

Policy Brief.....H.R. 4613 --Fiscal Year 2005 Defense Appropriations

BY THE NUMBERS:

Budget Authority in Millions of Dollars

	FY '04 Enacted	FY '05 Request	FY '05 House Bill
Discretionary Appropriations	366,383	392,585	390,931
Mandatory Spending	528	239	239
<i>Total, discretionary & mandatory</i>	<i>366,912</i>	<i>392,824</i>	<i>391,170</i>
Emergency/ Contingent Appropriations	64,707	25,780	25,780
Grand Total (including adjustments)	431,601	417,807	416,933

Excluding all emergency spending, the House bill (total discretionary and mandatory) is:

- \$24.3 billion or 6.6% above last year, and
- \$1.7 billion or 0.4% below the request.

Including all emergency spending, the House bill (total discretionary and mandatory) is:

- \$14.7 billion or 3.4% below last year, and
- \$873.9 million or 0.2% below the request.

THE BUDGET COMMITTEE:

Cost: The Budget Committee confirmed the numbers above provided by the Appropriations Committee.

Budget Act: “The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of bills in excess of a subcommittee’s 302(b) suballocation for new BA [budget authority]. The second, section 311(a), prohibits consideration of legislation exceeding the aggregate levels of BA and outlays established in the budget resolution. The \$390.931 billion in new discretionary budget authority is the same as the 302(b) suballocation to the House Appropriations Subcommittee on Defense; outlays are \$393 million less than the allocation. Because no appropriations bills for fiscal year 2005 have been enacted, there is ample room under the BA ceiling and hence the bill would not violate section 311(a). The emergency-designated appropriations for fiscal year 2004 are not counted in determining compliance with the budget resolution.”

Rule:

H.R. 4613 will be considered under an open rule (H.Res. 683), which will automatically insert the following language into the bill: “The United States Government shall take all steps necessary to guarantee the full faith and credit of the Government.” This is a placeholder for language to increase the federal debt limit to be added to the DoD Appropriations in conference with the Senate. Note: this language itself does not add debt-increase language, nor does it *require* that such language be added later. It merely leaves conference negotiators with the option of doing so.

A summary of likely amendments offered under the open rule is provided in a separate RSC document.

Language of Note:

Contingent (Emergency) Appropriations for Iraq and Afghanistan (Title IX in the bill). The bill contains \$25.78 billion in contingent emergency funds for ongoing operations in Afghanistan and Iraq, broken up as follows:

- DoD Military (including personnel, operation and maintenance, and procurement):
\$25.00 billion
- State Department (including diplomatic programs and embassy operations):
\$685.3 million
- USAID (including disaster and refugee assistance in Sudan and Chad):
\$95.0 million

Abuse of Prisoners. Directs the Secretary of Defense to report to Congress by February 1, 2005, on:

- the military structure and job specialties for handling prisoners and managing prisons;
- the proper roles and separation of duties of military police, intelligence officials, and civilian contractors;
- the training standards for those who handle prisoners;
- the responsibilities and interactions of supervisors between military and civilian personnel;
- the utility of internal controls;
- the availability of a mechanism for junior personnel to report perceived abuses up the chain of command;
- any shortcomings of DoD investigations into the prisoner abuse scandal; and
- what corrective actions will be implemented.

The committee report also states that “the Committee is deeply troubled by the breakdown in training, supervision, and discipline that resulted in the deplorable mistreatment of prisoners at the Abu Ghraib prison in Baghdad, Iraq. While investigations and the legal process continue, it is clear that the basic values inherent in American military conduct were ignored.”

Outsourcing. The Committee report states that “The Committee is deeply concerned about the outsourcing of oversight responsibilities with respect to Iraq reconstruction contracts.” The Committee also notes concern that “several of the private contractors awarded oversight

contracts may have substantial ongoing commercial relationships with the companies they are charged with overseeing” and declares that oversight of contractors should primarily be a government or government-controlled function.

Contractor Conversion. Prohibits the conversion to contract work any activity or DoD function that, on or after the date of the enactment of this legislation, is performed by more than ten DoD civilian employees (subject to certain conditions).

Competitive Sourcing. Prohibits funds from being made available to perform any cost study pursuant to the provisions of OMB Circular A-76 (competitive sourcing), if the study being performed exceeds a period of 24 months after initiation of such study with respect to a single function activity or 30 months after initiation of such study for a multi-function activity.

Federally Funded Research and Development Centers (FFRDCs). Prohibits funds from being made available to establish a new (DoD) federally funded research and development center, either as a new entity, as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other non-profit entities. Reduces funds for FFRDCs by \$40 million.

Steel. Prohibits funds from being used to procure carbon, alloy, or armor steel plate (for use in any government-owned facility or property under DoD control) that was not melted and rolled in the United States or Canada (subject to waiver).

North Korea. Prohibits funds from being obligated or expended for assistance to North Korea, unless specifically appropriated for that purpose.

FUNDING SUMMARIES OF NOTE:

Dollars in Thousands

	FY 2004 Enacted	FY 2005 Request	FY 2005 House	House Vs. FY 2004	House Vs. Request
Military Personnel, Total.....	98,453,681	104,811,558	104,191,558	+5.83%	-0.59%
Operation and Maintenance, Total.....	115,914,877	121,874,589	120,568,274	+4.01%	-1.07%
Procurement, Total.....	74,656,047	74,662,317	77,354,791	+3.62%	+3.61%
Research, Development, Test, and Evaluation, Total.....	65,217,884	67,772,288	68,946,512	+5.72%	+1.73%
Revolving and Management Funds.....	2,707,969	2,955,138	2,360,836	-12.81%	-20.10%
Defense Health Program.....	15,730,013	17,640,411	17,959,186	+14.17%	+1.81%
Chemical Agents.....	1,500,261	1,371,990	1,371,990	-8.53%	0.00%
Drug Interdiction.....	835,616	852,697	876,697	+4.90%	+2.81%
Related Agencies (intelligence, etc.).....	427,943	551,755	557,044	+30.21%	+0.96%
Rescissions.....	-325,560	0	-399,750	+22.70%	NA
Travel Cards.....	44,000	44,000	44,000	0.00%	0.00%

RSC Staff Contact: Paul Teller, paul.teller@mail.house.gov, (202) 226-9718