, accuracy, and payload characteristics than the Trident I.

The Committee believes that deployment of the Trident II SLBM on Ohio-class Trident SSBN's will significantly advance and improve United States strategic counterforce capabilities. Moreover, it is also an important hedge against uncertainties in the development of new U.S. land-based and air-based strategic systems.

Extremely low frequency (ELF).—The Committee has received the Defense Department report on the ELF communications project. ELF is a shore-to-submarine communications for command and control of submarines which permits signal reception at deeply submerged operational depths. Testimony before this Committee clearly defined the continued operational requirement for an ELF system for the enhancement of ballistic missile submarine, nuclear (SSBN) survivability against the improved Soviet antisubmarine warfare threat. The Committee recommends an appropriation of \$34,830,000 for the development of the ELF communications system.

Gryphon.—The Committee recommends an appropriation of \$25,760,000 for the Navy's Gryphon program. This is an increase of \$3,500,000 above the budget request, and conforms to authorization. This funding increase provides for on-going research in survivable, enduring communications. The funding will initiate work on a meteor burst communi-

ation to determine the ability to provide ground-air, air-ground and air-air connectivity. These technologies will help redress critical vulnerabilities of current EHF and VHF systems.

TACTICAL PROGRAMS

The recommended program includes approximately \$3,752,894,000 in fiscal year 1982 for the budget activity entitled "Tactical Programs." This activity provides for advanced, engineering, and operational systems development efforts on all aspects related to all conflict levels of tactical warfare, with emphasis on sea control, Navy and Marine Corps air operations, Marine Corps amphibious operations, and related combat support. This includes developments to improve the Department of the Navy's capabilities in the combat missions of ocean surface surveillance and targeting, undersea surveillance, antisurface (including interdiction and air defense suppression), antiair (including air superiority), antisubmarine, amphibious and special warfare, and naval mine warfare, plus improved capability in the related support missions of air and surface mobility, logistics/resupply/transfer, personnel support, early warning, communications, command and control, tactical intelligence and reconnaissance, navigation, identification, position locating, traffic control, electronic warfare, physical security and developments related to major multimission naval vehicles.

The Committee recommends the following changes to the budget estimate in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Undergraduate jet flight training system	\$12,409	\$5,000
Tactical C ³ countermeasures	6,791	6,291
ABN antisub warfare system	2,895	5,895
V/STOL aircraft development	14,960	
AV/8B+		5,000
Tilt fan V/STOL technology		10,000
Weaponizing (prototype)		1,000
Antiship torpedo defense		500
New class carrier design		10,000
Ship systems engineering standards	1,999	10,000
Diesel electric submarine		2,500
Ship development (advanced)	20,642	11,000
LHDX		15,000
Avionics development/VAST	15,044	13,000
Navy air combat fighter	224,812	190,000
Area air defense	34,446	41,046
Surface launched weaponry	57,386	60,386
Ship development (engine)	91,897	68,000
Chemical warfare weapons	3,731	7,500
Fire control system electro optics	7,203	24,000
Medical developments	2,146	2,046
F-14A squadrons	11,976	17,000
Joint tactical comm prog., USMC	17,362	16,362
Security/investigative actys	737	
Surface effect ship		5,000
Gas turbine fuel efficiency		7 000

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Essex class carrier eval 8,800

Major surface combatant (DDG-X).—The Committee recommends an appropriation of \$101,000,000 for research and development for a new major surface combatant, the DDG-X destroyer. This funding will support the development of ship design, combat systems, a lightweight sonar, SPY-1 derivative radar and DDG-X combat systems integration.

The DDG-X will have the following weapons systems:

Vertical launch cells capable of launching Tomahawk, antiaircraft warfare (AAW) and antisubmarine warfare (ASW) missiles;

Canister launched Harpoon antiship missiles;

Seafire/5-inch SAL guided projectile;

The Committee believes that the Navy Department's report to the Committee satisfies the Committee's concern, expressed in the fiscal year 1981 supplemental conference report, that there be precise definition of DDG-X engineering goals and performance specifications. The Committee is convinced that the present DDG-X plan, incorporating distributed combat systems data processing architecture, the above mentioned combat systems and the Seafire laser illumination/5-inch semi-active laser guided projectile systems, will make the DDG-X an offensively capable ship.

The trade-offs involved between obtaining increased offensive capability and affordability are not easy ones to make, but the Committee believes that the current combat weapons system plan for the DDG-X will give the Navy a capable surface combatant. The DDG-X will be able to operate offensively as units of carrier battle groups and surface action groups against multiple threats—air, surface, and submarine. The Committee strongly supports the DDG-X program.

Fire control system electro optics (Seafire).—The Committee recommends an appropriation of \$24,000,000 for fire control systems electro optics. This appropriation will accommodate inclusion of the Seafire electro-optical fire control subsystem into the Navy's fiscal year 1982 fire control systems electro-optics program, along with the infrared search and track (IRST) system. This appropriation is within fiscal year 1982 authorization limits.

Seafire has been identified to the Committee by Secretary of the Navy Lehman as an important subsystem component in the Navy's revised DDG-X design plans, assuming its performance meets criteria specified in the OPTEVFOR test and evaluation plan. Seafire will give U.S. surface ships a passive fire control capability to conduct gunfire during periods of emission control (EMCON) or heavy jamming. The 5-inch semiactive laser guided projectile is to be used as the munition for this antisurface/strike warfare combination.

The Committee has strongly supported Seafire in the past, and continues to believe that Seafire electro-optical fire control system technology can help address critical surface ship fire control deficiencies identified by the Navy. The Committee notes that the Soviet Union has deployed electro-optical fire control systems on five classes of surface ships.

Medium-range air-to-surface missile (MRASM).—The Committee agrees to the restructuring of MRASM program necessitated by the ad-

ministrations fiscal year 1982 budget revisions. The Committee deletes \$19,100,000 from the Navy MRASM request which will reduce the infrared (IR) Maverick effort and force a 1-year slip in the program.

Ship system engineering standard (SEAMOD).—The Committee recommends an appropriation of \$10,000,000 for the Navy SSES program, also known as SEAMOD. The SSES program objective to develop engineering standards to permit modularity in the design of ship hull and payloads. The Committee concurs with findings of the authorization conference that this program is underfunded.

The purpose of the SSES program is to:

Develop and generate ship systems engineering standards for the acquisition of variable payload ships;

Design a first application ship in the area of interface standards; and

Emplace within the shipbuilding community the necessary construction technology and information concerning the SSES program to permit procurement of the variable payload ship in a cost-effective and timely manner.

