



HOUSE ARMED SERVICES COMMITTEE DUNCAN HUNTER – CHAIRMAN

PRESS RELEASE

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House and Senate Conferees Approve the Conference Report for the National Defense Authorization Act for Fiscal Year 2007

*Personnel Benefits, Force Protection Measures and Immediate Needs of America's
Warfighters Drive Final Agreement*

Washington, DC — U.S. House Armed Services Committee Chairman Duncan Hunter (R-CA) today announced that House and Senate conferees have reached agreement on H.R. 5122, the National Defense Authorization Act for Fiscal Year 2007. The legislation sets the policies, programs and funding levels for the nation's military.

The conferees, representing House and Senate defense jurisdictions, authorized \$532.8 billion in budget authority for the Department of Defense (DoD) and the national security programs of the Department of Energy (DoE). This amount includes \$70 billion in supplemental bridge funding to pay for ongoing combat operations in Iraq and Afghanistan. The conference report is expected to be passed by the full House and Senate and sent to President Bush to be enacted into law within the next few days.

Rep. Hunter's statement regarding the conference report follows:

"This legislation honors America's servicemen and women as we mark the fifth anniversary of the terrorist attacks on New York City and the Pentagon. These brave soldiers, sailors, airmen and Marines are taking the fight directly to the enemy in Iraq, Afghanistan and other locations around the world. Our troops must know that Congress supports them and we will do everything in our power to get them the resources they need to be victorious in their endeavors.

"This conference report continues our march down this path. It provides material and budget resources to our troops presently deployed in the war on terrorism, while continuing our aggressive push for more effective solutions to protect our forces in the field.

"First, we provide \$23.8 billion to fulfill the immediate reset and readiness needs of the Army and the Marine Corps. By providing an additional \$20 billion in the supplemental bridge fund, we will ensure our combat forces remain in peak fighting shape.

“Second, we provide funding for improved capabilities to counter improvised explosive devices (IEDs). We continue to support our warfighters this year through an initiative to take back the roads from terrorists and provide the best available IED-jamming devices for vehicle convoys and dismounted personnel.

“This new initiative includes \$109.7 million for radio signal jamming devices that will prevent the radio-initiation of roadside bombs, including \$69 million to purchase jammers that can be carried by individual personnel to provide an umbrella of protection for small patrols. We also provide \$40.7 million for vehicle-born jammers based on an extremely effective, proven technology.

“The second part of this new initiative is \$100 million for at least 10 manned persistent surveillance aircraft to patrol road segments and other areas where IED activity is greatest. These surveillance platforms will be tactical assets controlled by ground commanders in combination with quick reaction forces to prevent IED emplacement. The goal is to create the expectation that IED emplacement is a suicide mission for terrorists.

“I commend President Bush, Secretary of Defense Rumsfeld and our military leaders for continuing our strategy of taking the fight directly to terrorists before they can strike us here at home again. I am grateful to Ranking Member Ike Skelton (D-MO), Subcommittee Chairmen and Ranking Members Curt Weldon (R-PA), Neil Abercrombie (D-HI), Joel Hefley (R-CO), Solomon Ortiz (D-TX), Jim Saxton (R-NJ), Martin Meehan (D-MA), John McHugh (R-NY), Vic Snyder (D-AR), Terry Everett (R-AL), Silvestre Reyes (D-TX), Roscoe Bartlett (R-MD), Gene Taylor (D-MS) and all the members of the House Armed Services Committee for their hard work in advancing this important legislation.”

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A copy of the Conference Report will be posted at <http://armedservices.house.gov/> as soon as it's available.

An overview of major provisions follows:

- ✓ **Overview**
- ✓ **Improved Capabilities to Counter Improvised Explosive Devices**
- ✓ **Supplemental Funding**
- ✓ **Full Funding for Immediate Reset and Readiness Needs**
- ✓ **Taking Care of Our Military Personnel**
- ✓ **Increased Military Manpower**
- ✓ **Pay, Benefits and Military Construction and Housing**
- ✓ **Force Protection Initiatives**
- ✓ **Shipbuilding**
- ✓ **Ground Systems**
- ✓ **Aircraft**
- ✓ **Other Provisions**
- ✓ **Table of Major Programs**

Supporting America's Military Personnel

Conference Report – National Defense Authorization Act for Fiscal Year 2007

OVERVIEW

The annual National Defense Authorization Act sets policies, programs and funding levels for the United States military. This legislation recognizes that the United States is a nation engaged in its fifth year in the Global War on Terrorism. During that time, the sacrifices of the men and women of our armed forces have contributed to a number of critical victories. Our successes in Iraq and Afghanistan are part of a greater effort to promote a stable and prosperous Middle East.

Events of the last year—ranging from ongoing operations in Iraq and Afghanistan and robust counter-terrorism efforts around the globe to time-sensitive disaster and humanitarian responses both at home and abroad—serve to highlight the United States military's flexibility and responsiveness in defending our nation's interests and addressing security challenges wherever and whenever they may arise.

For example, with the support of our coalition partners and over 220,000 Iraqi Security Forces personnel, members of the United States military helped to establish secure, stable conditions under which more than 12 million Iraqis cast their votes for new national assembly representatives last December. That month also figured prominently in Afghanistan, where United States, Afghan and allied forces maintained security and stability as 351 men and women from all provinces, tribes and ethnic groups were inaugurated into the National Assembly. At home, United States forces actively contributed to Hurricane Katrina relief efforts last fall when approximately 20,000 Active Duty and 50,000 National Guard troops supported civil authorities. While these developments are highly encouraging, the war on terror will be long, and success will require America's continuing commitment.

Conferees authorized **\$532.8 billion in budget authority** for the Department of Defense and the national security programs of the Department of Energy. This includes **\$84.2 billion in procurement funding, \$73.6 billion for research, development, testing and evaluation, \$110.1 billion for military personnel, \$155.3 billion for operations and maintenance** and **\$17.1 billion for military construction and family housing**. Specific provisions include:

- An additional **\$70 billion in supplemental funding** to support the war on terror's operational costs, personnel expenses, procurement of new equipment and the necessary immediate funding to reset the force.
- Additional funding for **force protection** needs in support of Operation Enduring Freedom and Operation Iraqi Freedom, including **up-armored Humvees, Humvee IED protection kits and gunner protection kits, improvised explosive device (IED) jammers and state-of-the-art body armor**.
- **Fully funds the immediate Army and Marine Corps shortfalls for readiness and equipment reset.**
- A **2.2% pay raise** for all members of the armed forces.
- Additional **increases of 30,000 Army and 5,000 Marine Corps for active duty end strength** to sustain our required missions.

- Recommends an **end strength for the Army National Guard of 350,000** and provides an additional **\$499 million for National Guard personnel, operations and maintenance** and the **defense health program**, as well as **\$318 million for procurement** to support that end strength.
- **Blocks the Department of Defense's proposed TRICARE Prime, TRICARE Standard and TRICARE Select Reserve fee increases.**

IMPROVED CAPABILITIES TO COUNTER IMPROVISED EXPLOSIVE DEVICES

House and Senate Conferees took strong steps to ensure United States troops in Iraq and Afghanistan have the necessary state-of-the-art technology and equipment to counter the threat posed by improvised explosive devices, which have emerged as the most significant cause of casualties to U.S. troops.

Conferees provided \$2.1 billion for the Joint IED Defeat Organization in order to defeat the threat posed by road-side bombs. Included in the funding are three initiatives advocated by the House Armed Services Committee.

First, House and Senate Conferees provided \$109.7 million for signal jamming devices that will prevent the radio-initiation of roadside bombs, including:

- \$69 million to provide jammers that can be carried by individual military personnel, providing an umbrella of protection for dismounted patrols, and
- \$40.7 million to provide enhanced vehicle-borne jammers that are effective in meeting current and emerging threats.

