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Defense: FY2014 Authorization and Appropriations

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Summary

President Obama's FY2014 base budget request of \$552.0 billion in discretionary budget authority for the Department of Defense (DOD) and defense-related programs of other agencies (excluding war costs), exceeds by \$53.9 billion the legally binding cap on defense funding for FY2014 that was enacted in 2011 as part of the Budget Control Act (P.L. 112-25). Unless the Budget Control Act (BCA) is amended, either Congress will have to cut the Administration's National Defense request by \$53.9 billion (about 9.8%) to meet the BCA cap of \$498.1 billion, or else the BCA law will reduce the appropriation to the level set by the cap through a process of sequestration, beginning in January 2014.

In their initial actions on the annual defense funding bills for FY2014, the House and the Armed Services and Appropriations Committees of the Senate approved defense funding totals (excluding war costs) that were very close to President Obama's so-called "base budget" (i.e., non-war) request, regardless of the BCA cap.

For DOD's base budget, both the version of the National Defense Authorization Act (NDAA) passed by the House on June 14, 2013 (H.R. 1960), and the version reported by the Senate Armed Services Committee on June 20, 2013 (S. 1197), would differ from the President's request by less than \$50 million, in terms of the net totals authorized. For war-related operations (designated as "overseas contingency operations" or OCO), the Senate committee version of the authorization bill would make few changes to the Administration's \$80.7 billion request, while the House-passed bill would add \$5.4 billion.

Both versions of the authorization bill also include provisions bearing on contentious policy issues including the armed services' handling of sexual assault cases and the treatment of detainees currently held at the naval base at Guantanamo Bay, Cuba.

In the case of the FY2014 DOD Appropriations bill (H.R. 2397), which funds most discretionary DOD programs except for military construction, the version passed by the House on June 24, 2013, and the version reported by the Senate Appropriations Committee on August 1, 2013, differed by a relatively larger amount. Compared with President Obama's request for \$589.4 billion (including both base budget and OCO funds), the version passed by the House on June 24, 2013, would provide a reduction of about \$4.14 billion while the version reported by the Senate Appropriations Committee on August 1, 2013, would make a net reduction of about \$2.17 billion.

In conjunction with funding for military construction and for defense-related spending in other agencies in other appropriations bills passed by the House and reported by the Senate committee, either version of H.R. 2397 would result in total DOD base budget appropriations that would exceed the BCA limit for FY2014 by nearly as much as President Obama's initial request.

Because legislation to fund the federal government in FY2014 had not been enacted prior to the start of the fiscal year on October 1, 2013, DOD, like most other agencies, was then subject to a lapse in appropriations during which agencies are generally required to shut down. The Office of Management and Budget (OMB), however, identified a number of exceptions to the requirement that agencies cease operations, including a blanket exception for activities that "provide for the national security." Under that exception, all active-duty military personnel and many DOD civilian employees remained on their jobs through October 17, 2013, when the FY2014 Continuing Resolution (P.L. 113-46) was enacted, which allowed DOD and all other federal

agencies to resume their normal operations through January 15, 2014, at a rate of spending equal to the rate provided by the FY2013 Consolidated and Further Continuing Appropriations Act (P.L. 113-6), subject to reductions made on March 15, 2013, by the BCA-mandated sequestration process.

Excluding war costs, the FY2014 Continuing Resolution funds DOD and defense-related programs of other agencies (which comprise the “National Defense” budget function) for roughly one-quarter of a year at a rate that would amount to an annual budget of \$518 billion. That annual total would amount to a reduction of \$34 billion (or 6.2%) from the President’s request for the so-called “base budget”—that is, excluding war costs. However, it would exceed the BCA cap on National Defense spending in FY2014 by \$21 billion (or about 4%). Accordingly, if Congress funded the National Defense function at that level for the entire year, and if the BCA were not amended, OMB would be required to issue a sequestration order reducing National Defense funding by 4%, in order to meet the relevant BCA cap.

From FY2014 through FY2021, the annual caps on National Defense funding that were enacted into law as part of the BCA would increase by about \$13 billion per year, which would not quite cover the anticipated cost of inflation.

For DOD, which accounts for about 96% of the National Defense budget, the Administration’s \$526.6 billion base budget request for FY2014 exceeds by about \$31 billion DOD’s post-sequester, base budget funding level for FY2013, which is estimated by DOD at \$495 billion.

On December 11, 2013, Congressman Paul C. Ryan and Senator Patty Murray, Chairs of the House and Senate Budget Committee respectively, and co-chairs of the group appointed to develop a budget compromise, introduced as the Bipartisan Budget Act of 2013, which resets the defense and non-defense budget limits that need to be met to avoid a sequester in FY2014 and FY2015. On December 12, 2013, the House adopted the bill by a vote of 302-95 as an amendment to H.J.Res. 59, the Continuing Appropriations Act of 2014. The Senate is expected to vote on the bill on December 17, 2013, having voted to close debate on December 15, 2013.

For National Defense, the new FY2014 budget limit would be \$520 billion rather than the \$498 billion or \$2 billion above the current CR for national defense. For DOD, the new total would be about \$497 billion for the Department of Defense rather than \$476 billion under the current BCA. If this bill becomes law and Congress appropriates to these new limits, there would no longer be a need for an additional \$20 billion sequester in January 2014. For FY2015, the new limit would be \$521 billion rather than the \$512 billion for National Defense and \$498 billion rather than \$489 billion for DOD, in both cases providing a \$9 billion increase above current limits. Spending in FY2015 would be \$1 billion above the prior year.

In later years, budget limits would be the same as the current limits rising to \$590 billion for National Defense 564 billion for DOD by FY2021 in nominal dollars. Altogether, over the FY2012-FY2021 decade, National Defense spending would total \$5.447 trillion or \$32 billion higher than the current limit. For DOD, spending would total \$5.202 trillion rather than \$5.176 trillion, a \$30 billion increase over the current limit. The FY2014 Administration’s DOD budget plan totals \$5.533 trillion, exceeding the proposed new limits by \$326 billion or 6%.

On December 14, 2013, by a vote of 350 to 69, the House passed H.Res. 441 which adopted H.R. 3304, effectively, a conference version of FY2014 National Defense Authorization Act. The Senate is slated to take up the House bill on December 18.

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Most Recent Legislative Action

On December 11, 2013, Congressman Paul C. Ryan and Senator Patty Murray, chairs of the House and Senate budget committees, respectively, and co-Chairs of the group appointed to develop a budget compromise to avoid a sequester in mid-January 2014, introduced the Bipartisan Budget Act of 2013 which raises defense and non-defense budget spending limits for FY2014 and FY2015¹ The proposal includes alternate savings to offset these increases. The target for reaching an agreement was December 13, 2013.² On December 12, 2013, the House passed the proposal as an amendment to H.J. Res 59, the Continuing Appropriations Act of 2014 by a vote of 302-95. The Senate is expected to act the week of December 16th, 2013.

For FY2014, the proposal raises the current budget limit for National Defense (budget function 050) limit by \$22 billion to a total of \$520 billion, or \$2 billion above the level set in the Continuing Resolution (CR) of 2014.³ For the Department of Defense, the new FY2014 limit would be set at \$497 billion rather than the current limit of \$476 just above the CR. If Congress extends the current CR level for the full year at these new limits, then there would be no sequester in January 2014. For DOD, the new limits would essentially be a nominal freeze, setting DOD spending at \$2 billion above the FY2013 post-sequester level. If the Bipartisan Budget Act becomes law, the appropriations committees in both houses are expected to conference to the new limits.

For FY2015, the new budget limit for National Defense would be \$523 billion, or \$9 billion above the current \$512 billion limit. Similarly, for DOD, the new FY2015 limit would be \$498 billion compared to \$489 level in current law, or \$9 billion higher than the current limit, and \$1 billion above the new limit for FY2014. In later years, budget limits would be the same as current levels. Altogether, over the FY2012-FY2021 decade, National Defense spending would total \$5.447 trillion or \$32 billion or 6% above the current limit. DOD spending would total \$5.206 trillion rather than \$5.176 trillion, a \$30 billion or 6% increase over current limits.⁴

¹ H.J.Res. 59.