V/HXM U.S. Marine Corps helicopter.—The Committee recommends an appropriation of \$5,229,000 for the U.S. Marine Corps HXM helicopter. The Committee notes that the U.S. Marine Corps has documented a requirement for a medium-lift helicopter with an initial operating capability in the early 1990's. Postponement of this badly needed program will only serve to further erode U.S. Marine Corps ship-to-shore amphibious assault capabilities. A firm decision on hardware is due in the 1983 timeframe.

Attack submarine development.—The Navy requested \$9,947,000 for attack submarine development. The Committee concurs with the conclusion of the authorization conference that no justifiable need exists to examine follow-on or future attack submarine designs. The Committee recommends an appropriation of \$4,968,000 to be used for project 51256-AS, submarine cost reduction.

Light airborne multipurpose system (LAMPS) MK III helicopter.—The Committee recommends an appropriation of \$73,800,000 for the LAMPS MK III weapons system. The Committee fully supports the extended range capabilities that LAMPS will provide for the antisubmarine warfare (ASW) mission, and its antiship surveillance and targeting (ASST) utility.

However, the Committee is strongly critical of the Navy's inability to control cost growth in the LAMPS MK III program. Most of this cost growth has been identified in the procurement, rather than research and development, aspect of the acquisition process. The December 1980 selected acquisition report (SAR) estimated total LAMPS MK III system acquisition costs to be \$6,700,000,000, for a difference of \$1,478,000,000 over the estimate in the December 1979 SAR. Moreover, the Navy has identified potential additional cost risks as being in the engine, the airframe, avionics and ship electronics.

While recommending in full the fiscal year 1982 LAMPS research and development request, the Committee urges the Navy to pursue the potential cost reduction/avoidance items outlined in the March 1981 LAMPS Mark III cost assessment team congressional report.

Advanced lightweight torpedo (ALWT).—The Committee recommends an appropriation of \$106,014,000 for the ALWT. The Committee believes that the revised development schedules for the advanced lightweight torpedo is reasonable, and that a valid operational requirement for ALWT clearly exists.

The Committee is not convinced that foreign-source alternatives to ALWT are capable of critical evaluation at the present time. However, the Committee is supportive of Navy Department efforts to exchange lightweight torpedo information with British officials. The Committee notes that General Accounting Office proposals with respect to United Kingdom/United States lightweight torpedo information exchange are being implemented by the Department of Defense.

F/A-18 aircraft.—The Navy requested \$224,583,000 in fiscal year 1982 for continued research and development of the F/A-18 aircraft. This funding will be used to flight test the F/A-18, complete its operational evaluation and complete roll rate modifications and the weight reduction program.

The Committee understood, from written answers to Committee questions from the Department of the Navy, that the F/A-18 research and development program for fiscal year 1982 was deficient by \$51.5 million. This deficiency was identified in early spring, but was not added to the revised fiscal year 1982 budget until the third budget revision in autumn.

The Committee expresses its concern over the magnitude of the research and development funding requirements for the F/A-18 program, and acknowledges that all technical problems associated with F/A-18 development must be resolved before commitment to higher, more economical rates or production. The Committee recommends \$190,000,000 for F/A-18 research and development.

Avionics development.—The Committee recommends an appropriation of \$13,000,000 for avionics development. This recommendation is predicated upon the Office of the Secretary of Defense meeting the criteria for qualification for the AYK-14 computer agreed upon by the authorization conference.

Area air defense (battle group anti-air warfare coordination).—The Committee recommends an appropriation of \$45,046,000 for area air defense. This recommendation is \$10,600,000 above the budget request. The additional funding will be used to improve correlation of targets between ships and battle management by permitting electronic response between AEGIS and non-AEGIS ships.

Gas turbine fuel efficiency.—The Committee recommends an appropriation of \$7,000,000 for gas turbine fuel efficiency. This recommendation permits initiation of a program to improve the fuel efficiency of naval gas turbine propulsion systems. The funding will start a program to build and test two Navy LM 2500 engines. Preliminary indications are that substantial savings can result from such an improvement.

Surface-launched weapons systems technology.—The Committee recommends an appropriation of \$60,386,000 for surface-launched weapons systems technology. This is an increase of \$3,000,000 over the budget request. The additional funding will be used toward acceleration of the new threat upgrade program.

New class aircraft carrier design.—The Committee recommends an appropriation of \$10,000,000 for new class aircraft carrier design. This recommendation provides the fully authorized amount for examination of designs for new, light-class aircraft carriers of approximately 40,000 tons displacement.

Essex class carrier evaluation.—The Committee recommends an appropriation of \$8,800,000 for the Essex class carrier evaluation. This funding is to be used for making the necessary surveys, studies and engineering assessments required for the preparation of a class C estimate on the cost of reactivating Essex class (CV-27C) aircraft carriers.

Ship development (advanced).—The Committee recommends an appropriation of \$11,000,000 for ship development (advanced). This is \$9,642,000 less than the budget request.

Air-capable amphibious ship LHDX.—The Committee recommends an appropriation of \$15,000,000 for the LHDX. The LHDX is projected to be an air-capable amphibious ship having helicopter, vertical short take-off and landing, and landing craft capabilities.

Ship development (engineering).—The Committee recommends an appropriation of \$68,000,000 for ship development (engineering). This is a decrease of \$23,781,000 from the revised budget request and \$2,000,000 less than the authorization level. The Committee recommends the deletion of \$2,000,000 for research and development related to the reactivation of the *Iowa* battleship.

Surface effects ships.—The Committee recommends an appropriation of \$5,000,000 for surface effects ships. This appropriation is intended only to initiate design of a 1,500-ton or larger prototype logistics support surface effects ship, in conformance to the authorization. However, the Committee will extend sympathetic consideration to a Navy reprogramming proposal to continue sea trials for a 160-foot SES if this testing is deemed essential to the evolution of a larger SES.

INTELLIGENCE AND COMMUNICATIONS

The recommended program includes \$178,114,000 for the budget activity entitled "Intelligence and Communications." This activity provides for advanced, full scale engineering development and operational system development efforts in intelligence, worldwide communications systems, and other defensewide mission support, including meteorological activities.

The Committee recommends the following changes to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Navigation satellite	\$16,841
NAVSTAR GPS user equipment	34,362
NAVSTAR	\$34,000

DEFENSEWIDE MISSION SUPPORT.