Second, conferees provided \$100 million to take back the roads in Iraq. The funding will provide for at least 10 manned surveillance aircraft to patrol road segments and other areas where IED activity is greatest. These light surveillance platforms will be tactical assets controlled by the ground commanders in combination with quick reaction forces to prevent IED emplacement. The goal is to create the expectation that IED emplacement is a suicide mission.

Third, conferees agreed to require that all U.S. wheeled vehicles outside of a U.S. base in Iraq or Afghanistan be protected by electronic countermeasures.

Building on their aggressive oversight activities, House and Senate conferees also agreed to require the Secretary of Defense to submit to Congress a report regarding the status of the threat posed by IEDs that describes efforts being undertaken to defeat the IED threat with the initial report submitted 90 days after enactment of this Act. Additional supplemental reports must be submitted quarterly to account for every reported incident involving the detonation or discovery of an IED since the previous report was submitted.

These efforts build on the House Armed Services Committee's significant oversight of the Defense Department's efforts to defeat IEDs. The committee was responsible for the creation of Rapid Acquisition Authority for the Secretary of Defense and encouraged the use of this authority to acquire initial IED jammers for dismounted military personnel in Operation Iraqi Freedom. The committee also assisted with expediting the production of these portable jammers for deployment to Iraq and encouraged industry to speed up production of armor for vehicles in Iraq.

SUPPLEMENTAL FUNDING

Conferees authorized \$70 billion, to be made available upon enactment of this legislation, to support the defense activities principally associated with Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). These funds are designated for emergency contingency operations to support force protection requirements, operational needs and military personnel engaged in the Global War on Terrorism.

Included in the force protection recommendation is funding for Up-Armored High Mobility Multipurpose Wheeled Vehicles (“Humvees”), tactical wheeled vehicle recapitalization and modernization of the most heavily used vehicles in OIF and OEF, night vision devices and improvised explosive device counter-measures, including jammers.

Incorporated in the day-to-day operation recommendation is funding to pay for food, fuel, spare parts, maintenance, transportation, base expenses and costs incurred by stateside installations for increased mobilizations and demobilizations.

FULL FUNDING FOR IMMEDIATE RESET AND READINESS NEEDS

House and Senate conferees consider it critical that the capabilities and capacity of the armed forces continue to improve so they can accomplish the full range of diverse 21st Century missions, minimize risks associated with such challenges and effectively engage in hostilities, when necessary, as far from American shores as possible. Thus, the conferees’ top priority remains ensuring that our military personnel receive the best equipment, weapons systems and training possible. As such, the conference report provides for both near- and longer-term military personnel and force structure requirements.

In light of recent testimony from the Army and Marine Corps before the House and Senate Armed Services Committees, conferees committed to providing the necessary funding for equipment reset to remedy immediate shortfalls in the maintenance, recapitalization and replacement of equipment used in Operations Iraqi Freedom and Enduring Freedom. The conferees agreed to fully fund Army and Marine Corps reset at \$23.8 billion from the emergency supplemental fund to satisfy the immediate reset requirements for FY2007, as well as the backlog from previous years. By providing these funds at the onset of the upcoming fiscal year, the Army will be able to program and execute this money in the most efficient way possible.

This funding will also dramatically improve equipment readiness. For example, Army brigade combat teams that are next in line to deploy will receive much-needed equipment months before their next deployment, instead of utilizing theater stocks for some of their equipment requirements. Additionally, other brigade combat teams and smaller units that are about to return from Iraq and Afghanistan will have new equipment on which they can train—greatly improving their readiness status.

The conferees also included a provision that requires the Secretary of Defense to fully fund each year’s equipment reset for all of the services. Additionally, House and Senate conferees assigned a high priority to the fulfillment of equipment requirements for Army units transforming to modularity, and the reconstitution of Army prepositioned stocks. By fully funding these two accounts, the new modular brigade combat teams and enabling units will have the equipment they need to be ready for upcoming missions. The strategic prepositioned stocks stationed around the world will be supplied and available to respond to future contingencies. In addition to requiring the Secretary of Defense to properly budget for the military services’ reset, Army modularity and Army prepositioned stocks, conferees required the services to build into their budget justification materials exact and unambiguous data on the funding needs of these programs.

TAKING CARE OF OUR MILITARY PERSONNEL

Through the conference report, the conferees continue to assert their support for the outstanding soldiers, sailors, airmen and Marines who selflessly make significant personal sacrifices to protect and defend America. To ensure that the United States armed forces remain robust enough to meet the full range of 21st Century security challenges, particularly those related to the Global War on Terrorism, the conference report recommends for FY2007 additional active duty growth of 30,000, or 6 percent, for the Army and 5,000, or about 3 percent, for the Marine Corps above the budget request. These recommendations would bring the Army end strength to 512,400 and the Marine Corps to 180,000. In addition, conferees support the Department of the Army's decision to request an Army National Guard (ARNG) end strength of 350,000. To support this additional manpower, the conference report increases Army funding by \$2.6 billion, Marine Corps funding by \$352 million and Army National Guard funding by \$499 million for personnel related costs and an additional \$318 million for Army National Guard procurement.

The conference report also reflects conferees' on-going commitment to improving the efficiency and effectiveness of servicemembers' benefits. The conferees recommend a combined across-the-board pay raise and targeted pay raise, which would decrease, on average, the 4.5 percent gap between military and private sector pay to about 4.0 percent on average. Moreover, the conference committee has determined that the Department of Defense's proposed cost-sharing plan for the TRICARE health program requires further study to ensure that a comprehensive policy and fiscal basis for sustaining future military health care benefits are in place. The conference report also improves programs for our nation's wounded military personnel and the surviving family members of those who have died or have been seriously injured in service.

INCREASED MILITARY MANPOWER

Increase in Active Army and Marine Corps End Strength. To address manpower needs, the conference report recommends an increase of 30,000 personnel in the Army and 5,000 in the Marine Corps in 2007. That would bring the Army's authorized end strength to 512,400 and the Marine Corps to 180,000. In addition, the conference report provides the Secretary of Defense with the authority to continue to grow the Army to 532,400 and the Marine Corps to 184,000 during the 2007 through 2009 period.

Increase in Army National Guard End Strength. The original budget request for FY2007 proposed an end strength for the Army National Guard of 332,900. Subsequently, the Secretary of Defense submitted a revised Army National Guard end strength authorization of 350,000 for FY2007. The conference report supports that higher authorization and provides the required additional funding of \$499 million for military personnel, operations and maintenance and defense health. The conference report recommends an additional \$318 million for Army National Guard equipment procurement to support the recommended end strength.

PAY, BENEFITS AND MILITARY CONSTRUCTION AND HOUSING

Defense Health Program (DHP). House and Senate conferees continued to show strong support for the Defense Health Program by building on the health care improvements and enhancements enacted in recent years. Conferees were especially concerned about a proposed change by the Department of Defense to increase beneficiaries' cost shares. Accordingly, the conference report contains the following provisions:

Prohibition of DOD TRICARE Cost-share Proposal. The conference report prohibits (until September 30, 2007) DoD's ability to increase TRICARE Prime, Standard and TRICARE Reserve Select cost shares. That delay will allow Congress time to assess recommendations from an independent task force, the

Comptroller General and the Congressional Budget Office, for a comprehensive policy and fiscal basis for sustaining the future military health care benefit.

Restoration of funding to the Defense Health Program. House and Senate conferees added \$486 million to the Defense Health Program to restore funding cut by the budget request in anticipation of increased beneficiary cost shares.

Provides TRICARE Coverage for Forensic Examinations. The conference report provides TRICARE coverage for forensic examinations following sexual assaults and domestic violence.

Expands TRICARE Coverage for Anesthesia and Hospital Costs. House and Senate conferees expanded TRICARE coverage for anesthesia and hospital costs for dental care provided to young children and mentally or physically challenged beneficiaries.

Expands TRICARE Coverage for Selected Reserve Members. The conference report expands eligibility for TRICARE coverage to members of the Selected Reserve and their families by providing TRICARE standard coverage while not on active duty for a nominal cost share.