² CQ News, "Without a Budget Deal Lawmakers Would Face Tough Choices on Spending," By Tamar Hallerman, Nov. 11, 2013; CQ News, "Budget Conferees Prepare to Confront Deep Rift on Spending Levels," By Kerry Young, CQ Roll Call; Oct. 16, 2013.

³ Sec. 101(a)(3) in P.L. 113-46, H.J.Res. 59.

⁴ CRS calculations based on Sec. 101(a) in the Bipartisan Budget Act of 2013 as introduced, OMB, OMB, "Final Sequestration Report to the President and Congress for Fiscal Year 2013," April 9, 2013; http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/sequestration_final_april2013.pdf; OMB, *FY2014 Budget, Analytical Perspectives, Table 31-1*; http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/31_1.pdf.

The budget limits set for FY2014 and FY2015 reflect post-sequester levels and those for FY2016-FY2021 reflect pre-sequester levels; see Sec. 101 in Senate Budget Committee, "Section By Section Analysis of Bipartisan Budget Act;" http://www.budget.senate.gov/democratic/index.cfm/files/serve?File_id=9d3728aa-cf0a-4ddf-bfd4-d02ed4de570f. See also see Sec. 111 (b)(10)(B) which states that the new discretionary limits would not be lowered by an OMB calculation of a reduction to caps.

In addition to these changes in budget limits, the Bipartisan Budget Act also reduces the inflation adjustments provided to military retirees under the age of 62 from the Consumer Price Index (CPI) to the CPI less 1% in parallel with increasing contributions to retirement by new federal retirees. Military retirees would receive a “catch-up” increase at age 62 that would raise their benefit level to an amount including a full CPI adjustment, and then receive Cost of Living Adjustments at the CWI.⁵ According to CBO, this change would save the Department of Defense \$6.235 billion over the decade.⁶

There are several potential scenarios that Congress may face in January 2014. On January 15, 2014, the current CR (P.L. 113-46) lapses so Congress needs to either extend the current CR or pass individual or an omnibus appropriations act to avoid a government shutdown. To avoid a sequester, Congress needs to appropriate defense spending that complies with BCA limits that are in effect.

If the new limits are adopted, and if Congress provides defense spending at the current CR for the full year, then there would be no sequester because the new defense limit matches the CR. According to press reports, the Department of Defense is currently spending at that level. If Congress adopts the new limits but provides defense appropriations that exceed BCA limits, however, then OMB would levy a sequester to ensure compliance with BCA limits.

Under current BCA spending limits (without assuming passage of the Bipartisan Budget Act of 2013), a sequester would reduce defense spending by \$20 billion, about 3.8% overall in mid-January 2014 to bring appropriations into compliance with the BCA. (The percentage cut to affected accounts, excluding exempted military personnel, would be about 5.8%.) This estimate reflects the amount by which the current CR exceeds the estimated \$476 billion cap set in the Budget Control Act.⁷ If the new limits are adopted and matched by appropriations, the threat of a sequester would disappear.

In other words, to the extent that defense appropriations breach or exceed whatever BCA limits in effect, OMB must levy a sequester of whatever size is necessary to ensure compliance with BCA limits.⁸

⁵ See Sec. 403 of the Bipartisan Budget Act of 2013 as introduced. The CPI-W tracks price changes for urban consumers; see <http://www.bls.gov/news.release/cpi.nr0.htm>.

⁶ CBO, “Bipartisan Budget Act of 2013 as posted on the House Rules Committee website, December 10, 2013,” December 11, 2013; <http://www.cbo.gov/sites/default/files/cbofiles/attachments/Bipartisan%20Budget%20Act%20of%202013.pdf>.

⁷ H.R. 2775/P.L. 113-46 set the FY2014 Continuing Resolution spending at the FY2013 enacted level with sequestration. CBO estimated that post-sequester level as \$518 billion in “CBO’s Estimate of Discretionary Budget Authority for Fiscal Year 2013, Showing Amounts for Defense and Nondefense Programs,” supplementing Table 3 in Updated Budget Projections: Fiscal Years 2013 to 2023, May 2013. The FY2014 defense caps is shown as \$497 billion in Table 1-5, “Discretionary Spending Projected in CBO’s Baseline,” in The Budget and Economic Outlook: Fiscal Years 2013 to 2023, February 2013; <http://www.cbo.gov/sites/default/files/cbofiles/attachments/43907-BudgetOutlook.pdf>.

⁸ If the current level of appropriations breaches caps set in budget law, 2 U.S.C. §901 (§251 of the Deficit Control Act of 1985) requires that there be a sequestration within 15 calendar days after Congress adjourns to “eliminate a breach within that category” Since the Constitution requires that a new session start by January 3 of each year, the latest a FY2014 sequester could occur would be January 18, 2014 assuming the previous session ended at midnight January 2, 2014.

In action on the FY2014 National Defense Authorization (NDAA), the House, by a vote of 350 to 69, passed H.Res 441, which adopted H.R. 3304, effectively, a conference version of FY2014 National Defense Authorization Act. The Senate is slated to take up the House bill on December 18th. Details about the changes to the NDAA will be in the next update.

Earlier, on October 17, 2013, the FY2014 Continuing Resolution (CR, P.L. 113-46) appropriated funds allowing the Department of Defense (DOD) and all other federal agencies to resume their normal operations through January 15, 2014, after a 16-day government shutdown went into effect because no FY2014 appropriations had been provided for the new fiscal year. In general, the CR allows DOD and other agencies to spend—during that period—at the rate at which each appropriations account was funded by P.L. 113-6, the FY2013 Consolidated and Further Continuing Appropriations Act, taking into account the amount sequestered by the March 1, 2013, OMB order mandated by the Budget Control Act, enacted in 2011 (P.L. 112-25).⁹ For DOD, the current CR provides about \$495 billion.

Before passage of the CR, the Department of Defense (DOD), like most other agencies, was subject to a lapse in appropriations during which agencies are generally required to shut down because Congress had not acted on legislation to fund the federal government in FY2014 prior to the start of the fiscal year on October 1, 2013. The Office of Management and Budget (OMB), however, identified a number of exceptions to the requirement that agencies cease operations, including a blanket exception for activities that “provide for the national security.”

As a result, during the lapse in appropriations, some DOD personnel were "excepted" from furloughs, including all uniformed military personnel and some civilians, while other civilian DOD employees were furloughed and, thus, not permitted to work. Normally, "excepted" military and civilian personnel would continue to work but would not be paid until after appropriations are provided by law. Shortly before and during the shutdown, however, Congress passed and the President signed into law two pieces of legislation that appropriated funds to pay all active-duty military and some DOD civilian personnel costs in the absence of an enacted appropriation, and to provide death gratuities:

- The Pay Our Military Act (P.L. 113-39; H.R. 3210), signed by the President on September 30, 2013, provided funds to pay all active-duty military personnel, most DOD civilians and possibly some private sector employees working for DOD;
- The Honoring the Families of Fallen Soldiers Act, (P.L. 113-444; H.J.Res. 91), signed by the President on October 10, 2013, provided funds to pay death gratuities to survivors of military personnel who die while on active duty.

DOD Operations During a Government Shutdown

For information and analysis of the impact on DOD of a lapse of appropriations, including an analysis of special DOD-related legislation that operated during the funding lapse in the fall of 2013 during the period October 1-October 17,

⁹ As typically has been the case with continuing resolutions in recent years, the FY2014 act funded activities for a time certain (in this case, through January 15, 2014) under a formula commonly referred to as a "funding rate." Under a funding rate, the amount of budget authority available for an account is calculated as the total amount of budget authority annually available based on a reference level (in this case, the post-sequester amounts resulting from the FY2013 consolidated appropriation bill), multiplied by the fraction of the fiscal year for which the funds are made available by the continuing resolution—in this case, about 24.6% (90 days out of a 366-day fiscal year that includes the 29-day February of a leap year).

see CRS Report R41745, *Government Shutdown: Operations of the Department of Defense During a Lapse in Appropriations*, by Amy Belasco and Pat Towell.