The recommended program includes \$662,664,000 for the budget activity entitled "Defensewide Mission Support." This activity provides for efforts directed toward support of installations or operations required for use in general research and development and not allocable to specific missions. Included are technical integration efforts, technical information activities, major test ranges, test facilities and general test instrumentation, target development, international cooperative R. & D., and other R. & D. support.

The Committee recommends the following changes to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Studies and analyses, USMC.....	\$4,049	\$3,500
R.D.T. & E. instrumentation/mat spt.....	41,579	45,579
Civilian training/education development	1,290	1,000
Consultants.....	(- 43,300)	(- 43,300)

INTELLIGENCE ACTIVITIES

The Committee recommends an addition of \$6,400,000 for intelligence activities of the Navy. This program is discussed in the classified annex to this report.

ITEMS OF SPECIAL INTEREST, NAVY

On-board oxygen generating system (OBOGS).—The Committee approved funding in fiscal year 1981 to demonstrate an OBOGS in high performance Air Force aircraft in various flight conditions, as well as under conditions of chemical agent contamination. For several years the U.S. Navy has pursued the development of an OBOGS for application aboard tactical naval aircraft and the system is presently being flight tested aboard the AV-8A Harrier aircraft. The implementation of such a system on fleet aircraft is believed to offer significant advantages in the areas of operational readiness, safety and logistics/support costs. It is requested that the Committee be furnished the current status of this program to include plans for fleet aircraft implementation and funding requirements.

Gas turbine fuel efficiency improvements.—The Committee recommends \$7,000,000 to initiate a program to improve the fuel efficiency of naval gas turbine propulsion systems. The recommendation is an increase of \$7,000,000 to the budget estimate and to the House bill.

It is the view of the Committee that fuel efficiency of major military propulsion systems must be improved. The recommendation will initiate a program to build and test two Navy LM 2500 engines. Preliminary indications are that savings from efficiency improvements within the gas turbine itself will be at least 8 to 9 percent. Since current plans envision that the LM 2500 engines will power over 60 percent of the Navy combatant fleet by 1990, the potential for significant savings must be considered.

Manufacturing technology (MANTECH).—The Defense Science Board (DSB) report on industrial responsiveness published in January 1981 recommended: increases emphasis on manufacturing technology program. Fund at 1 percent of the procurement budget. While the Navy has not met this goal, the Committee notes favorably the significant increase in Navy MANTECH. Although the requested \$3.9 million in Navy research and development appears small, the \$24.5 million in operations Navy (OPN) shows a trend toward meeting the DSB recommendation.

The Committee encourages the use of MANTECH to support increased production of metal matrix materials and continue the development of improved methods for carbon/carbon strategic and tactical missile components.

Submarine rocket (SUBROC) extension program.—SUBROC provides a nuclear standoff capability for U.S. attack submarines and is scheduled to be replaced by the new antisubmarine warfare (ASW) standoff weapon by the late 1980's. However, the Committee is concerned that recent Navy acquisition strategy changes for the new standoff weapon may considerably delay this vital program. Enhanced readiness may be sustained by Navy's identification of alternatives directed at the planned service life extension program for SUBROC. The SUBROC standoff weapon maintains high fleet reliability and would be a responsible hedge against future program delays for the new ASW standoff weapon or any gap that may be experienced as a result of a new, high risk development effort. The Committee believes the Navy should submit at the earliest possible date a full report on the extended refurbishment plans for SUBROC, including SUBROC's impact on addressing the interim requirement.

ASW stand-off weapon.—The ASW stand-off weapon system is currently being developed to replace the presently deployed SUBROC weapon. This program has as its objective an ASW weapon which will be effective against present and future threats at ranges compatible with submarine sensor systems. The Navy's acquisition strategy defined an approach that implied exploration of alternative design concepts including a live firing "fly off" during the development and validation phase. Without congressional consultation for this \$1 billion program, the Navy altered its acquisition strategy by awarding a sole-source contract. The Committee is concerned this change in program direction is contrary to the value of competition for a program of this importance. The Committee feels this program as currently structured may warrant qualification of second-source production. Procurement rates, inventory objectives, and program cost consideration: are underlying factors which impact on the consideration of second sourcing. The Committee expects the Navy to provide a full report on the desirability of formulating a second-source strategy at the earliest possible date.

Landing craft, air cushion (LCAC).—The Committee notes, with interest, the consideration for multimission development of the landing craft, air cushion (LCAC) program. It is hoped that the Navy will give thorough consideration to multimission possibilities and will find funding to pursue these concepts.

Medium depth mine (MDM).—Current Navy planning in mine warfare calls for development of a family of mines covering shallow, intermediate, and deep water depths. Quickstrike and Captor have been developed covering shallow and deep depths, but efforts have floundered over the last 5 years in structuring a reasonable program to meet the medium depth threat. The Navy is again reassessing development acceleration of a medium depth mine program following a series of extensions of the basic program. The Captor deep water mine is a moored influence activated mine designed to detect, classify, and attack the most advanced diesel and nuclear submarines at all water depths and is delivered by aircraft, surface ships, and submarines on extremely short notice. The Committee feels the Navy should expeditiously complete and submit their study on the need to deploy a medium depth mine, including a full evaluation of developing a Captor mine variant in partially meeting the medium depth requirement. This study should include full disclosure of mission characteristics, as well as any acquisition efficiencies in developing a Captor mine variant.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

1981 appropriation	\$7,082,987,000
1982 amended request.....	8,823,400,000
House allowance	
Committee recommendation.....	9,088,906,000

The Committee recommends an appropriation of \$9,088,906,000 for the Air Force's research, development, test and evaluation programs, an addition of \$265,506,000 to the budget request for fiscal year 1981.

[In thousands of dollars]

	Budget estimate	Committee recommendation
Technology base	\$637,700	\$632,700
Advanced technology development.....	371,000	361,800
Strategic programs.....	3,467,000	3,716,606
Tactical programs.....	1,862,767	1,755,767
Intelligence and communications	1,203,133	1,191,533
Defensewide mission support	1,293,700	1,283,100
Classified programs.....		22,400
Special program		35,300
Inflation	- 12,000	89,700

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PROGRAMS AND ACTIVITIES

The budget activities and programs funded under this appropriation are discussed below. The sums referred to are intended to reflect the magnitude of the various programs and activities and are not to be considered as specific recommendations. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86-149, as amended.

TECHNOLOGY BASE

The recommended Air Force program includes \$632,700,000 in fiscal year 1982 for the budget activity, technology base. This activity funds basic research and exploratory development, with the goal of increasing scientific knowledge to maintain U.S. technological superiority, avoid technological surprises and lead to the acquisition of more cost-effective weapons systems.