Blocks Increases in Pharmacy Cost Shares until September 30, 2007. Conferees agreed to block increases in pharmacy cost shares for beneficiaries in the Defense Health Program.

Other Health Care Provisions. The conference report also included numerous other health care provisions, including the following:

- Authorizes a demonstration project to evaluate the benefits of including over-the-counter drugs as an additional option in the pharmacy benefits program;
- Streamlines the administrative requirements for health care providers by standardizing claims processing under TRICARE and Medicare; and
- Applies uniform standards for access to health care services for wounded or injured servicemembers.

Mental Health Provisions. Conferees also included several provisions to ensure that servicemembers receive adequate mental health benefits. These include:

- Enhanced mental health screening and services for members of the armed forces, as well as pilot programs on early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions,
- Expands the focus of the Department of Defense Task Force on Mental Health for National Guard and Reserve servicemembers serving in Operation Enduring Freedom and Operation Iraqi Freedom, and
- Directs the development of a comprehensive and systematic approach for the identification, treatment, disposition and documentation of traumatic brain injuries.

Basic Military Pay. Conferees continue to build on the progress made in the last eight years to decrease the gap between military and private sector pay increases. Accordingly, conferees agreed to fund the President's request for a 2.2 percent across the board military pay raise and authorized an additional \$263 million to fund

an additional pay raise targeting warrant officers and senior enlisted members. With these combined increases, the average military pay raises over the last eight years have totaled 41 percent.

Recruiting and Retention. Recognizing that servicemember's benefits are key to the recruitment and retention of our men and women in uniform, conferees authorized several bonus and pay increases. They include:

- An increase in the maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties from \$10,000 to \$25,000;
- An increase in the maximum amount for the nuclear career accession bonus from \$20,000 to \$30,000;
- An increase in the maximum amount for the incentive bonus for transfer between armed forces from \$2,500 to \$10,000;
- An increase from \$150,000 to \$400,000 in the amount of coverage under the Servicemembers' Group Life Insurance that the services would be required to fund for those serving in OIF and OEF; and
- Reforms the military services' physical evaluation board (PEB) process (the process that awards disability ratings) to address concerns of military members, particularly reserve component members, about the consistency and timeliness of PEB decisions, the ability of members to gain information about PEB procedures, and the rationale supporting board decisions.

Medical Recruiting and Retention. The conference report provides an array of enhanced authorities to address medical skill shortages, including:

- Increases medical education loan repayment authority from \$22,000 to \$60,000;
- Increases the stipend under the Health Professions Scholarship Program from \$579 a month to a maximum of \$30,000 a year;
- Increases the maximum grant under the Health Professions Scholarship Program from \$15,000 to \$45,000;
- Increases the reserve critical health skill special pay from \$10,000 to \$25,000;
- Increases the accession bonus for dentists from \$30,000 to \$200,000; and
- Establishes a \$400,000 accession bonus for critical physician and dentist skills.

Protection of Members Against Unfair Government Debt Collection Practices. The final conference report makes significant strides to protect members of the armed forces from unfair government debt collection practices. It expands debt remission policies and makes the authority permanent law, sets limit on repayment installments to 20 percent of monthly pay, bars reporting of debts to consumer reporting agencies if remission or waiver is being considered, increases the limit of the Secretary of Defense's authority to waive debt from \$1,500 to \$10,000 and extends the waiver period from 3 to 5 years.

Additional Servicemember Protections Against Predatory Lenders. The conferees expressed strong concerns about predatory lending practices and the hidden costs that many servicemembers and their dependents face. Accordingly, the conference report contains provisions that provide additional safeguards

for servicemembers and their dependents who are extended credit. These include capping the annual percentage rate at 36 percent to include all fees associated with the extension of credit, prohibiting creditors from charging servicemembers annual interest percentage rates for loans that are higher than the legal residents of the state and prohibiting rollovers. Moreover, creditors are prohibited from extending credit if the borrower's legal rights are waived, the creditor demands unreasonable notice from the borrower, or if the borrower is prohibited from prepaying the loan or charged a fee for prepaying, among other safeguards. Additionally, the conferees require the Secretary of Defense, with other regulatory agencies, to establish the implementing regulations of this provision.

Casualty Assistance Programs. The conferees have identified the need to improve the programs that directly affect not only those who have been wounded or injured, but provide for the surviving family members of those who have died or have been seriously injured in service. Therefore, the legislation contains the following provisions:

Respectful Transportation of Remains. House and Senate conferees require that the remains of military personnel who die during combat operations or who die of non-combat related injuries in a combat theater to be moved by dedicated military or military contracted aircraft, unless an alternative form is specifically requested by the designated next of kin, from Dover Air Force Base, Delaware, to the applicable escorted remains destination. It also requires that proper military honors be rendered by military personnel, to include an Honor Guard Detail, at the destination airfield.

Expanded Policy on Casualty Assistance to Survivors of Military Decedents. The conference report requires the Secretary of Defense to address the process by which the Department of Defense, upon request, briefs survivors of military decedents on the cause of, and any investigation into, the death of such military decedents and the disposition and transportation of their remains.

Comprehensive Review of Mortuary Affairs Procedures of the Department of Defense. House and Senate conferees agreed to require the Secretary of Defense to conduct a comprehensive review to address capabilities and standards employed in combat theaters that could preserve the remains of deceased personnel and expedite the return of remains to the United States in a non-decomposed state.

Active Duty and Reserve Component Special Pays and Bonuses. The conference report recommends many special pays and bonuses, including:

- Extension of nurse officer candidate accession program;
- Extension of accession bonus for registered nurses;
- Extension of incentive special pay for nurse anesthetists;
- Extension of accession bonus for dental officers;
- Extension of accession bonus for pharmacy officers;
- Extension of special pay for nuclear-qualified officers extending their period of service;
- Extension of nuclear career accession bonus;
- Extension of nuclear career annual incentive bonus;

- Increase of the incentive bonus for transfer between armed forces from \$2,500 to \$10,000;
- Retention bonus for members with critical skills; and
- Accession bonus for new officers in critical skills.

POW-MIA Programs. The conferees reaffirmed their strong support for the full funding of all four major Department of Defense organizations directly involved in the full accounting of U.S. military personnel who are missing in action and prisoners of war. The conferees remain concerned about shortfalls in both funding and manpower, and as the first step in assuring adequate resources, the conference report requires future budget submissions to display the full funding requirements of all four organizations.

Department of Defense Computer/Electronics Program for Severely Wounded Members. The conference report authorizes the Secretary of Defense to provide computer/electronic assistive technology, devices and technology services to military personnel who have sustained a severe or debilitating illness or injury while serving on active duty. Such devices and services could be provided for an indefinite period, without regard to whether the person being assisted continues to be a member of the armed forces or not.

Second Basic Housing Allowance for Reserve Component or Retired Members in Support of Contingency Operations. House and Senate conferees authorize a second monthly housing allowance effective October 1, 2006, to reserve component members without dependents mobilized in support of a contingency operation and serving in a duty location that does not allow the members to reside at their permanent residence.

Reduction of Time-in-Grade Requirement for Promotion to Captain in the Army, Air Force, Marine Corps and Lieutenant in the Navy. The conference report temporarily extends the authority to reduce from 24 months to 18 months the minimum time-in-grade required in the grade of O-2 before promotion to the grade of O-3.

Military Construction. The conference report recommends \$17.1 billion, an increase of \$400 million over the Administration's request, for military construction and family housing, including:

- \$2.3 billion (\$204.3 million more than the Administration's request) for Army construction projects;
- \$1.3 billion (\$129.2 million more than the Administration's request) for Navy construction projects;
- \$1.3 billion (\$152.1 million more than the Administration's request) for Air Force construction projects;
- \$1.2 billion (\$294.3 million more than the Administration's request) for Guard and Reserve construction projects;
- \$4.1 billion (\$28.5 million less than the Administration's request) for family housing operations, maintenance, and construction projects, and
- \$5.8 billion (matching the Administration's request) for base realignment and closure (BRAC) activities, including construction, moving costs, and environmental cleanup associated with the 2005 and prior BRAC rounds.