For military activities of the Department of Defense (DOD) that are covered by the FY2014 National Defense Authorization Act (NDAA), the Obama Administration requested authorizations for discretionary budget authority (BA) totaling \$632.7 billion, including:

- \$526.6 billion for the so-called “base budget”—that is, for costs not associated with combat activities;
- \$80.7 million for war costs, officially designated “Overseas Contingency Operations” (OCO);
- \$18.9 billion for defense-related nuclear energy programs conducted by the Department of Energy; and
- \$7.4 billion for other defense-related activities. (See **Table 3**.)

For DOD’s base budget, both the version of the FY2014 NDAA passed by the House (H.R. 1960) and the version of the bill reported by the Senate Armed Services Committee on June 20, 2013 (S. 1197), differ from the President’s overall request by less than \$50 million. The House bill, passed by a vote of 315-108 on June 14, 2013, would authorize hundreds of millions of dollars more than requested for various purposes, including a military pay raise, shipbuilding, and ballistic missile defense. However, that gross increase was almost entirely offset by several reductions which, according to the House Armed Services Committee, would have no adverse impact on DOD programs because—in each of the affected accounts—previously appropriated funds could be used in lieu of the requested new budget authority.

For war costs—designated as “overseas contingency operations” (OCO)—S. 1197, reported by the Senate committee on June 20, 2013, would make few changes to the Administration’s request. The House-passed bill, on the other hand, would add \$5.4 billion to the request. (See **Table 1** and **Table 10**.)

For analysis of congressional action on the authorization bill, see the section of this report entitled “FY2014 National Defense Authorization Act.”

For the FY2014 DOD Appropriations bill, which funds all discretionary DOD military programs except military construction, the Administration requested a total of about \$589.5 billion¹⁰ for the base budget and OCO, combined. The version of the bill passed by the House on June 24, 2013, would make a net reduction of about \$4.2 billion to the request while the version reported by the Senate Appropriations Committee (S. 1429) would make a net reduction of about \$2.2 billion.

For analysis of congressional action the defense appropriations bill, see the section of this report entitled “FY2014 DOD Appropriations Bill.”

¹⁰ Summary tables in House and Senate Appropriations Committees’ reports on their respective versions of the FY2014 DOD appropriations bill differ slightly in their presentations of the Administration request. Most of the difference reflects the committees’ different treatments of an Administration proposal to rescind \$1.28 billion appropriated in FY2013. For additional detail, see text box “**Differing Presentations of FY2014 Budget Request**,” below.

Table 1. FY2014 National Defense Authorization Act (H.R. 1960; S. 1197)

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
5/22-23/2013	6/12-13/2013	H.Rept. 113-102 6/7/2013	315-108 6/14/2013	S.Rept. 113-44 6/20/2013					

Table 2. FY2014 DOD Appropriations Bill (H.R. 2397; S. 1429)

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
	6/5/2013	H.Rept. 113-113 6/12/2013	315-109 6/24/2013	S.Rept. 113-85 8/1/2013					

Budgetary Context: BCA Spending Caps

FY2014 is the third consecutive year for which Congress and the President have had to come to terms with the spending caps that were set in law by the BCA for each year in the decade FY2012-FY2021.¹¹ Enacted in 2011 to resolve the impasse that summer about raising the debt limit, the BCA required reductions in discretionary spending totaling about \$2.1 trillion through FY2021 in return for raising the debt limit by the same amount. A first tranche of reductions amounting to \$900 billion—half of which came from National Defense agencies (primarily DOD but also including Department of Energy and other defense-related activities in other agencies)—was reflected in the Administration’s FY2013 budget, which complied with initial caps set in the BCA. Additional reductions of \$1.2 trillion, also falling equally on defense agencies and non-defense agencies—are to be achieved through a sequester in FY2013 and by automatic reductions to appropriations that would apply each year between FY2014 and FY2021 unless enacted appropriations in any year meet that year’s BCA limits. To the extent that annual appropriations exceed or breach the BCA caps, a sequester would reduce funding to the level of the caps by across-the-board cuts.

President Obama sent Congress his FY2014 budget request on April 10, 2013, more than two months later than the legally prescribed date for submission of the budget. Uncertainties surrounding the final outcome of the legislative battle over appropriations for the preceding year accounted for the delay. The FY2013 appropriations for DOD and all other federal agencies were not enacted until March 26, 2013, when the President signed the Consolidated and Further

¹¹For each year in the decade FY2012-FY2021, the BCA caps require roughly equal reductions (from a projected baseline) in appropriations for defense agencies and non-defense agencies. From FY2013 onward, the category of “defense” agencies is defined, for purposes of this law, as being those agencies funded in the “National Defense” budget function (Function 050). The Department of Defense (DOD) typically accounts for more than 95% of spending in Function 050. See the text box, “Estimated impact on DOD of Budget Caps,” below.

Continuing Appropriations Act of 2013 (H.R. 933/P.L. 113-6). The amounts specified in that legislation were not final but, rather, were the points of departure for further reductions (by a process of “sequestration”) required to comply with the Budget Control Act of 2011 (BCA), which was enacted on August 2, 2011 (P.L. 112-25).¹² BCA caps apply only to the defense base budget, not to OCO funding.

Unless current law is amended to change the BCA spending caps—as is being proposed in the Bipartisan Budget Act of 2013, which would set limits at the current CR level or the required reductions are achieved some other way, the Administration’s \$552 billion national defense budget request for FY2014 (excluding war costs) would have to be reduced by \$53.8 billion (about 9.8%) to a total of \$498.1 billion in order to comply with BCA limits. If defense appropriations exceed the BCA limit, they would be reduced to the BCA level by an across-the-board sequester to currently appropriated levels that would begin in early to mid-January 2014.

Although the President’s FY2014 national defense budget request does not meet the defense limits set in the BCA that would avoid a sequester under current law, the Administration argues that the President’s budget would achieve—through a combination of revenue increases and reductions to entitlement programs—the \$1.2 trillion total reduction through FY2021 that would result from the annual BCA caps. As a part of the Administration’s overall program, the BCA would be amended to defer application of the spending caps, thus accommodating the President’s FY2014 defense budget request.¹³

Consistent with the President’s budget request, the House-passed FY2014 budget resolution (H.Con.Res. 25) proposed \$552 billion for national defense (excluding war costs). Subsequently, the House Appropriations Committee reported—and the House passed—the three appropriations bills that would provide defense funding up to that level: Defense (H.R. 2397, passed July 24, 315-109), Energy and Water (H.R. 2609, passed July 10, 227-198), and Military Construction-Veterans Administration (H.R. 2216, passed June 4, 421-4).

To achieve the FY2014 savings mandated by the BCA, the House budget resolution proposes higher cuts to non-defense spending as well as changes to entitlement programs which would bring discretionary spending for the year to \$967 billion, the discretionary total allowed by BCA. But, within that total, the BCA establishes separate limits (or caps) for defense and non-defense spending. The House-recommended defense levels exceed the BCA defense cap so, if they were to become law, a 9.8% sequester cut would be levied in January 2014, unless Congress amended the BCA to change the currently binding limits.

Similarly, the Senate’s FY2014 budget resolution (S.Con.Res. 8) sets the total for national defense at \$552 billion—as requested by the President—and the defense-related bills reported by the Senate Appropriations Committee are consistent with this level. Like the House budget resolution, the Senate measure assumes that BCA’s limit on overall discretionary spending for FY2014 would be met. In contrast to the House resolution, however, the Senate resolution proposes to compensate for defense spending above the BCA level with a combination of revenue increases and entitlement spending reductions similar to those proposed by the Administration.

¹²The reductions pursuant to the Budget Control Act (BCA) were mandated by the Office of Management and Budget (OMB) sequestration order of March 1, 2013.

¹³See Chapter entitled “Reducing the Deficit in a Smart and Balanced Way” in OMB, *The Budget of the United States Government, FY2014*; <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/reducing.pdf>

However, if the level of national defense spending allowed by the Senate resolution were to be enacted, there would be a \$53.8 billion sequester cut to discretionary spending in early January 2014—unless the current BCA caps were amended by law.