The Committee recommends the following changes in the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Aerospace biotechnology	\$40,100	\$37,100
Training/simulation.....	16,000	14,000

Defense research sciences.—The Committee recommends an appropriation of \$139,500,000 for defense research sciences, Air Force. A major reduction in this account would cripple new initiatives such as: chemical defense, manufacturing science, systems automation, fuel efficient aircraft, and low speed takeoff/landing. Full funding is also required to maintain the Air Force contract program with industry and universities.

ADVANCED TECHNOLOGY DEVELOPMENT

The recommended fiscal year 1982 Air Force program includes \$361,800,000 for the budget activity, advanced technology development. This budget activity funds alternatives and concepts prior to the engineering development of specific weapons systems. New technological developments are pursued which are not formally identified prior to specific operational requirements. The fiscal year 1982 Air Force program includes funding for aircraft propulsion and electronics technology, very high speed integrated circuits, air warfare detection acquisition and weapon technology, personnel technology, information processing and flight simulator technology, and other related activities.

The Committee recommends the following changes in the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Advanced avionics for aircraft.....	\$17,100	\$15,000
Hypervelocity missile.....	8,100	11,000
VHSIC.....	50,700	40,700
Civil/environmental engineering technology.....	4,000	3,900

Very high speed integrated circuits (VHSIC).—The Committee recommends an appropriation of \$40,700,000 for the VHSIC program. This coincides with the authorization recommendation, but is \$10,000,000 below the revised budget request. The Committee notes that it has been advised that the VHSIC program requires an additional \$25,000,000 in fiscal year 1982 if all VHSIC contractual obligations are to be met (a total of \$65,700,000). The Committee acknowledges the seriousness of the potential shortfall in VHSIC funding in fiscal year 1982, and states that it is willing to accept an Air Force reprogramming to cover the difference.

Hypervelocity missile.—The Committee recommends an appropriation of \$11,000,000 for the hypervelocity missile. The goal of the program is to evaluate critical technologies for a small, low-cost hypervelocity missile to be used against Soviet armored vehicles.

Advanced radiation technology.—The Committee recommends an appropriation of \$80,800,000 for advanced radiation technology. The Committee strongly supports this program, and notes that any cut will severely impair the progress of U.S. efforts in this important field.

STRATEGIC PROGRAMS

The recommended fiscal year 1982 Air Force program includes \$3,716,606,000 for the budget activity, strategic programs. This budget activity provides for all research and development on Air Force strategic offensive, defensive, and command, communications, and control programs. The development of these systems will provide a survivable land-based intercontinental ballistic missile retaliatory capability, modernization of the strategic bomber force and survivable strategic communications.

The Committee recommends the following changes in the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Advanced ballistic reentry system	\$49,000	\$100,000
Advanced cruise missile	30,100	45,200
Long-range combat aircraft (B-1B).....	471,000	471,000
MX	1,913,200	2,008,706
Space defense systems	180,900	200,900
Minuteman squadrons.....	14,200	38,500
Post attack command/cont system.....	9,400	11,400
Minimum essential emergency communication network.....	45,600	51,200
Air Force Sat communication system	50,100	82,100
SLBM radar warning system		3,800
EMP hardening		200
Air-launched cruise missile	69,000	104,000

Advanced ballistic reentry systems (ABRES).—The Defense Department requested \$49,000,000 for the ABRES program, a triservice research and development effort managed by the U.S. Air Force. The ABRES program, now entitled advanced strategic missile systems (ASMS) has been the focal point of ICBM research related to ballistic missile defense (BMD), especially in response to Soviet BMD developments. Last year Congress approved \$111,900,000 for this program with guidance that the program be stabilized.

This year the Defense Science Board recommended that ASMS receive enhanced funding and serve as the coordinator of offensive systems in the effort to promote greater synergism between missile programs and ballistic missile defense developments. The Committee recommends an appropriation of \$100,000,000 for ASMS to stabilize the program and assure that U.S. missile programs are able to respond to developments in United States and Soviet BMD technology.

The Committee bases its action on the fact that fiscal year 1982 ABRES program, as identified by the Strategic Missile Systems (SMS)—2000 study, was severely underfunded. The ABRES program is the only program in the Department of Defense which provides for advanced technology development of future Air Force ballistic missile systems and subsystems—such as ICBM penetration aids, a defense suppression maneuvering reentry vehicle (MaRV), advanced ballistic reentry fuze systems and guidance subsystems. The Committee believes that a \$100 million appropriation is the minimum amount required to improve the ability of U.S. intercontinental ballistic missiles to respond to the advanced Soviet ABM threat and improve U.S. offensive capabilities. The Committee stresses that no funds appropriated may be used for continuation of the MX/MPS program recommended by the previous administration and terminated by the President.

Space defense.—The Committee has added \$20,000,000 for Air Force research and development on antisatellite (ASAT) technology. The purpose of the addition is to encourage an expanded ASAT program which will include related technologies including airborne- and space-based laser weapons research and development. The Committee strongly urges the Secretary of the Air Force to maintain the Program Management Office for space-based lasers and to insure coordination of the related technologies of ASAT programs.

This Committee continues to express its concern over the fiscal management of the Air Force ASAT program. The prototype miniature air-launched system (PMALS) project in this program has experienced a cost growth of over \$100,000,000 spread out between fiscal years 1981-84, \$37,000,000 of which is funded in this request. The Air Force maintains that this increase is needed to maintain the ASAT flight test schedule and date of initial operating capability. Although the Committee is aware of the advances the Soviet Union has made in antisatellite systems, it is concerned about the ever-growing cost requirements for this program, and whether the program is receiving proper direction from the Office of the Secretary of Defense.

The Committee recommends an appropriation of \$200,900,000 for space defense.

Long-range combat aircraft.—The Committee recommends an appropriation of \$471,000,000 for additional research and development for the B-1B bomber. This is \$169,000,000 above the authorization recommendation. It provides for the fully required level of research and development funding requested by the administration in its revised budget request. Full funding is required to: maintain the full scale development schedule, maintain the date of initial operating capability, and most importantly, prevent an increase in out-years costs due to the effects of inflation.

PAVE PAWS.—The Committee recommends an appropriation of \$3,800,000 to fund an earlier start on the southeastern and southwestern (PAVE PAWS) SLBM radar warning sites. This initiative will help close gaps in existing coverage and improve overall system detection and performance.