FORCE PROTECTION INITIATIVES

Up-Armor Humvees. Conferees agreed to authorize an increase of \$1 billion for the procurement of Level 1 Up-Armored Humvees (UAHs) for Army, Air Force and Marine Corps units. These additional funds would procure additional M1114 UAHs and the M1151/2 UAHs to address United States Central Command theater requirements, as well as to continue to ramp up and sustain monthly maximum production rates. The additional funds also address unfunded Army and Marine Corps equipment reset requirements as well as the Air Force Chief of Staff's unfunded requirements.

Up-Armor Humvee IED Fragmentation Kits and Gunner Protection Kits. The conference report authorizes an increase of \$214 million for the procurement of IED fragmentation kits and gunner protection kits for Up-Armored Humvees. The funds would be used to continue upgrade efforts to provide additional IED fragmentation protection to doors, door frames, fuel tanks and underbody regions. In addition, the funds would be used to continue efforts to provide protection to gunners operating in turrets.

Enhanced Body Armor. Conferees agreed to authorize a total of \$800.7 million for the continued production of state-of-the-art body armor and associated components, an increase of \$735 million over the budget request. Personnel body armor or Interceptor Body Armor (IBA) consists of an outer tactical vest (OTV) and a set of ballistic plate inserts called Small Arms Protective Inserts (SAPI), located in the front, back, and sides of the vest. The Army and the Marine Corps had anticipated the potential for more severe small arms threats and have accelerated the production of enhanced, slightly heavier-weight inserts referred to as ESAPI. There are also other component pieces that can be applied to IBA to protect the throat, groin, shoulders, arms and legs. The vest by itself, without SAPI or ESAPI plates, protects against small fragmentation and 9 millimeter rounds (used in pistols). SAPI plates increase the level of ballistic protection of the IBA system up to the 7.62 millimeter round (the most prevalent small arm threat in Iraq and the round used in medium machine guns like the AK-47). ESAPI plates provide further protection, the details of which are classified. The additional funds would be used to continue rapid procurement of enhanced side ballistic inserts to address the OIF theater requirement as well as address other backfill requirements for enhanced front and back inserts for the Army in addition to component protection pieces for the United States Marine Corps.

Ammunition Industrial Base Upgrades. Conferees agreed to an increase of \$59.2 million for upgrades to three small and medium caliber Army ammunition plants: Lake City Army Ammunition Plant (AAP), Scranton AAP and Radford AAP. These upgrades are required, not only to update World War II-era production lines, but also to fulfill the production requirements as a result of increased training and operational expenditures resulting from the Global War on Terrorism.

Armored Security Vehicles (ASV). The conference report authorizes an increase of \$83 million to procure ASVs and address an unfunded requirement by the Army Chief of Staff. The ASV, an integral component for convoy force protection, is an all-wheel drive armored vehicle that provides ballistic protection, overhead protection and protection against land mines and IEDs.

SHIPBUILDING

DDG-1000 Next Generation Destroyer. House and Senate conferees agreed to authorize \$2.568 billion to split fund the first two ships of the next generation destroyer class to maintain a competitive environment for the procurement of the follow-on ships in the class. Conferees expect the Navy to structure the DDG-1000 program to procure the follow-on ships using full funding in a single year.

Attack Submarine Force Structure. The conference report expresses a sense of Congress that the attack submarine force should not drop below 48. Conferees also required the Navy to submit a report describing what would be required to start building two attack submarines a year starting in FY2010.

Virginia Class Submarine. Conferees included \$400 million for the advance procurement of a second Virginia Class attack submarine in FY2009.

Submarine Design Industrial Base. The final conference report includes several significant research and development projects to enhance the capability and reduce the cost of the Virginia Class submarine.

DDG Modernization Program. Conferees authorized \$52.2 million, \$50 million more than the Administration's budget request, to accelerate the modernization of DDG-51 Arleigh-Burke-class destroyers.

Shipbuilding Industrial Base Improvement Program. House and Senate conferees agreed to require the Secretary of the Navy to report on the inefficiencies and shortfalls of America's shipbuilding industry. The report is to also include information on the effectiveness of contract incentives used in the CVN-77 program and Virginia Class submarine program to encourage capital investment in shipbuilding processes and infrastructure. The conferees authorized \$20 million for the National Shipbuilding Research Program, which is designed to facilitate improvement in the efficiency and competitiveness of the domestic shipbuilding industry.

Trident Sea-launched Ballistic Missiles—Conventional Trident Modification (CTM). Conferees agreed to authorize \$30 million. While the Administration's CTM budget request was \$127 million, conferees continue to believe it is important for DoD to explore a wide range of capabilities for responding rapidly to emerging threats to the United States and its strategic interests, and require the Defense Secretary, in consultation with the Secretary of State, to submit a report to Congressional defense committees as soon as possible proposing those activities that may be required during FY2007 to make progress toward developing those concepts deemed appropriate, to include reprogramming actions.

Cost Limitation for San Antonio (LPD-17) Class Amphibious Ship Program. Conferees agreed to limit the total funds expended for four San Antonio class amphibious ships (LPD-22, LPD-23, LPD-24, LPD-25) to the contract ceiling prices. It was also agreed that the Secretary of the Navy may adjust limitation amounts for several reasons, including costs directly attributable to the effects of Hurricane Katrina.

CVN-21 Class Aircraft Carrier Procurement. Conferees agreed to authorize the Secretary of the Navy to incrementally fund procurement of CVN-21 class aircraft carriers designated CVN-78, CVN-79 and CVN-80, as applicable, over periods of up to four years, commencing with the fiscal year of the contract for construction of the applicable aircraft carrier.

Cost Limitations for CVN-21 and LHA(R) Procurement Programs. Conferees agreed to limit the total procurement funds expended for the lead ships of the CVN-21 and LHA(R) ship classes to the current Navy cost estimates. Additional authority was given to the Secretary of the Navy to adjust the cost limitations to acknowledge the additional uncertainty of procuring the lead ships.

Alternative Technologies for Future Surface Combatants. The conference report expresses the sense of Congress that the Navy should make greater use of alternative technologies, including integrated power systems, fuel cells, and nuclear power when choosing propulsion systems for major surface combatants. The provision requires the Navy to include integrated power systems, fuel cells and nuclear power in the analysis of alternatives for propulsion of future major surface combatant ships.

Aircraft Carrier Force Structure and USS John F. Kennedy Retirement. The conferees agreed to reduce the minimum carrier force structure requirement from 12 to 11 to be in alignment with the 2006 Quadrennial Defense Review. This allows the Navy to retire the *USS John F. Kennedy*; however the conference report requires the Navy to maintain the ship to be available for reactivation, if required to respond to a national emergency. The conferees also acknowledge the Chief of Naval Operation's recognition of the importance of the Jacksonville area to the Navy and his commitment to Naval Station Mayport.

Sense of Congress to name CVN-78 the USS Gerald R. Ford. In recognition of the contributions of former president Gerald R. Ford to the nation, the conferees recommend that the Secretary of the Navy name CVN-78 the *USS Gerald R. Ford*.

Retired Battleships USS Iowa and USS Wisconsin. To ensure the availability and utility of the *USS Iowa* and *USS Wisconsin* should they be required to be reactivated in response to a national emergency, the conferees clarified the requirements for their maintenance when donated to organizations for use as museums.

GROUND SYSTEMS

Reports on Army Modularity Initiative. The conference report requires the Secretary of the Army to submit a report to the Congressional defense committees no later than March 15, 2007, outlining specific costs, funding and equipment distribution of the Army's modularity initiative and the progress the Army is making in the equipping of the active and Reserve components. The annual report should include a complete itemization of the requirements for all types of modular brigades; a schedule and assessment of the progress made toward transforming to modularity; a complete itemization of the amount of funds expended to date on the modular brigades; and the results of Army assessments of modular force capabilities, including lessons learned from existing modular units and any modifications that have been made to modularity.