Thus, Congress essentially faces several choices—to reduce the defense discretionary request through targeted appropriations actions that meet the current BCA limits or adjusted limits or to rely instead on a sequester that would require across-the-board cuts to each program, project, and activity, of any amount that exceeds those limits as occurred in FY2013. By adjusting the FY2014 limits, the low point in the spending path set in the Budget Control Act for the FY2012-FY2021 decade—could be avoided. In that event, however, greater savings in later years or alternate sources of savings would need to be adopted.¹⁴ If Congress adopted a year-long CR rather than a full defense bill as has been the case for many years, there could be additional mismatches between this year’s request and last year’s appropriations.¹⁵

Estimated DOD Impact of Budget “Caps”

The Budget Control Act of 2011 (P.L. 112-25) and the annual congressional budget resolutions all set discretionary spending caps for “budget functions”—broad categories of activity that encompass all relevant funding, regardless of the agency performing the activity. The “National Defense” function (Function 050) encompasses military functions of DOD (i.e., it excludes the domestic public works program of the Army Corps of Engineers) as well as defense-related activities of the Department of Energy and other agencies. In recent years, DOD funding has accounted for about 96% of the Function 050 total.

To analyze the implications for DOD funding plans of the legally binding BCA spending cap on the broader National Defense category, CRS estimated the DOD share of the Function 050 funding cap for each future year in the BCA and in any congressional budget resolution. In this report, those estimates are arrived at by using data from the Office of Management and Budget (OMB) to determine for each year in the period FY2014-FY2021 what percentage of the Administration’s projected Function 050 budget request consists of the projected DOD request. For purposes of this analysis, it is assumed that DOD spending would account for the same share of Function 050 spending in that year.

The data from which this report calculates an imputed DOD share of Function 050 caps are in OMB’s *FY2014: Analytical Perspectives, Budget of the U.S. Government*, Table 32-1 “Policy Budget Authority and Outlays by Function, Category, and Program,” accessible at http://www.whitehouse.gov/omb/budget/Analytical_Perspectives.

Sequestration Flexibility in FY2014 and FY2013 Experience

DOD officials have contended that sequestration would have serious adverse impacts on the services’ combat readiness and modernization not only because of the size of the funding cuts required but also because of the relatively arbitrary way in which the reductions are made.¹⁶ In a fiscal year in which a sequester is triggered to reduce spending to the levels enacted in the BCA, by law the reduction must be achieved by cutting a uniform percentage from the “budgetary

¹⁴ This was the path followed in the American Taxpayers Relief Act (ATRA), enacted in early January 2013; Congress reduced the defense sequester required in FY2013 from \$55 billion to \$43 billion and delayed implementation from January 1 to March 1, 2013. To offset the lower savings, however, Congress increased the size of the cuts required in FY2014 and FY2015 and made other changes to mandatory and revenue programs. For additional background, see CRS Report R42884, *The “Fiscal Cliff” and the American Taxpayer Relief Act of 2012*, coordinated by Mindy R. Levit.

¹⁵ Last spring when DOD was still under a CR and also faced a sequestration, the services raised considerable concerns about mismatches, particularly a shortfall in Operation and Maintenance and an excess in Procurement, as well as the sequester.

¹⁶ Testimony before the House Armed Services Committee by Undersecretary of Defense Ashton B. Carter and Vice Chairman of the Joint Chiefs of Staff, Adm. James A. Winnefeld, “Hearing on the Defense Strategic Choices and Management Review,” August 1, 2013.

resources” of every program, project, and activity (PPA) in every budget account, except for those budget accounts and PPAs that, by law, either are exempt from a sequester or are subject to a special sequester rule. “Budgetary resources” include new budget authority for both the base budget and OCO and budget authority appropriated in previous fiscal years but not yet obligated.¹⁷

The sequestration process allows DOD some flexibility in implementing a sequester in ways that DOD used to limit the impact on readiness, investment accounts, and war funding in FY2013 and which might have similar results if sequestration were to be required for FY2014:

- The President has authority to exempt the military personnel accounts from a sequester, as he did in FY2013 and as OMB informed Congress on August 9, 2013, he will do, should a sequester occur in FY2014.¹⁸ Exercising this option could allow DOD to avoid involuntary separations of military personnel, but does not reduce the total amount that must be sequestered from DOD funds and, thus, entails correspondingly larger cuts from other DOD accounts.
- House and Senate conferees on the FY2013 Consolidated and Further Continuing Appropriations Act (P.L. 113-6) defined as a single PPA the entire Operation and Maintenance (O&M) account of each service and reserve component.¹⁹ Therefore, DOD has considerable flexibility in allocating cuts within those relatively large blocks of money. So, DOD could make proportionally larger reductions in some O&M-funded activities—facilities maintenance and training, for example—in order to allow proportionally smaller reductions in other O&M-funded activities such as operational training or support for front-line combat units.
- DOD could avoid or minimize sequestration cuts in funds for war operations in Afghanistan because, although Congress authorizes and appropriates separate amounts for base budget funding and OCO funding, most funding of both sorts is co-mingled in the PPAs that are subject to sequestration. Thus a service could reduce its O&M funding for OCO by a proportionately smaller fraction provided it was offset by a proportionately larger reduction in the service’s base budget O&M spending. DOD did, however, choose to reduce OCO funding by \$5.3 billion to meet the FY2013 sequester. This may have reflected a transfer into OCO accounts in mid-May 2013 to meet unanticipated higher needs (see below).²⁰

¹⁷ See CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*, by Megan S. Lynch.

¹⁸ See OMB notification letter at http://www.whitehouse.gov/sites/default/files/omb/legislative/letters/military-personnel-letter-biden_080913.pdf.

¹⁹ The House and Senate came to agreement on the enacted version of the bill through a process of sequential amendments rather than by a formal conference committee, so— technically speaking—there was no conference report, in which conferees could elaborate (in a so-called “joint explanatory statement”) on their intent in drafting the law. Nevertheless, the terms of the final bill were the product of negotiations between House and Senate conferees who drafted a “joint explanatory statement” which they inserted in the Congressional Records of March 6, 2013 and March 11, 2013. The definition of each O&M account as a single PPA is found at *Congressional Record*, March 6, 2013, p. H1029 and *Congressional Record*, March 11, p. S1316.

²⁰ CRS analysis of DOD, “May 2013 Prior Approval Request, Reprogramming Action, FY13-09,” approved May 17, 2013; see http://comptroller.defense.gov/execution/reprogramming/fy2013/prior1415s/13-09_PA_May_2013_Prior_Approval_Request_Implemented.pdf; and CRS analysis of OSD,C table, “DOD Base and (continued...)”

- In some of DOD's investment accounts, unobligated balances of funds appropriated in earlier budgets were reduced by proportionally larger amounts to allow proportionally smaller reductions to newly appropriated budget authority. Among the 21 procurement accounts, budget authority appropriated for FY2013 was cut by an average of 5.2% while unobligated funds were cut by an average of 11.2%.²¹ Since DOD budget authority appropriated for procurement and most other activities expires if not obligated within a certain number of years, sacrificing older budget authority allowed DOD to retain more budget authority that would be available for a longer period.
- After sequestration, DOD could and did use established reprogramming procedures, which require prior approval by the congressional defense committees in some cases, to shift funds among accounts. In May 2013, the department requested congressional approval of reprogrammings that shifted nearly \$9 billion to meet more essential expenses by tapping funds that had been appropriated to other programs.²² This included shifting some \$5.1 billion of OCO funding, about \$3.0 billion of which came from cancelled lower priority OCO needs, with the remainder from the base budget.²³

Sequestration Alternatives in FY2014

In recent months, many observers, including DOD witnesses and some Members of Congress, have raised particular concerns about sequesters, arguing that because they require largely across-the-board cuts to programs, this would not reflect priorities in defense spending. One way to avoid a sequester would be if both houses of Congress passed a budget resolution that amended the BCA caps and achieved savings elsewhere.

Alternatives under Current Law

If current budget law is not changed, however, there are still several ways that the Administration and Congress could avoid a sequester in FY2014 or later years of the decade. These include:

- Congress could appropriate amounts for defense that meet the lowered cap of \$498 billion for FY2014 before a sequester would go into effect. This could reflect a joint budget resolution passed by both houses of Congress that would presumably be followed by new 302(a) allocations of overall discretionary budget authority and new 302(b) suballocations to individual appropriations subcommittees. With the current CR (P.L. 113-46) slated to expire on January 15,

(...continued)

OCO funding by account as appropriated, and post-sequester," November 2013.