Electromagnetic pulse (EMP) hardening of critical facilities.—The Committee recommends an appropriation of \$200,000 for the hardening of Air Force critical facilities to effects of EMP. These funds will be used to harden the U.S. Air Force Command Post to protect critical, fixed C² facilities from the effects of high altitude nuclear detonation electromagnetic pulse. This will help provide assured positive control of launch capabilities from Strategic Air Command (SAC) headquarters to Wing Command Posts.

Post attack command and control system (PAACS) (EMP hardening).—The Committee recommends an appropriation of \$11,400,000 for the PAACS. This is an increase of \$2,000,000 over the budget request. The additional funds will be used to conduct an EMP test of an EC-135 Airborne Command Post aircraft. The baseline information collected from this test will be used in concert with the EC-135 EMP protection modification program, which seeks to make U.S. command and control assets survivable during and after a nuclear exchange.

Air Force satellite communications (AFSATCOM) system (EHF).—The Committee recommends an appropriation of \$82,100,000 for the AFSATCOM system. This is an increase of \$32,000,000 over the budget request. The additional funding will initiate research and development on a new generation, multimission satellite for extremely high frequency (EHF) communications packages on host spacecraft and associated terminals. The funding will be used to define military satellite communications (MILSATCOM) packages, accelerate development and demonstra-

tion of critical satellite and terminal technologies needed for the new MILSATCOM architecture, prepare for acquisition in fiscal year 1983 and establish feasibility for the integration of communications payloads on satellite data system (SDS) satellites.

Minimum essential emergency communications network (MEECN).—The Committee recommends an appropriation of \$51,200,000 for the MEECN. This is an increase of \$5,600,000 over the administration budget request. The additional funding would permit development starting in fiscal year 1982 of a new VLF/LF receiver for bomber aircraft (including the B-1B) and in development of more reliable antennae systems for the EC-135 Airborne Command Posts, which transmit VLF/LF messages. This funding is required to meet the desired installation time of 1985-86.

Minuteman squadrons (airborne launch control system (ALCS) phase III and Minuteman guidance improvement).—The Committee recommends an appropriation of \$38,500,000 for Minuteman squadrons. This recommendation restores \$18,800,000 for the ALCS phase III program for 200 Minuteman III intercontinental ballistic missiles and an additional \$5,500,000 for the Minuteman guidance improvement program.

TACTICAL PROGRAMS

The recommended fiscal year 1982 Air Force program includes \$1,755,767,000 for the budget activity, tactical programs. This activity provides for advanced, engineering, and operational systems development on all aspects of Air Force tactical warfare efforts. This includes developments to improve Air Force tactical capabilities in combat missions such as air superiority, interdiction, close air support to land combat forces, suppression of enemy air defenses, airlift, airborne early warning and control, communications, identification, navigation, and electronic warfare.

The Committee recommends the following changes in the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Enforcer.....		\$6,000
Tactical identification system.....	\$8,500	14,800
PAVE MOVER.....	5,200	5,700
CX program.....	169,700	
Airlift enhancement.....		15,000
Fighter mission analysis.....		5,000
Aircraft engine CIP.....	122,500	125,000
Close air support weapons system.....	14,600	25,000
Air-launched assault breaker.....	36,100	24,100
Appl for info processing tech.....	5,900	4,900
F-16 squadrons.....	42,200	57,500

CX aircraft.—The Air Force requested \$169,700,000 in fiscal year 1982 for research and development on the CX aircraft. The CX was designed to be a cargo transport aircraft capable of airlifting outside cargo over intercontinental distances and landing in small, austere airfields. The Committee acknowledges that critical, near-term U.S. airlift

deficiencies now exist. However, the Committee is not prepared to embark upon a major acquisition program of \$12.9 billion when significant questions remain unanswered regarding utilization of existing aircraft designs and upgrading of the civilian reserve air fleet (CRAF) program in remedying U.S. airlift deficiencies. Moreover, the Committee must state that the submission of the congressionally mandated mobility study to Congress did not satisfy these concerns. Therefore, the Committee recommends no appropriation for the CX program in fiscal year 1982, and directs that the CX program be terminated. Instead, it appropriates \$15,000,000 for airlift enhancement research studies and airlift augmentation alternatives.

Next generation trainer (NGT).—Last year this Committee requested the Air Force to restructure the NGT program to include the T-34C Navy primary trainer as a next generation trainer candidate. The Committee has thoroughly reviewed the Air Force's evaluation of the T-34C, the Navy primary trainer, as an alternative to the proposed NGT.

The Committee finds that there are significant technical and operational reasons to support the Air Force position to pursue a turbo fan NGT option over the turbo prop T-34C. A key concern to the Committee was the pilot flight evaluation of the T-34C as an Air Force NGT option. Problems of congested air space at Air Force training fields, airplane performance levels and requirement for additional pilot training in the T-34C all entered into the Committee's decision to support the Air Force NGT program this fiscal year.

The Committee approves \$14,700,000 for the Air Force NGT program. This funding is to be used to support contractor selection and initiation of the development of the airframe and engine. The Committee believes that the NGT is the best alternative available to train pilots for the Air Force's tactical, strategic, and support requirements.

Enforcer program.—The Committee recommends an appropriation of \$6,000,000 for the Air Force enforcer program. This replaces fiscal year 1980 funds that lapsed and will permit a fair completion of the testing of the enforcer aircraft.

Future fighter mission analysis.—The Air Force requested \$10,100,000 for the advanced tactical fighter program. The authorization conference denied the \$10,100,000 request for advanced tactical fighter. The Committee also does not agree to initiate concept definition studies for an advanced tactical fighter at this time. The current generation of Air Force fighters should serve to meet U.S. tactical fighter needs well into the future. Instead, the Committee recommends an appropriation of \$5,000,000 for future fighter mission analysis, to enable the Air Force to begin analyses of future mission requirements for Air Force tactical fighters.

F-16 squadrons.—The Committee recommends an appropriation of \$57,500,000 for F-16 squadrons. This is an increase of \$15,300,000 above the budget request. The additional funding is to be used to conduct a flight test demonstration of the F-16E. This flight test is needed to validate projected performance and capability improvements (strike/attack capability, avionics, et cetera).

The Committee action includes approval of the \$8,300,000 authorized to support a flight test evaluation of the F-16E using competitive deri-

vation engines. In so doing, however, the Committee directs that none of the funds appropriated will be used until such time as the Air Force sets forth a schedule which will permit adequate time and money so as to insure that a truly fair and equitable competition between manufacturers of derivative engines can take place.