Future Combat Systems (FCS) Milestone Review. Conferees agreed to require the Secretary of Defense to conduct an FCS milestone review no later than 120 days after completion of the FCS preliminary design review. The review shall include a comprehensive assessment and will determine whether the program should continue as currently structured, continue in a restructured form, or be terminated. Although the provision withholds the obligation of FCS procurement funds beginning in FY2009 until the Secretary submits the required report, the provision allows the Department of the Army to obligate funds for the non-line-of-sight cannon and for the costs attributable to insertion of new technology into the current force, if the insertion is approved by the Under Secretary of Defense for Acquisition, Technology and Logistics. Conferees strongly endorse a program strategy that will enable early spinout of FCS technologies into the current force, a top priority of the Chief of Staff of the Army.

Bridge to the Future Networks Program. Conferees agreed to a provision that would limit to not more than 75 percent, the amounts authorized to be appropriated for the bridge to the future networks program, until the Secretary of the Army submits a report to the Congressional defense committees on an analysis of the integration of the Joint Network Node (JNN) and the Warfighter Information Network-Tactical (WIN-T).

Report on Vehicle-Based Active Protection Systems for Certain Battlefield Threats. Conferees agreed to require the Secretary of Defense to contract with an appropriate entity independent of the United States government to conduct an assessment of various foreign and domestic technological approaches to vehicle-based active protective systems. Conferees expect the Secretary of Defense to provide to the entity selected to perform the independent assessment, the documentation and findings of all related studies of active protection systems conducted by the Department of Defense within the last three years or deemed relevant by the Secretary.

Multiyear Procurement Authority for Family of Medium Tactical Vehicles. The conferees strongly urge the Secretary of the Army, beginning in the planning, programming, budgeting, and execution phase for fiscal year 2008, to request authority from Congress to enter into a multiyear procurement (MYP) contract for the FMTV program. The provision would not grant multiyear procurement authority for the FMTV program. The Secretary of the Army must comply with the criteria set forth in USC Title 10 sec. 2306 (b) and provide to Congress the necessary justification materials as required by this statute to justify a multiyear procurement (MYP) contract. This section would also express the Sense of Congress that FMTVs to be procured under this MYP contract would incorporate improvements from lessons learned from operations involving the global war on terrorism, as well as existing FMTV product improvement programs in the areas of force protection, survivability, reliability, network communications, situational awareness and safety.

Independent Estimate of Costs of the Future Combat Systems (FCS). The conference report stipulates that the Defense Secretary submit a report of an independent cost estimate for FCS conducted by a federally funded research and development center with a submission date of April 1, 2007.

Priority for Allocation of Replacement Equipment to Operational Units Based on Combat Mission Deployment Schedule. The conferees agreed to expand the authority as provided for in the National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375). In the amounts authorized to be appropriated by this title for the procurement of replacement equipment for the distribution of new and combat serviceable equipment, with associated support and test equipment for active and reserve component forces, the Secretary of Defense shall ensure that priority be given to operational units based on combat mission deployment schedule regardless of component. In addition, the conferees directed the Secretary of Defense to conduct a study on the priority distribution strategy for replacing National Guard equipment and report back to the Congressional defense committees no later than April 1, 2007.

AIRCRAFT

B-52H Bomber Force Structure. Conferees authorized the Secretary of the Air Force to retire up to 18 excess attrition reserve B-52 bombers after the Secretary submits a report on the bomber force structure required to fulfill the U.S. national security strategy. Conferees also prohibited retirement of more than 18 B-52s until a long-range strike replacement with equal or greater capability has attained initial operational capability or until January 1, 2018, whichever occurs first. B-52s retired during or after fiscal year 2007 should be maintained in a condition that would allow reactivation to meet future requirements.

Strategic Airlift Force Structure. House and Senate conferees agreed to require the Air Force to maintain a minimum strategic airlift force structure of 299 aircraft beginning in FY2009. Conferees support the Air Force Chief of Staff's number one unfunded priority, agreeing that procurement of at least seven additional C-17 aircraft would help mitigate the risk associated with the uncertainties of determining the Department's airlift requirements. The conferees agree to authorize \$4.6 billion for procurement of 22 C-17 aircraft and direct the Secretary of Defense to define specific mobility requirements not provided in the Mobility Capabilities Study.

Limitation on Retirement of KC-135E Aircraft During FY2007. Conferees agreed to prohibit the Secretary of the Air Force (SECAF) from retiring more than 29 KC-135E aircraft during FY2007, and require the SECAF to maintain all retired KC-135Es, after September 30, 2006, in a condition which would allow recall to future service.

Multiyear Procurement Authority for F-22 Raptor Fighter Aircraft. The budget request contained \$1.5 billion for the F-22 aircraft procurement program, but included insufficient funds to procure 20 F-22s in

FY2007. The conferees believed that a full-funding policy should apply to F-22 procurement and therefore recommended \$2.9 billion to fully fund and procure 20 F-22s in FY2007, an increase of \$1.4 billion over the budget request. The conferees also included a provision that would authorize a three-year, 60-aircraft multiyear procurement subject to the completion of a federally funded research and development center report on F-22 multiyear procurement cost estimates, and the Secretary of Defense's certification that all conditions required to justify the F-22 multiyear procurement have been met.

F-117A Aircraft Retirements in FY2007. The conferees agreed to the Air Force's request to retire 10 F-117A aircraft in FY2007. However, the conference authorization bill includes a provision that would require all retired F-117A aircraft to be retained in a condition that would allow recall of those aircraft to future service.

Joint Strike Fighter (JSF). The conferees agreed to authorize a total of \$4.37 billion for both Navy and Air Force JSF development. This amount includes an increase to the budget request of \$340 million to continue development of a second competitive, interchangeable propulsion system for all three variants of the JSF. The conferees also agreed to authorize a total of \$926 million for the procurement of four aircraft in FY2007 and for advance procurement of aircraft planned for procurement in fiscal year 2008, \$334 million less than the budget request. This decrease is due to conferee concerns that the JSF program is not far enough along in the development of the aircraft before more significant production investments should be made. The conferees also agreed to a provision that would require the Secretary of Defense to provide for the continued development and procurement of two interchangeable JSF propulsion systems until: independent cost analyses are completed by the Comptroller General, a federally funded research and development center and the Office of the Secretary of Defense's Cost Analysis Improvement Group; and funds are appropriated for that purpose pursuant to an authorization of appropriations.

VH-71A Presidential Helicopter Replacement Program. House and Senate conferees agreed to provide \$683 million for the VH-71 program, which was the budget request.

KC-130J and C-130J. Conferees provided the budget request of \$253 million for four KC-130Js for the Marine Corps and \$697 million for nine C-130Js for the Air Force.

Limitation on Retirement of C-130E Tactical Airlift Aircraft. The conferees agreed to the Air Force's plan to allow the Secretary of the Air Force to retire up to 51 C-130E tactical airlift aircraft in FY2007. However, the conference authorization bill includes a provision that would require all retired C-130E tactical airlift aircraft to be retained in a condition that would allow recall of those aircraft to future service.

Joint Primary Aircraft Training System (JPATS). The conferees agreed to authorize a total of \$446 million for 21 Navy and 48 Air Force JPATSs. Additionally, the conferees included a provision that would change the terms and conditions of the existing JPATS contract from a commercial item contract to a standard negotiated defense contract, which would provide the Government the oversight it needs to procure the aircraft at a fair price.

F/A-18E/F Superhornet and EA-18G Growler. The F/A-18E/F Superhornet began production eight years ago and is operating on Navy aircraft carriers today, replacing the F-14 which retired earlier this year. To continue to provide the Navy with the improved capabilities of the Superhornet, conferees provided \$2.3 billion for procurement of 30 F/A-18E/Fs. House and Senate conferees also recommended \$865 million for 12 EA-18G Growler aircraft. The Growler will eventually replace the EA-6B, currently used as the Navy and Air Force tactical stand-off jamming aircraft.