²¹ Capital Alpha, "FY13 Sequestration Cuts Applied Unevenly With Some Surprises," June 18, 2013 accessed at <http://www.capalphadc.com/wp-content/uploads/2013/06/2013-06-18-sequester-surprises.pdf>

²² Inside Defense, "Draft Reprogramming would Shift \$9 Billion, Cut \$4 Billion From Modernization," May 16, 2013.

²³ CRS analysis of DOD, "May 2013 Prior Approval Request, Reprogramming Action, FY13-09," approved May 17, 2013; see http://comptroller.defense.gov/execution/reprogramming/fy2013/prior1415s/13-09_PA_May_2013_Prior_Approval_Request_Implemented.pdf; and CRS analysis of OSD,C table, "DOD Base and OCO funding by account as appropriated, and post-sequester," November 2013.

2014, Congress might pass individual appropriations bills, an omnibus funding bill, or another CR by that time.²⁴

- Section 258B of the Deficit Control Act of 1985 allows the President to submit a report, within five calendar days of the beginning of a new session, detailing an alternative way to meet the defense sequester caps (i.e., a spending plan that would reduce outlays by the same total amount that would result from an across-the-board sequester). Congress would consider a resolution approving the alternative plan within five calendar days, under expedited procedures that would preclude a Senate filibuster.

Legislative Proposals

Bills have been introduced that would provide additional flexibility for DOD (and other agencies, in some cases) to meet lower BCA caps by setting higher transfer caps that DOD could use after a sequester went into effect in order to ensure that its higher priority programs were protected.

Introduced by Representatives Cooper and Ryan on July 31, 2013, H.R. 2883, the Defense Flexibility Act, would permit the Secretary of Defense to transfer funds into an account as necessary to meet “urgent national priorities” up to the amount sequestered in that account. The transfer language in the bill states:

(b) Transfer Authority- In addition to any transfer authority otherwise available, and subject to subsections (c) and (d), of the amounts appropriated to the Department of Defense in any of fiscal years 2014 through 2021, the Secretary of Defense may transfer any appropriation subject in such a fiscal year to reduction under a sequestration order issued pursuant to section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 between such appropriations, to address an urgent national priority or the consequences of a national emergency resulting from such sequestration, as determined by the Secretary of Defense.

(c) Limitation- The amount transferred to an appropriation under subsection (b) shall not exceed the amount by which such appropriation is reduced under the sequestration order referred to in such subsection.²⁵

Some Members may raise concerns that this bill would undermine congressional prerogatives to set funding priorities because the amount of transfer authority could be substantially higher than current annual limits for DOD transfers: \$4 billion for the base budget and \$3.5 billion for OCO spending in FY2013.²⁶

A second alternative, S. 465, introduced by Senator Collins last March, would give all agencies flexibility to propose an alternative to the FY2013 sequestration that would meet the caps. The bill requires that this “notice of implementation” be submitted to their respective authorization

²⁴ Within 15 days of the end of a congressional session, budget law requires that OMB to determine whether budget caps are breached and if necessary, order a sequestration. Since the Constitution requires that Congress meet on January 3 of each year (unless an alternate date is set), the latest date that the old congressional session could end would be midnight January 2. This would mean that a breach determination for FY2014 could be made as late as January 18, 2014. CRS Report R42977, *Sessions, Adjournments, and Recesses of Congress*, by Richard S. Beth and Jessica Tollestrup.

²⁵ H.R. 2883.

²⁶ Joint Explanatory Statement, *Congressional Record*, March 11, p. S1520 and S1543.

and appropriation committees for approval before going into effect. Including such a requirement could be unconstitutional because it would constitute a legislative veto. If agencies voluntarily submitted such proposed changes, as occurs in current reprogramming and transfers, that would be permissible. S. 465 also would give DOD additional flexibility in multiyear contracts and changes in production rates if a CR limiting those changes is still in effect.²⁷

DOD Forecast of FY2014 BCA Impact

In a July 10, 2013, letter to Senate Armed Services Committee Chairman Carl Levin and senior committee Republican James M. Inhofe, Defense Secretary Chuck Hagel predicted “serious adverse effects” on DOD if its FY2014 base budget were reduced by \$52 billion from the amount requested to comply with the BCA cap on defense spending for that year.²⁸

In the letter—written in response to the two Senators’ request—Secretary Hagel said his projections assumed that the entire \$52 billion reduction would be applied to the \$526.6 billion base budget request, with the \$79.4 billion OCO request held harmless. The projection also assumed that DOD would be given a free hand to allocate the reduction, rather than applying the sequestration formula of program-by-program cuts. Even making those assumptions, Hagel asserted, “the cuts are too steep and abrupt to be mitigated by flexibility, no matter how broadly defined.”

Secretary Hagel described the five-page document presenting the projected BCA impact as a “high-level summary” of an early version of DOD’s approach to accommodating lower annual budgets than the Administration had projected. He said it was “guided by” inputs from the armed services and by preliminary results of a Strategic Choices and Management Review (SCMR)—a DOD-wide assessment Secretary Hagel had ordered to develop budget projections for FY2015-FY2019 that would try to adhere to the Administration’s strategic goals at lower funding levels than those currently projected.

Following are some of the negative consequences that Secretary Hagel predicted if DOD were required to cut the President’s FY2014 DOD base budget request by \$52 billion—nearly 10%:

- The reduction in military personnel spending likely would be disproportionately small—that is, appreciably lower than 10%—because the savings in military pay that would result from involuntary separation of military personnel would be largely offset by the cost of severance payments for those with more than six years of service, according to DOD.
- To cut military personnel costs by 10% would require what Secretary Hagel described as “an extremely severe package of ... actions” including halting the intake of any new personnel, ending all transfers from one base to another, and freezing promotions.

²⁷ <http://www.congress.gov/cgi-lis/query/z?c113:S.465>: This interpretation reflects consultation with CRS procedural experts.

²⁸ Defense Secretary Hagel’s July 10 letter is available on the web-site of Senate Armed Services Committee Chairman Carl Levin at http://www.levin.senate.gov/newsroom/press/release/dod-responds-to-levin-hagel-request_for_guidance-on-defense-budget-cuts/?section=alltypes.

- While DOD would minimize cuts to those operation and maintenance (O&M) costs most directly tied to training and combat readiness, it would impose civilian hiring freezes and reduce scheduled maintenance of facilities, as it had done in FY2013, and would have to consider laying off civilian employees, Secretary Hagel said.
- Because of the practical difficulties in applying a proportionate reduction to military personnel costs, accounts funding procurement, R&D, and military construction likely would take disproportionately large cuts, with individual projects subject to reductions of 15% or 20%, he said.

BCA Impact on DOD as FY2014 Begins

On September 30, 2013, Deputy Defense Secretary Ashton B. Carter said that the department would begin operating in FY2014—starting October 1, 2013—as though its FY2014 budget were limited by the BCA cap and, thus, was more than \$50 billion lower than the President’s FY2014 request:

Last year [FY2013], we didn’t start the fiscal year executing as though we had sequester, because we were ready to do so, but we didn’t want to start until we had to, because operating under sequester’s harmful. It wasn’t until January [2013], after the Christmas deal collapsed last year, that we began to execute—that is, to curb spending—in recognition of the fact that sequester was then...likely to kick in.

Once again, this year, it’s looking like we need to be ready to go. And so our plan is to begin the fiscal year executing at the [BCA] cap levels, because it’s much easier to start that way and then ramp up your expenditure later in the year [if the caps are lifted] than it is to go the other way.²⁹

More recently, after passage of the FY2014 CR setting defense spending levels at the FY2013 level, or some \$30 billion below the request but \$20 billion above the BCA caps, DOD Comptroller Robert Hale announced that DOD would be spending at—or slightly below—the CR level.³⁰

In recent testimony to House and Senate committees, DOD witnesses have argued that there could be a variety of negative effects, particularly in terms of readiness and maintaining current planned procurement schedules, if BCA budget caps remained in effect. Witnesses have also raised concerns that a year-long CR, which pegs funding levels to FY2013 levels, would create problems because of year-to-year program changes.