Chemical biological defense equipment.—The Committee recommends an appropriation of \$12,800,000 for chemical biological defense equipment. This is an increase of \$4,000,000 over the budget request. The additional funding expands development efforts for collective protective shelters and other devices.

Close air support weapon system.—The Committee recommends an appropriation of \$25,000 for close air support weapon system (IR Maverick). The increase involves a transfer of \$10,400,000 from the Navy infrared (IR) Maverick missile program to the Air Force. This change is made on the basis that the U.S. Air Force should continue to be managing this development program.

Position and velocity extraction (PAVE) MOVER.—The Committee recommends an appropriation of \$5,700,000 for PAVE MOVER. The additional funds (\$500,000) will be used to provide more realistic PAVE MOVER enemy counter-countermeasure features.

Night precision attack (LANTIRN).—The Committee recommends an appropriation of \$87,600,000. This amount is required to prevent schedule slip and cost growth in fabrication of development pods, flight test of navigation targeting pods, and production readiness initiatives. The optimum program avoids inefficient development delays and cost increases. These funds are to be used only for continuation of the ongoing development program as currently structured by the Air Force to preclude further delays and increased costs.

INTELLIGENCE AND COMMUNICATIONS

The recommended fiscal year 1982 Air Force program includes \$1,191,533,000 for the budget activity intelligence and communications. This activity provides funding for advanced, engineering, and operational systems development efforts in Air Force intelligence and worldwide communications systems.

The Committee recommends the following changes to the budget estimate, in accordance with the authorization:

(In thousands of dollars)

	Budget estimate	Committee recommendation
NAVSTAR GPS user equipment	\$166,100	\$166,000

DEFENSEWIDE MISSION SUPPORT

The recommended fiscal year 1982 Air Force program includes \$1,283,100,000 for the budget activity, defensewide mission support. This budget activity funds Air Force installations and operations required for major system testing, test instrumentation development, technical information efforts, target development, and other research and development support.

The Committee recommends the following changes to the budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Acquisition and command support	\$259,400	\$253,000
Management headquarters	22,900	20,900

B-52 flight simulator.—The Committee recommends an appropriation of \$11,300,000 for flight simulator development. The Committee does not agree to restore any fiscal year 1982 funds for the B-52D flight simulator modification. These funds are unnecessary because the lead-time required to field the prototype is too long to effectively use the device before the B-52D aircraft are retired.

Alternative fighter engine.—The Committee recommends an appropriation of \$35,000,000 for the Air Force alternative fighter engine program. These funds will be administered by the Air Force to support work needed to pursue follow-on engine development on a competitive basis for improved aircraft engine performance. The funds will be allocated as determined by the Department of the Air Force between competing engine manufacturers so as to insure that full and fair competition is maintained so alternate options are available to the Department of Defense should the requirement for increased thrust become necessary.

The Air Force has not identified any future requirement for a higher thrust engine. If a requirement is established, the Committee should be advised before any effort is applied to a higher thrust engine, and a specific plan presented to insure a full and fair competition. Initiation of development, including authorization and appropriation of the required funds, will require prior approval of this Committee. This is consistent with the guidance provided the Air Force last year by the conferees.

CLASSIFIED PROGRAMS

The Committee recommends an appropriation of \$30,100,000 for special activities associated with the classified programs of the Air Force. These programs are discussed in the classified annex to this report.

ITEMS OF SPECIAL INTEREST

Air Force flight simulator visual systems.—The Committee is concerned that the Air Force is not adequately funding its only research and development effort to develop a tactical visual system for the A-10, F-15, and F-16 weapon system trainers (WST's). For advanced simulator development, the Committee approved the \$2.2 million requested, which is \$2.3 million less than Congress was told last year would be required for the fiscal year 1982 effort. However, the Committee believes that, if this development program is not continued at the proper funding level and completed soon, the Air Force will have bought A-10, F-15, and F-16 WST's which will not be able to provide air-to-ground, air-to-air, and combat mission training. This would defeat the basic purpose of the WST's. The Committee strongly encourages the

Air Force to develop and pursue a program that will fill this training need.

On-board inert gas generating system.—The Committee is aware of the Air Force effort in the development of an OBIGGS. This is a new initiative to provide a more efficient system to give fire and explosion protection by filling fuel tanks with an inert gas as fuel is consumed. This is now done on a few military aircraft by carrying a store of inert gas or foam. If the OBIGGS concept proves feasible, the inert gas can be derived from engine bleed air thereby eliminating the need for carrying inert gases. This would provide a cheaper and simpler way to give added fire protection and would make it possible to equip all aircraft at a reasonable cost. The Air Force is encouraged to initiate flight testing as soon as feasible and advise the Committee of funding requirements for fiscal year 1983.

Tactical command and control modernization.—The Committee is concerned the current Air Force tactical command and control capability is severely limited by equipment that was developed during the 1965–68 timeframe. The Air Force has documented these deficiencies within the tactical Air Force integrated information system master plan, but has not yet initiated a program for meeting the modernization requirement. The Committee feels the Air Force should expeditiously improve their tactical command and control system, fully utilizing other service programs in order to achieve maximum cost savings while insuring operational compatibility. The Air Force should consider reprogramming fiscal year 1982 funds to achieve any acquisition efficiency. The Committee recommends the Air Force provide at the earliest possible date a full report on plans for tactical command and control modernization.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

1981 appropriation	\$1,298,948,000
1982 budget estimate.....	1,789,000,000
House allowance.....	
Committee recommendation	1,845,495,000

The Committee recommends an appropriation of \$1,845,495,000 for research, development, test and evaluation programs of the Defense Agencies, an addition of \$56,495,000 to the budget request for fiscal year 1982.

[In thousands of dollars]

	Budget estimate	Committee recommendation
Technology base	\$987,694	\$1,010,494
Strategic programs	79,884	117,384
Intelligence and communications	669,037	648,587
Defensewide mission support	54,385	53,698
OSD and OASDS.....		- 7,103
Special activities		3,135
Inflation	- 2,000	19,300

PROGRAMS AND ACTIVITIES

The budget activities and programs funded under this appropriation are discussed below. The sums referred to are intended to reflect the magnitude of the various programs and activities and are not to be considered as specific recommendations. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86-149, as amended.