MV-22 and CV-22 Osprey. The conferees agreed to provide the budget request of \$1.3 billion for 14 MV-22s for the Marine Corps and \$209 million for two CV-22s for the Air Force. The conferees also included an authorization for multiyear procurement of both MV-22s and CV-22s which would begin with the FY2008 program year.

Light Cargo Aircraft. Given that, since the original budget request, the Army and Air Force signed a memorandum of understanding merging their individual programs to produce an intra-theater fixed-wing aircraft (called the Joint Cargo Aircraft), conferees agreed to reduce the Aircraft Procurement, Army (APA) by \$109.2 million and increase Aircraft Procurement, Air Force (APAF) by a like amount. Conferees also agreed that until the Joint Chiefs of Staff Intra-theater Lift Capabilities Study Phase 1 and the Air Mobility Command's Roadmap are complete, the right mix and number of intra-theater aircraft will not be determined. Therefore, it would be premature to procure aircraft until the Department of Defense completes these efforts and presents them to the Congressional defense committees.

Limitation on Retirement of U-2. Conferees agreed to preclude the retirement of U-2s in FY2007; retirement after that point is contingent upon the Defense Secretary's certification to Congress that the U-2's intelligence, surveillance, and reconnaissance capabilities no longer contribute to mitigating any gaps in ISR capabilities identified in the Quadrennial Defense Review.

OTHER PROVISIONS

Iraq. The conference report provides further support for U.S. troops by taking a strong stand against the granting of amnesty by the Iraqi government to persons who have attacked, killed or wounded our troops in Iraq and commending strongly the actions—both by U.S. and allied troops—that led to the death of Abu Musab al-Zarqawi. The report also includes a provision that ensures continued oversight of reconstruction efforts in Iraq while insisting on long-term Department of Defense and Department of State accountability for spending related to these efforts.

Increase in Authorized Number of Assistant Secretaries of Defense. Conferees included a provision requested by the Department of Defense to increase the number of authorized Assistant Secretaries of Defense from nine to ten. This increase is in support of a reorganization of the Office of the Under Secretary of Defense for Policy and allows the Secretary of Defense to develop a more balanced set of portfolios, address more effectively the full range of national security challenges, and interact more efficiently with other federal departments and the combatant commanders. Conferees also expressed interest in and concern about assigned responsibilities of the Assistant Secretaries, including the impact on counternarcotics, counterproliferation and other programs, and directed the Secretary of Defense to submit a detailed report on the reorganization by February 1, 2007. They also expressed the expectation that Defense officials will consult frequently with the defense committees as the reorganization goes forward.

Modification and Extension of Authorities relating to Program to Build the Capacity of Foreign Military Forces. Conferees agreed to modify and extend a pilot program, as provided in section 1206 of the National Defense Authorization Act for FY2006, that allowed the President to direct the Secretary of Defense to build the capacity of foreign military forces for counterterrorism and stability operations. The conference report changes the overall authority by: providing it directly to the Secretary of Defense, with the concurrence of the Secretary of State, rather than to the President; allowing the Secretary of Defense to use up to \$300 million in Defense operation and maintenance funds; and extending the authority until September 30, 2008. In making these changes, conferees strongly discouraged any further modifications until the Defense Department has established a successful track record through the pilot program. They also stated that foreign assistance programs are more appropriately funded through foreign assistance accounts, as

administered by the State Department, and urged the Administration to request sufficient funding for those accounts.

Modifications to the Combatant Commander Initiative Fund. The conference report includes a provision that expands the Combatant Commander Initiative Fund for geographic combatant commanders to provide urgent and unanticipated humanitarian relief and reconstruction assistance, particularly to countries where U.S. forces are engaged in contingency operations. Conferees also increased the FY2007 amount authorized for this fund by \$5 million.

Logistic Support for Allied Forces Participating in Combined Operations. The conference report authorizes the Secretary of Defense to use up to \$100 million to provide logistic support, supplies, and services to allied forces that are participating in active hostilities, a contingency, or a non-combat operation alongside U.S. forces in a combined operation. Additionally, the conference report authorizes up to an additional \$5 million to focus on inter-operability of logistical support systems and requires the Secretary of Defense to report annually on the use of the authority.

Temporary Authority to Use Acquisition and Cross-servicing Agreements to Lend Certain Military Equipment to Foreign Forces in Iraq and Afghanistan for Personnel Protection and Survivability. Conferees agreed to give the Secretary of Defense the authority to lend certain significant military equipment, using acquisition and cross-servicing agreements and for up to one year, to the military forces of nations participating in combined operations with the U.S. armed forces in Iraq and Afghanistan. This authority is limited to FY2007 and FY2008 and to such “significant military equipment” in specified categories on the U.S. munitions list so these forces can be better protected against weapons, such as improvised explosive devices, in theater.

Consolidation and Standardization of Authorities Relating to Department of Defense Regional Centers for Security Studies. House and Senate conferees agreed to streamline management of DoD Regional Centers for Security Studies through a uniform set of authorities for all Centers. Along with allowing the Centers to conduct research and facilitate the exchange of ideas between U.S. and foreign personnel, the Secretary of Defense has authority to waive reimbursement costs for military officers and civilian defense and security officials from developing countries. He also has authority, within Title 10, United States Code, to employ and compensate civilians as directors, deputy directors and faculty at these Centers.

Major Defense Acquisition Reform. Conferees continued their efforts to ensure that reforms to the acquisition process will decrease costs while still providing our men and women in uniform with the best weapons systems possible. To that end, the conference report includes a provision to ensure that acquisition professionals are certified to authorize and identify requirements on major weapons systems; establishes a contracting integrity panel to ensure ethical behavior; authorizes a pilot program on “time-certain” development and requires an examination of the level of program risk and a revision of policies related to contingency planning; and prohibits unjustified award and incentive fees of defense contracts and prohibits excessive charges that provide no tangible benefit to the government.

Establishment of Defense Challenge Process for Critical Cost Growth Threshold Breaches in Major Defense Acquisition Programs. The conferees reiterated their concern about substantial cost growth in major defense acquisition programs and provided an additional mechanism to find affordable solutions to address cost growth. This provision calls for the Secretary of Defense to perform an assessment of any design, engineering, manufacturing, or technical integration issues that contributed significantly to the cost growth of a major defense acquisition program, in the event such an acquisition program experiences a critical cost growth threshold breach, which occurs when a program exceeds 25% of its current per unit baseline cost estimate or 50% of its original per unit baseline cost estimate. Subsequently, the Under

Secretary of Defense for Acquisition, Technology, and Logistics is required to expeditiously release a broad agency announcement soliciting Defense Acquisition Challenge Proposals specifically addressing the major defense acquisition program with the critical cost growth threshold breach and the technical issues identified in the Secretary's assessment. Finally, the measure includes provisions for establishing priorities for non-major defense contractors, ensuring the confidentiality of bidders throughout the Defense Acquisition Challenge evaluation process, and extending the Challenge program authority through 2012.

Presidential Report on Improving Interagency Support for United States 21st Century National Security Missions and Interagency Operations in Support of Stability, Security, Transition, and Reconstruction Operations. Recognizing that the United States faces a more diverse set of national security challenges than those faced during the Cold War and that the major national security institutions lack adequate capacity to address 21st Century security challenges, conferees agreed to require the President to submit a report to Congress on building interagency capacity and enhancing the integration of civilian and military capabilities to achieve U.S. national security goals and objectives. The report should include both recommendations for specific legislative proposals to improve interagency coordination and a plan to establish interagency operating procedures for the planning and conducting of stability, security, transition and reconstruction operations.

Quadrennial Defense Review (QDR) Implementation Quarterly Reports. In order to monitor the implementation of recommendations made in the 2006 Quadrennial Defense Review Report, the conference report requires the Secretary of Defense to submit quarterly reports, with the first report to be submitted by January 31, 2007.