DOD FY2013 Post-Sequester Funding and the FY2014 Request

The FY2013 DOD sequester totaled \$37.2 billion, including \$32.0 billion cut from its base budget and \$5.3 billion from OCO BA. The sequester tapped all available DOD BA except military personnel accounts. Available BA included not only new BA appropriated in FY2013 in

²⁹ Deputy Secretary of Defense Ashton B. Carter, “Remarks on the U.S.-India Defense Partnership at the Center for American Progress,” September 30, 2013, accessed at <http://www.cq.com/doc/newsmakertranscripts-4353176>.

³⁰ Department of Defense Press Briefing by Secretary Hagel and Under Secretary Hale in the Pentagon Briefing Room, October 17, 2013, accessed at <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=5321>.

the Consolidated and Continuing Appropriations Act of 2013 (H.R. 933/P.L. 113-46), but also prior year unobligated BA from previous years, reflecting the fact that BA in DOD's investment accounts (procurement, RDT&E, and military construction) can be obligated (or placed on contract) over several years.³¹

Compliance with budget caps is measured by budget authority (BA) or funding amounts as scored by CBO. Scoring includes *all cuts*—both reductions to new FY2013 BA and rescissions which cancel unobligated BA from prior years—because it reflects when legislative action is taken. As scored, DOD's FY2013 base funding totaled \$495.2 billion after all sequester cuts.

Rescission of prior year unobligated balances, however, cancels BA that was provided for programs in earlier years. Such reductions do *not* reduce resources available for current fiscal year programs or activities. The total DOD FY2013 sequester to its base budget was \$32.0 billion including \$26.2 billion in new BA cuts and \$5.8 billion in rescissions of prior year unobligated balances.³² So while DOD's FY2013 post-sequester base budget funding is scored as \$495.2 billion (including the full \$32.0 billion reduction by sequester), funding available to carry out FY2013 programs and activities totaled \$501 billion (excluding the \$5.8 billion rescission) (see Table 5 – move it here?).

If DOD complies with the current FY2014 BCA caps, annual funding would decrease by an additional \$20 billion or about 4% from the FY2013 post-sequester level. BCA caps for defense reach their lowest point for the decade in FY2014, increasing by roughly \$10 billion annually from FY2015 to FY2021, not quite sufficient to cover expected inflation.

Some observers would argue that the FY2013 sequester created harmful effects on readiness and investment accounts and that additional spending is necessary to offset those effects. Others might argue that providing for a one-year annual increase in FY2014 would undermine efforts currently underway in the Department of Defense to determine the best way to accommodate lower spending levels evident in the Strategic Choices and Management Review undertaken by Secretary Hagel this summer.

FY2014 National Defense Budget Overview³³

The Obama Administration's FY2014 budget request, submitted to Congress on April 10, 2013, includes \$641.12 billion for National Defense programs (budget function 050), including military operations of the Department of Defense (DOD), defense-related nuclear energy programs conducted by the Department of Energy, and other defense-related activities. Of that total, \$625.15 billion is requested for programs falling within the scope of the annual National Defense

³¹ Availability (or life) varies with the type of account with two years for RDT&E accounts, three years for all procurement accounts except shipbuilding available for five years, and five years for military construction accounts.

³² CRS analysis based on table provided by DOD that segregates sequester cuts from unobligated and new FY13 BA and by base and OCO BA.

³³ In this section of the report, statements concerning the National Defense budget refer to OMB's National Defense "budget function"—designated function 050—which is one of several "functions" (or categories) intended to encompass all relevant federal funding, regardless of the agency performing the activity. Function 050 includes funding for military activities of DOD (i.e., not including Army Corps of Engineers public works) as well as the defense-related activities of the Energy Department and other agencies. In recent years, DOD has accounted for about 96% of the Function 050 total.

Authorization Act, with the remainder either permanently authorized or falling outside the jurisdiction of the House and Senate Armed Services Committees. (See **Table 3**.)

The Administration’s budget includes \$607.36 billion for discretionary DOD budget authority, including \$526.64 billion for “base” defense budget costs (day-to-day operations other than war costs), and \$80.72 billion for “Overseas Contingency Operations” (OCO)—largely in Afghanistan. The Administration’s initial FY2014 budget presentation included “placeholder” totals for OCO funding. The actual OCO request for that year was submitted to Congress as an addendum in May 2013.

Included in the DOD discretionary budget is \$6.68 billion for the annual accrual payment to the fund that underwrites payments from the so-called “TRICARE for Life” program to Medicare-eligible military retirees. TRICARE is DOD’s medical insurance program.³⁴

Also included in the \$632.74 billion National Defense discretionary total is \$17.96 billion for defense-related programs of the Energy Department. This includes funds for renovation of the existing nuclear weapons stockpile, environmental cleanup of past nuclear weapons work, and work related to the development and construction of nuclear powerplants for warships.

The remaining \$7.41 billion of discretionary funding for National Defense is requested for defense-related activities in other agencies, the largest share of which (\$4.80 billion) is for FBI activity, including counterintelligence operations.

Table 3 FY2014 National Defense Budget Function (050); Administration Request

budget authority in billions of dollars; numbers may not add due to rounding

Department	Discretionary Funding	Mandatory Funding	Total
Department of Defense (DOD) Base Budget	526.64	6.45	533.09
Department of Energy; Atomic Energy Defense Activities	17.97	1.36	19.33
Department of Justice and Other Defense-related Activities	7.41	0.60	8.01
National Defense, Base Budget	552.02	8.41	560.43
DOD Overseas Contingency Operations (OCO)	80.72	0.00	80.72
National Defense, Total	632.74	8.40	641.14
<i>DOD Subtotal (Base Budget plus OCO)</i>	<i>607.36</i>	<i>6.45</i>	<i>613.81</i>

Source: Based on Office of Management and Budget, *Analytical Perspectives: Budget of the U. S. Government* (FY2014), Table 31-1; OCO data from DOD FY14 Budget, *Overview, Addendum A: Overseas Contingency Operations, May 2013*.

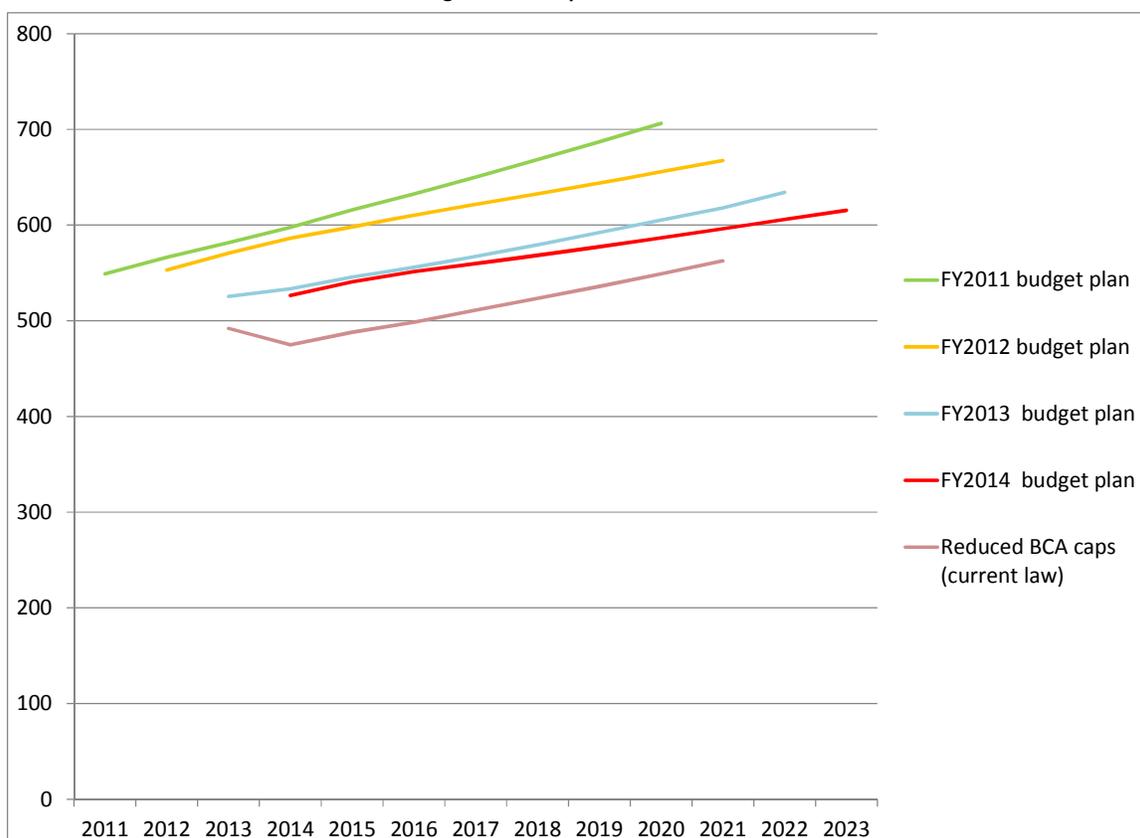
Notes: The amounts summarized by the table include some funds that are not covered by the annual legislation that authorizes and appropriates funds for DOD, which are the bills that are the focus of this report. The “Mandatory” column includes certain offsetting receipts.