The Committee recommends the following changes to the defense agencies budget estimate, in accordance with the authorization:

[In thousands of dollars]

	Budget estimate	Committee recommendation
Strategic technology	\$145,831	\$192,431
Particle beam technology.....	29,000	36,000
Exp eval maj innov tech	273,340	251,340
Defense Nuclear Agency.....	288,078	279,278
Long haul communications.....	19,550	19,700
Information anal centers.....	3,887	3,200
WWMCCS sys engineer	45,052	82,552

Space-based lasers (SBL).—The Committee recommends an appropriation of an additional \$20,000,000 in the Defense Advanced Research Projects Agency (DARPA) account, strategic technology-62301E, for space-based lasers.

The Committee has reviewed the Department of Defense report to the Congress on space-based lasers (May 15, 1981) and the report of the Defense Science Board Task Force on review of the Department of Defense spaced-based laser weapon study in the course of making this recommendation. The Committee believes that these reports help clarify space-based laser weapons issues and serve as a credible basis from

which Congress can confidently add an additional \$20,000,000 to space-based laser weapons research and development.

Blue/green laser communications.—The Committee recommends an addition of \$10,000,000 for the DARPA blue/green laser communications program. The Committee believes that the objective of the blue/green program, the development of a technology to enhance communications with deeply submerged submarines, is a potential, longer-term complement to the extremely low frequency (ELF) program.

The Committee recognizes that considerable technical uncertainty remains as to which method to pursue to deploy such a blue/green laser communications system—ground based or space based. The Committee reiterates its concern expressed in the fiscal year 1982 report that it would be premature to preclude research on either approach.

Materials technology.—The Committee supports the addition of \$1,000,000 to DARPA's strategic technology program for carbon-carbon materials research. This research is to go toward development of light-weight materials for large optics. This increase is within fiscal year 1982 authorization levels. The Committee has also added \$2,000,000 to the Navy's materials technology program, to expand the Navy's development effort on metal matrix composites and to support the development of substitutes for critical strategic materials.

Project SORAK.—The Committee strongly supports the demonstration of advanced technology to solve surveillance and targeting problems in Korea (project SORAK). However, because the required fiscal year 1981 funds for detailed planning were not made available, it is recognized that this planning must still be accomplished and that most of the major implementation funding should therefore be delayed until fiscal year 1983-84. In addition, while the demonstration is largely drawn from DARPA developed technology and DARPA therefore should play a major role, this demonstration is more properly a joint Army and Air Force project requiring close coordination with Commander in Chief, Pacific and the services should be active participants. Funds are therefore provided to DARPA in the amount of \$20 million to initiate the program during this fiscal year. However, the DARPA is tasked to assure real service participation before additional funds will be provided for development and deployment.

Defense Nuclear Agency.—The Defense Nuclear Agency requested \$288,078,000 for fiscal year 1982. An additional \$69,000,000 was added by the Reagan administration in its budget amendment to support: an increase in nuclear weapons effects technology base programs; development of hardening of Navy systems warning and dispersal methods for nuclear capable tactical aircraft field sensors for theater nuclear forces (TNF) systems; additional MX support; and an expansion in the underground test program to provide for one test every 6 to 12 months compared with the current testing rate of one every 18 to 24 months.

The Committee recommends an appropriation of \$279,278,000 to support Defense Nuclear Agency (DNA) programs. The Committee finds that the increased level of nuclear testing is required to meet MX missile and advanced ballistic reentry vehicle (ABRV) requirements, and maintain an adequate level of technical experts needed to conduct the underground nuclear test program.

However, it recommends a reduction of \$8,800,000 to specifically come from the defunct MX shelter support program.

Map/chart/geodesy.—The Defense Mapping Agency (DMA) requested an appropriation of \$19,810,000 in fiscal year 1982 to support Defense Mapping Agency projects. The Committee recommends this amount. The March budget amendment included \$4,500,000 for survey support for the MX basing program. In view of the administration's revised MX plans, part of this request is unnecessary. The Committee recommends deletion of \$1,000,000 added to the March budget amendment for MX mapping support, and an addition of \$1,000,000 to the DMA budget to support other DMA activities. The remaining MX-related funding is to be used for development of new surveying equipment to insure DMA's capability of meeting the geodetic and geophysical portion of the missile's accuracy requirements. The Committee recommends an appropriation of \$19,810,000 for the Defense Mapping Agency.

Technical support to Under Secretary of Defense, research and engineering (USDR/E).—The Committee strongly recommends the appropriation of \$14,539,000 for technical support to USDR/E. The fiscal year 1982 program includes money to continue work related to the Export Control Act involving completion of the military critical technologies list and analyses of foreign technology availability and Warsaw pact technology capabilities. The Committee strongly supports USDR/E efforts in this area, as it believes that the U.S. technological leadtime advantage over the Union of Soviet Socialist Republic in military critical technologies must be preserved.

The Committee reiterates its support for providing a separate line item for overall DOD activities in this area. It requests that such a designation begin in fiscal year 1983.

Long-haul communications.—The Committee recommends an appropriation of \$19,700,000 for long-haul communications. This is \$150,000 above the budget request.

These funds are recommended in support of two C initiatives: \$100,000 for EMP hardening of certain White House facilities and \$50,000 for DCA's contribution to the development of modulation techniques designed to facilitate communications propagation through scintillation effects.

CLASSIFIED PROGRAMS

The Committee recommends a reduction of \$19,600,000 for classified programs and intelligence activities for the Defense Agencies. These programs are discussed in the classified annex of this report.

DIRECTOR OF TEST AND EVALUATION, DEFENSE

1981 appropriation	\$42,100,000
1982 budget estimate	53,000,000
House allowance	
Committee recommendation	53,000,000

The recommended program includes \$53,000,000 for the activities of the Office of the Director of Test and Evaluation, Defense.

Low altitude airfield attack system.—The Committee supports the deletion of \$60,000,000 for the low altitude airfield attack system (JP-233) from the Air Force budget. This item was not funded in fiscal year 1981, and House-Senate conferees agreed to terminate United States participation in the development of JP-233 in the fiscal year 1981 supplemental conference.

However, the Committee wishes to express its continued support for the acquisition of both direct and standoff airfield attack weapons. In particular, the Committee wishes to express its support for the planned evaluation of JP-233 direct airfield attack submunitions technology (including SG35 and HB86 submunitions technology) in the foreign weapons evaluation program, to determine its suitability for direct low altitude airfield attack applications for the Air Force.

TITLE VI

SPECIAL FOREIGN CURRENCY PROGRAM

1981 appropriation	\$2,760,000
1982 budget estimate	3,083,000
House allowance	
Committee recommendation	3,083,000

The new obligational authority recommended in the bill is \$323,000 more than the amount provided in fiscal year 1981.