Improvements to Quadrennial Defense Review. The Conference Report requires that analysis and recommendation in the QDR are not resource-constrained, that the QDR identify specific capabilities needed to achieve strategic and warfighting objectives and address homeland defense and support to civil authority missions of the active and reserve components, and that the Chairman of the Joint Chiefs of Staff should describe additional capabilities needed to reduce risks identified in a QDR-related risk assessment. Conferees also agreed to require the Secretary of Defense to establish an independent panel to review the QDR, including an assessment of recommendations, the stated and implied assumptions, and vulnerabilities of the strategy and force structure underlying the QDR.

Strategic Materials Protection Board. The conference report establishes a Strategic Materials Protection Board in order to identify items that are critical to United States national security interests. The board would be established by the Secretary of Defense and include representatives of the Undersecretary of Defense for Acquisition, Technology & Logistics, Undersecretary of Defense for Intelligence, Secretary of the Army, Secretary of the Navy and Secretary of the Air Force.

Protection of Strategic Materials Critical to National Security. House and Senate conferees included provisions to allow DoD and industry to work cooperatively toward complying with the "Berry Amendment," while simultaneously protecting and strengthening our defense industrial base. Accordingly, while prohibiting the purchase of non-domestically melted or produced specialty metals, conferees acknowledged the need for an exemption for electronic components containing small amounts of specialty metals. The conference report provides a four-year "get well" period for defense contractors to publicly disclose non-compliance and to certify plans for future compliance. The conferees recognized that certain specialty metals, such as those in the fastener industry, are sometimes unavailable in the form required by certain industries and more appropriate adjustments to statutory language.

Department of Defense Counter-Narcotics Activities. The conference report authorizes \$926.9 million for the Department of Defense's drug interdiction and counter-narcotics activities, including international and

domestic support, as well as intelligence technology and other demand reduction. The legislation supports the Department of Defense's efforts in Afghanistan to use drug interdiction and counter-narcotics resources to support the Global War on Terrorism and notes that there are clear links between international narcotics trafficking and international terrorism.

Extension of Authority to Support Unified Counter-Narcotics and Counter-Terrorism Campaign in Colombia. The conference report extends the authority to support the unified Counter-Narcotics and Counter-Terrorism Campaign in Columbia through FY2008. Funding for the government of Colombia's long-term plan to end the country's long-running civil war, will be beneficial in reducing narcotics trafficking and promoting economic and social development.

Military Chaplains. Conferees directed the Secretary of the Navy and the Secretary of the Air Force to rescind their current policies and guidelines regarding the exercise of religion and directed both services to reinstate the policies that were previously in effect.

Southwest Border Fencing. Conferees agreed to authorize \$10 million to build and maintain fencing on the United States-Mexico border in order to curtail human and drug smuggling. The conference report would provide funds to complete construction of the 14-mile wide Double Fence Infrastructure Project in San Diego, as well as to design, plan, deploy and rehabilitate fencing on either side of the Laredo, Texas, port of entry and the U.S. Marine Air Base at Yuma, Arizona.

Increased Hunting and Fishing Opportunities for Service Members, Military Retirees and Disabled Veterans. Senate and House conferees agreed to require the Secretary of Defense to ensure that servicemembers, military retirees, disabled veterans and persons assisting disabled veterans are able to utilize DoD lands that are available for hunting and fishing. The conference report would also require the Secretary to report to Congress within 180 days of enactment on actions necessary to increase the availability of Department of Defense lands to such persons for hunting and fishing activities. Finally, the conference report would require the Secretary of the Interior to cease the plan to exterminate deer and elk on Santa Rosa Island, California by helicopter and would prohibit the Secretary from exterminating or nearly exterminating the deer and elk on the island. The conferees noted that the Wounded Warrior Project, an organization whose mission is to raise public awareness and enlist the public's aid for the needs of severely injured servicemembers, supports this provision.

Enhancement to Authority to Pay Rewards for Assistance in Combating Terrorism. The Conference Report increases the flexibility and responsiveness of the rewards protection program and increases the maximum reward amount from \$2,500 to \$10,000 in order to provide incentives to individuals providing assistance against terrorists.

Operationally Responsive Space. Conferees agreed to establish an Operationally Responsive Space (ORS) Program Office and would require the Secretary of Defense to submit a report to the congressional defense committees setting forth a plan for acquisition of capabilities for operationally responsive space support to the military. Conferees authorized an increase of \$23.5 for operationally responsive space capabilities.

Cooperative Threat Reduction (CTR) with States of the Former Soviet Union. Conferees agreed to authorize \$372.1 million for the CTR program. They also agreed to a provision that would define CTR programs and authorize specific amounts for each CTR program element, as well as requiring notification to Congress 30 days before the Secretary of Defense obligates and expends FY2007 funds for purposes other than those specifically authorized. The provision also provides limited authority to obligate amounts for certain CTR program elements in excess of the amount specifically authorized.

Extension of Temporary Authority to Waive Limitation on Funding for Chemical Weapons

Destruction Facility in Russia. Conferees agreed to extend, until December 31, 2011, the President's authority to waive restrictions on the construction of a chemical weapons destruction facility at Shchuch'ye, Russia. This project is part of the Cooperative Threat Reduction program.

National Academy of Sciences (NAS) Study on Prevention of Proliferation of Biological Weapons.

Conferees authorized the Secretary of Defense to sponsor a study, for not more than \$150,000, by the NAS to identify areas for further cooperation with states of the former Soviet Union under the Cooperative Threat Reduction program in biological weapons proliferation prevention. Conferees also required the Secretary of Defense to submit a report, not later than December 31, 2007, on this study and any action plan for implementing the useful recommendations.

Policy of the United States on Priorities Regarding Missile Defense.

Conferees agreed that the emphasis of U.S. missile defense efforts should be on the current generation of missile defense capabilities to ensure an adequate inventory to address current threats, even if this comes at the expense of longer-term development efforts. Conferees believe, especially in light of the July 2006 launches by North Korea of short-, medium- and long-range missiles—the latter thought to be capable of reaching U.S. territory—as well as developments in Iran, that priority should be given to improving near-term defense capabilities, including the Ground-based Midcourse Defense System, Aegis Ballistic Missile Defense, Patriot PAC-3, and THAAD. Conferees expect the Department to reflect this policy in their FY2008 budget submission.

Testing and Operations for Missile Defense.

Conferees agreed to make available an additional \$225 million to accelerate the ability to conduct concurrent test and missile defense operations and to increase the pace of realistic flight testing of the ground-based midcourse defense system.

Transformation Plan for the Nuclear Weapons Complex.

Conferees agreed to direct the Secretary of Energy, in consultation with the Secretary of Defense and the Nuclear Weapons Council, to develop a plan to transform the nuclear weapons complex so as to achieve a responsive infrastructure by the year 2030 and to transmit a report on the plan to the Congressional defense committees not later than February 1, 2007.

International Funding for Nuclear Nonproliferation Program.

Conferees agreed to provide the Secretary of Energy the authority to accept international contributions for two programs that address nuclear security: the Global Threat Reduction Initiative and the Second Line of Defense programs.

Limitation on Availability of Funds for Construction of Mixed Oxide Fuel (MOX) Fuel Fabrication

Facility. The conference report prohibits the obligation of FY2007 funds for construction of the MOX fuel fabrication facility until 30 days after the Secretary of Energy provides to the Congressional defense committees 1) an independent cost estimate for the U.S. Surplus Fissile Materials Disposition Program and facilities; 2) a written certification that the Department of Energy (DOE) intends to use the MOX facility for U.S. plutonium disposition regardless of the future direction of the Russian Surplus Fissile Materials Disposition Program; and 3) a corrective action plan for issues raised by the Inspector General of DOE in the December 2005 report about the status of the MOX facility.