³⁴ Although the TRICARE for Life accrual payment is “discretionary” funding and is authorized annually, the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375) provides a permanent, indefinite appropriation to this fund each year of whatever amount is deemed necessary by a board of DOD actuaries.

The Administration’s overall National Defense budget for FY2014 also includes \$8.40 billion in mandatory spending. The lion’s share of this amount—\$7.13 billion—is the annual payment into the military retirement fund to cover payments to retirees who have become eligible for additional benefits in recent years as a result of legislation that has narrowed limitations on “concurrent receipt” of both military retired pay and disability annuity from the Department of Veterans Affairs.³⁵

When President Obama submitted his FY2011 budget request in February, 2010, he had projected requesting for DOD’s base budget a total of \$6.26 trillion in discretionary budget authority over the 10-year period FY2011-FY2020. The Administration reduced its DOD funding projections in each of the three succeeding budgets. (See **Figure 1**)

Figure 1 ■ **Successive Administration DOD Budget Plans, FY2011-FY2014**
amounts of budget authority in billions of current dollars



Source: Data for FY2012, FY2013, and FY2014 budget plans from DOD Comptroller, *National Defense Budget Estimates for FY2014 (The Green Book)*, Table I-12, “Discretionary Budget Authority for Past Defense Budgets to the Present as reported by OMB.” Data for FY2011 budget plan from OMB, *Analytical Perspectives: Budget of the U.S. Government, Fiscal Year 2011*, Table 32-1, “Policy Budget Authority By Function, Category, and Program.”

Notes: Implication for DOD of the Budget Control Act (BCA) of 2011 (P.L. 112-25) is a CRS estimate. See “CRS-Estimated DOD Budget ‘Caps,’” above.

³⁵ For background, see CRS Report R40589, *Concurrent Receipt: Background and Issues for Congress*, by Lawrence Kapp.

The 10-year plan accompanying DOD's FY2012 budget request incorporated \$178 billion of "efficiencies" that were to be realized in the first five years of that period. Enactment of the Budget Control Act (BCA) in 2011, however, created a new frame of reference that has shaped much of the subsequent debate over DOD budgets, with the FY2012 request serving as a baseline against which subsequent reductions have been measured.

Table 4. DOD Budget Plans and BCA Caps
amounts in billions of dollars of discretionary budget authority

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total 2012- 2021	Reduction from FY2012 Plan
FY2012 Budget Plan	553.03	570.73	586.35	598.17	610.58	621.57	632.76	644.15	655.74	667.54	6,140.61	n/a
<i>Estimated BCA Cap</i>	530.36	495.20	475.07	487.95	498.12	509.97	522.36	534.74	548.07	561.41	5,163.23	977.38
FY2013 Budget Plan	530.55	525.43	533.55	545.93	555.91	567.34	579.29	592.396	605.43	617.91	5,653.39	486.88
FY2014 Budget Plan	530.42	525.43	526.62	540.84	551.37	559.97	568.57	577.15	586.73	596.30	5,563.39	577.22
Additional Reduction (from FY2012 Total) Required to Meet BCA Cap Total												400.16

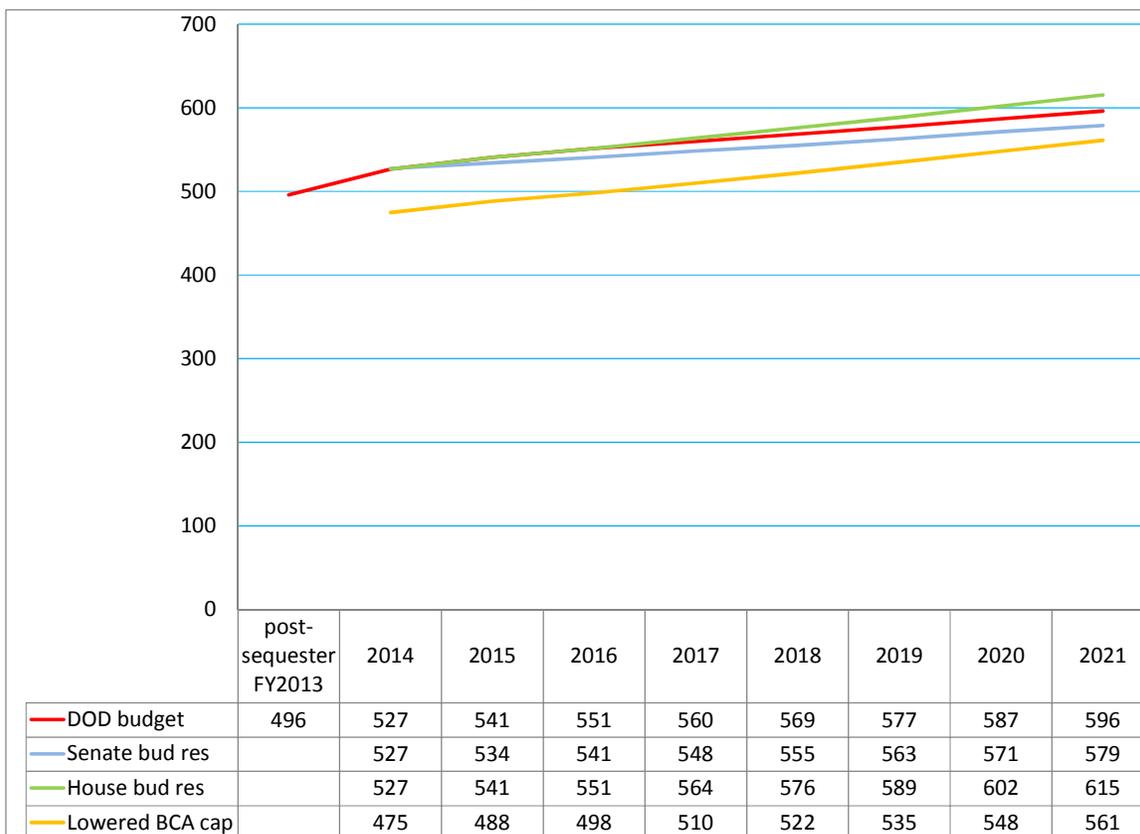
Source: Data for FY2012 and FY2014 DOD budget plans are from DOD Comptroller, *National Defense Budget Estimates for FY2014 (The Green Book)*, Table I-12; “Estimated BCA Cap” is a CRS estimate. CRS estimate. See “CRS-Estimated DOD Budget ‘Caps,’” above.

For the 10-year period from FY2012 to FY2021, the caps set by the BCA would require a reduction in DOD discretionary spending of \$977 billion (15.9%) from the total that was projected by the FY2012 DOD 10-year plan (assuming that DOD accounts for the same percentage of the National Defense Budget Function in each year as in the Administration’s projected budgets). Under the FY2013 DOD budget plan, funding for the FY2012-FY2021 decade would total \$5.65 trillion, a reduction of \$487 billion (or 7.9%) compared with the FY2012 plan. Under DOD’s FY2014 budget plan, projected spending for that decade would decline by an additional \$90 billion, bringing the cumulative total reduction (compared with the FY2012 plan) to \$577 billion (or 9.4%).

To realize the total reduction in DOD spending for FY2012-FY2021 required by the BCA caps, an additional reduction of \$400 billion would be required.