The special foreign currency appropriation provides dollars to be used exclusively for the purchase from the Treasury of excess foreign currencies which are used in the financing of programs of benefit to the Department of Defense. Such expenditures are authorized by 80 Stat. 990.

TITLE VII
GENERAL PROVISIONS

Section 708—Depot maintenance contracts, cost overruns, and industrial fund activities

The Committee disagrees with the House provision by which Department of Defense appropriations for the current fiscal year shall be made available for payments for depot maintenance contracts, unusual cost overruns incident to ship overhauls, and industrial fund activities.

Section 723—"Buy America" provision

The Committee disagrees with the House modification of section 723 which states that none of the funds appropriated by this act shall be used to facilitate the sale of optional uniform items by military clothing sales stores or by the Department of Defense operated exchange system stores.

Additionally, the Committee concurs with the House inclusion of the Maybank amendment in this section which prohibits the payment of a price differential on Defense procurement contracts for the purpose of relieving high unemployment. The Committee disagrees, however, that fiscal year 1982 funds should be used to continue the test involving the Defense Logistics Agency.

Section 728—Legislative liaison activities

The Committee agrees with the provision included by the House to maintain the limitation on legislative liaison activities at \$7,500,000 instead of the \$8,000,000 as requested in the budget estimate.

Section 733—Transfer of funds

The Committee concurs with the House provision permitting the Department to transfer funds only between appropriations available in the act, and is identical to the transfer provision contained in the fiscal year 1981 Defense Appropriations Act. The budget requested authority to transfer not to exceed \$1,000,000,000; the Committee agrees with the House, however, in limiting this authority to \$750,000,000.

Section 735—Federal employees compensation fund

The Committee concurs with the House provision placing a limitation of \$206,100,000 on funds available for payment to the Federal employees compensation fund as established by 5. U.S.C. 8147. This section is discussed earlier in the report.

Section 741—Civilian health and medical program of the uniformed services (CHAMPUS)

The Committee disagrees with the House provision that limitations on CHAMPUS funding shall not apply to payments that supplement primary coverage provided by other insurance plans or programs that pay for at least 75 per centum of the covered services.

Section 760—Purchase of military insignia

The Committee concurs in the House language which states that none of the funds appropriated by this act shall be available for the purchase of insignia for resale unless the sales price of such insignia is adjusted to the extent necessary to recover the cost of such purchases.

Section 765—Medical care for foreign diplomats and military personnel

The Committee has deleted a provision included in the House bill prohibiting the Department of Defense from providing medical care in the United States on an inpatient basis to foreign military and diplomatic personnel or their dependents unless the Department is reimbursed for the full cost of providing such care.

Section 765—Military aircraft and vehicles leasing

The Committee recommends inclusion of a general provision prohibiting funds appropriated in this act from being used for the leasing in the United States of military aircraft or vehicles when suitable aircraft or vehicles are commercially available in the private sector.

Section 769—Teachers pay

The Committee has deleted House language which prohibits teachers from receiving an increase in pay as the result of the establishment of any new category of pay that was not in effect prior to the 1979-80 school year.

Section 770—Teachers pay

The Committee has deleted a House provision which prohibits teachers from receiving an increase in pay in excess of 4.8 percent for the 1980-81 school year.

Section 769—9mm military handguns

The Committee has inserted a general provision which states that none of the funds available by this act shall be used for the evaluation or procurement of new 9mm weapons to replace existing .45 and .38 caliber military handguns.

Section 770—Civilian health and medical program of the uniformed services

The Committee has inserted a general provision as requested in the budget which permits the transfer of funds from the operation and maintenance, defense agencies accounts to the operation and maintenance of the military departments accounts for the purpose of conducting a test to evaluate a capitation approach to providing medical care.

Section 771—Federal Emergency Management Agency

The Committee has inserted a general provision which permits the Department of Defense to transfer not to exceed \$1,700,000 of Reserve Personnel appropriations to the Federal Emergency Management Agency.

Section 774—Prohibition on expansion of the competitive rate program

The Committee recommends a general provision not contained in the House bill prohibiting the use of funds to expand the competitive rate program for the movement of household goods to Alaska and Hawaii.

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This provision was included in the fiscal years 1980-81 Defense Appropriations Acts.

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TITLE VIII
RELATED AGENCIES

INTELLIGENCE COMMUNITY STAFF

1981 appropriation	\$18,271,000
1982 budget estimate	13,563,000
House allowance	
Committee recommendation	13,563,000

The Committee recommends an appropriation of \$13,563,000 for the intelligence community staff. The recommendation agrees with the President's budget estimate (as amended) and is a reduction of \$4,708,000 below the fiscal year 1981 appropriation.

The reduction below the fiscal year 1981 appropriation is primarily associated with nonrecurring costs involving the development of a new communitywide system for security control and safeguarding of intelligence programs and materials which require special protection.

The intelligence community staff (ICS) was initially established with 245 personnel positions to support the Director of Central Intelligence in overall management and direction of the intelligence community. A recent reorganization and consolidation of ICS activities was recently completed and 230 personnel positions will be available for the intelligence community staff.

The recommended appropriation includes \$2,300,000 for external research and analysis projects. The Committee notes that funds requested for this activity have increased rapidly over the past 3 years. This is offset in part by the fact that the staff has assumed new responsibilities following the recent reorganization and the Committee will ——— this level of activity during the current fiscal year. The staff has a relatively large cadre of senior intelligence personnel and the Committee will require a detailed explanation of any future increases in this activity.

PAYMENT TO THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND
DISABILITY SYSTEM FUND

1981 appropriation	\$55,300,000
1982 budget estimate	84,600,000
House allowance	
Committee recommendation	84,600,000

The Committee recommends appropriation of \$84,600,000 for the payment to the Central Intelligence Agency retirement and disability system fund appropriation. The Committee recommendation concurs with the budget estimate and is an increase of \$29,300,000 above the fiscal year 1981 appropriation.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (Public Law 88-643, October 3, 1964) authorized the es-

establishment of a Central Intelligence Agency retirement and disability system for a limited number of Agency employees and authorized the establishment and maintenance of a fund from which benefits would be paid to qualified beneficiaries. The fund finances the cost of: (1) interest on the unfunded liability, (2) annuities attributable to credit allowed for military services, (3) benefits not met by employee/employer contributions, and (4) the increase in unfunded liability resulting from liberalized benefits and Federal pay raises.

The benefits structure of fund is essentially the same as for the civil service retirement system with only minor exceptions. It is estimated that annuitants and survivors will be receiving benefits by the end of fiscal year 1981.

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