Actions on Major Programs in the Fiscal Year 2007 Defense Authorization Act
(dollars in millions)

	Major Army Programs					
	FY 2007 Budget Request			Conference Recommendation		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
*Abrams SEP	-	-	\$171.1	-	-	\$871.0
*Abrams Tank Modifications	-	-	\$365.0	-	-	\$658.0
*AH-64 Mods	-	-	\$775.6	-	-	\$1,362.1
Ammunition Industrial Base Upgrades	-	-	\$116.2	-	-	\$175.4
*ARH	-	-	\$141.4	-	-	\$164.8
*Armored Security Vehicle	-	-	\$155.5	-	-	\$238.5
Army Science and Technology	\$1,718.8	-	-	\$1,985.4	-	-
*Bradley	-	-	\$285.0	-	-	\$1,600.0
Bridge to Future Networks	-	-	\$340.0	-	-	\$340.0
*CH-47 Replacements	-	-	-	-	-	\$361.5
CH-47 Upgrades	-	-	\$583.3	-	-	\$584.2
*FBCB2	\$26.3	-	\$160.0	\$26.3	-	\$160.1
*FMTV	\$1.9	-	\$695.1	\$1.9	-	\$1,318.1
*FHTV	-	-	\$353.2	-	-	\$943.2
Future Combat Systems	\$3,745.5	-	-	\$3,495.5	-	-
*H-60 Blackhawks	-	38	\$554.6	-	-	\$686.3
*Night Vision Devices	\$112.3	-	\$321.0	\$116.3	-	\$409.0
*Small Arms and Modifications	\$13.4	-	\$187.3	\$15.4	-	\$235.0
*Stryker	-	-	\$796.0	-	-	\$878.0
JTRS	\$832.0	-	-	\$832.0	-	-
*Up-Armor HMMWVs	-	-	\$582.6	-	-	\$1,060.7
*Up-Armor HMMWV Fragmentation and Gunner Protection	-	-	\$0.0	-	-	\$214.0

*Title XV Emergency Authorization

	Major Navy and Marine Corps Programs					
	FY 2007 Budget Request			Conference Recommendation		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
CVN-21	\$309.0	-	\$784.1	\$310.0	-	\$794.1
CVN(RCOH)	-	-	\$1,071.6	-	-	\$1,071.6
DDG-51	-	-	\$355.8	-	-	\$355.8
DDG Modernization	-	-	\$2.2	-	-	\$52.2
DD (X)	\$794.0	2	\$2,568.1	\$811.5	2	\$2,568.1
E-2C Hawkeye	\$497.8	2	\$203.6	\$497.8	2	\$206.3
EA-18G	\$372.4	12	\$865.4	\$372.4	12	\$865.4
Expeditionary Fighting Vehicle	\$188.0	15	\$256.0	\$188.0	15	\$256.0
F/A-18E/F	\$31.1	30	\$2,288.3	\$38.7	30	\$2,288.3
*Hellfire II Missiles (Marine Corps)	-	-	\$0.0	-	-	\$100.0
Joint Strike Fighter - Navy	\$2,030.1	-	\$245.0	\$2,201.0	-	\$123.0
JPATS	-	21	\$146.1	-	21	\$146.1
KC-130J	-	4	\$253.2	-	4	\$253.2
*LAV PIP	-	-	\$26.0	-	-	\$99.3
LHA -R	-	1	\$1,136.0	-	1	\$1,136.0
Littoral Combat Ship (Mission Module)	-	-	\$79.1	-	-	\$79.1
Littoral Combat Ship (Seaframe)	\$320.0	2	\$521.0	\$320.0	2	\$521.0
LPD-17	\$6.0	-	\$297.5	\$6.0	-	\$297.5
LW 155mm Towed Howitzer	-	-	\$282.4	-	-	\$282.4
Multi-Mission Aircraft (MMA)	\$1,131.7	-	-	\$1,131.7	-	-
Navy Science & Technology	\$1,599.2	-	-	\$1,752.3	-	-
*Night Vision Equipment	-	-	\$13.7	-	-	\$197.9
P-3/EP-3 Upgrades	\$16.1	-	\$261.4	\$16.1	-	\$254.1
*Small Arms and Modifications	-	-	\$9.0	-	-	\$60.5
SSGN Conversion	\$26.0	-	\$10.1	\$26.0	-	\$10.1
T-45	-	12	\$376.4	-	12	\$376.4
**T-AKE	-	1	\$455.0	-	1	\$455.0
Tomahawk	\$18.6	350	\$354.6	\$18.6	350	\$354.6
*UH-1Y/AH-1Z	\$7.8	18	\$446.7	\$7.8	18	\$515.3
*Up-Armor HMMWVs	-	-	\$72.4	-	-	\$593.0
*Marine Corps EOD Vehicle Systems	-	-	\$14.8	-	-	\$646.9
*V-22 Osprey	\$268.5	14	\$1,304.7	\$268.5	14	\$1,440.6
VA Class Submarine	\$169.6	1	\$2,452.1	\$224.2	1	\$2,852.1
VH-71	\$682.6	-	-	\$682.6	-	-

*Title XV Emergency Authorization

**National Defense Sealift Fund

Major Air Force Programs

	<i>FY 2007 Budget Request</i>			<i>Conference Recommendation</i>		
	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>
Advanced EHF MILSATCOM	\$633.3	-	-	\$633.3	-	-
Air Force Science and Technology	\$2,148.1	-	-	\$2,256.8	-	-
B-1B Bomber	\$130.5	-	\$53.3	\$130.5	-	\$55.3
B-2 Stealth Bomber	\$224.2	-	\$191.3	\$240.2	-	\$191.3
C-130J Hercules	\$40.5	9	\$697.3	\$40.5	9	\$697.3
C-17	\$173.8	12	\$2,887.6	\$173.8	22	\$4,829.6
C-5 Modernization	\$150.2	-	\$223.1	\$150.2	-	\$235.1
CV-22	\$26.6	2	\$208.6	\$26.6	2	\$208.6
EELV	\$18.5	-	\$936.5	\$18.5	-	\$936.5
F-22	\$584.3	-	\$1,503.9	\$484.3	20	\$2,903.9
Global Hawk UAS	\$247.7	6	\$429.3	\$247.7	-	\$392.3
Joint Strike Fighter - Air Force	\$1,999.1	5	\$869.7	\$1,999.1	4	\$729.7
JPATS	-	48	\$305.1	-	48	\$305.1
KC-X	\$203.9	-	\$36.1	\$152.4	-	\$0.0
Next Generation Long Range Strike	\$25.6	-	-	\$25.6	-	-
*Predator UAVs	\$61.5	26	\$229.1	\$61.5	-	\$232.4
Space Based Infrared System (SBIRS) High	\$668.9	-	-	\$668.9	-	-
Space Radar	\$266.4	-	-	\$200.0	-	-
TSAT	\$867.1	-	-	\$767.0	-	-
*Up-Armor HMMWVs	-	-	\$11.3	-	-	\$16.9

Major Defense-Wide Programs

	<i>FY 2007 Budget Request</i>			<i>Conference Recommendation</i>		
	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>	<i>R & D</i>	<i>Quantity</i>	<i>Procurement</i>
Aegis BMD	\$1,031.9	-	-	\$1,131.9	-	-
*Ammunition (all services)	-	-	\$3,539.8	-	-	\$3,764.3
Boost Defense Segment	\$631.6	-	-	\$631.6	-	-
BMD Sensors	\$514.5	-	-	\$518.5	-	-
Chemical/Biological Defense Program	\$959.1	-	\$506.4	\$892.8	-	\$518.4
Defense Agency Science & Technology	\$5,617.0	-	-	\$5,668.1	-	-
*IED Electronic Countermeasures	-	-	\$0.0	-	-	\$109.7
*Manned Tactical Persistent Surveillance Platforms	-	-	\$0.0	-	-	\$100.0
Mid-Course Defense Segment	\$2,877.0	-	-	\$3,079.0	-	-
Terminal Defense Segment	\$1,038.3	-	-	\$1,088.3	-	-