Figure 2 ■ **Estimated DOD Funding Projections, FY2013-2021**

amounts are discretionary budget authority in billions of current dollars



Source: DOD data derived from DOD Comptroller, National Defense Budget Estimates for FY2014 (“The Green Book”), Table 5-4, Table 2-1, and Table 1-12. Data on the “Lowered BCA cap” derived from P.L. 112-25 (“Budget Control Act of 2011”). Data on House and Senate budget resolutions derived from H.Con.Res. 25 (House budget resolution for FY2014), and S.Con.Res. 8 (Senate budget resolution for FY2014).

Notes: Implications for DOD of the Budget Control Act of 2011 (P.L. 112-25), the Senate budget resolution (S.Con.Res. 8) and the House budget resolution (H.Con.Res. 25) are CRS estimates. See text box, “Estimated DOD Impact of Budget ‘Caps,’” above.

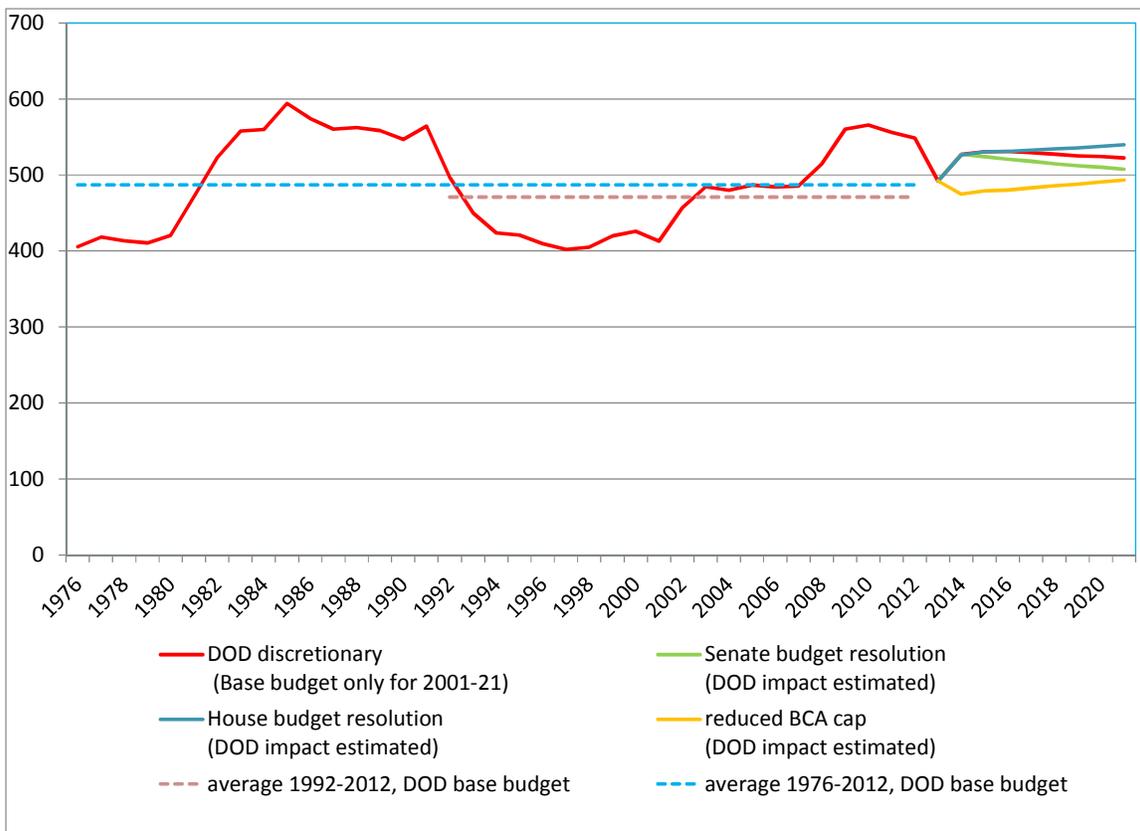
Based on DOD’s sorting of its spending between the base budget and OCO, the base budget—measured in current dollars (i.e., not adjusting for the cost of inflation)—increased at a relatively steady rate between the late 1990s and 2010. After reaching a high point in 2010, the base budget declined in FY2012 and FY2013 because of BCA budget limits. Unless the BCA cap for FY2014 is modified, it would require a further reduction of National Defense spending from the amount requested by the Administration, with DOD’s share of the reduced amount estimated to reach \$475 billion. From FY2015 through FY2020, the BCA, the President’s FY2014 budget projection, and the FY2014 budget resolutions passed by the House and Senate all project a steady increase in DOD funding.

Allowing for the cost of inflation as estimated by OMB, the Administration’s projection of discretionary DOD budget authority thru FY2021 would provide a higher level of “real” purchasing power than the department’s average annual budget (in FY2014 dollars) for the period since the end of the Vietnam War (FY1976-FY2012). In turn, the average DOD budget for that 36-year period—which included the last 15 years of the Cold War—is higher in real terms than

was the department’s average budget since the 1991 war with Iraq (FY1992-FY2012). (See **Figure 3**.)

Figure 3 | Projected DOD Purchasing Power in Perspective, 1976-2021 (Base Budget)

amounts are discretionary budget authority in billions of FY1914 dollars



Source: CRS analysis of inflation-adjusted amounts based on budget data from DOD Comptroller, National Defense Budget Estimates for FY2014 (“The Green Book”), Table 5-4, Table 2-1, and Table 1-12. Other data are from P.L. 112-25 (“Budget Control Act of 2011”), H.Con.Res. 25 (House budget resolution for FY2014), and S.Con.Res. 8 (Senate budget resolution for FY2014). Defense deflators from OMB, Historical Tables: Budget of the U.S. Government, Fiscal Year 2014. Table 10-1, “Gross Domestic Product and Deflators Used in the Historical Tables, 1940-2018,” converted to base year 2014.

Notes: Implications for DOD of the Budget Control Act of 2011 (P.L. 112-25), the Senate budget resolution (S.Con.Res. 8), and the House budget resolution (H.Con.Res. 25) are CRS estimates. See “CRS-Estimated DOD Budget ‘Caps,’” above.

FY2014 DOD Base Budget Highlights

According to DOD officials, the Administration’s \$526.6 billion request for discretionary spending in DOD’s FY2014 base budget is intended both to sustain current U.S. strategy and continue down-sizing the Army and Marine Corps as one element of that strategy. It incorporates a range of cost-reduction initiatives and various efforts to restrain the growth of personnel costs.

However, the budget request would create relatively few major perturbations of planned weapons acquisition programs.³⁶ (See **Table 5**.)

Move to p. 12?

Table 5. DOD Discretionary Base Budgets, FY2012-FY2014

dollar amounts in billions of current dollars in budget authority

	FY2012 Enacted Appropriation	FY2013 Post-Sequester (as scored)^a and FY2014 Continuing Resolution (P.L. 113-46)	FY2013 Post-Sequester Resources Available^b	FY2014 Administration Request
Military Personnel ^c	141.68	135.39	135.39	137.08
Operation and Maintenance	199.21	193.04	193.98	209.44
Procurement	102.26	92.17	95.85	99.31
RDT&E	71.51	63.35	63.98	67.52
Military Construction	11.37	7.67	8.04	9.47
Family Housing	1.68	1.46	1.53	1.54
Revolving and Management Funds	2.70	2.15	2.22	2.28
Total: Base Budget	530.41	495.22	500.99	526.64

Source: Data for FY2012 and FY2014 Administration Request from DOD Comptroller, *National Defense Budget Estimates for FY2014* (“The Green Book”), Table 2.1, pp. 40-41. Data for the two FY2013 columns are from DOD Comptroller data provided to CRS showing track from enacted level to post-sequester level with separate figures for base budget and OCO funding.

- a. Amounts “as scored” reflect sequester cuts to both new FY2013 BA and to unobligated balances from prior years that are credited in FY2013. FY2014 CR reflects scored levels because unobligated balances from prior year cancelled by the FY2013 sequester are not available to finance FY2014 programs.
- b. Resources funds available for FY2013 programs and activities including only sequester cuts from FY2013 BA.
- c. Includes annual accrual payment into the budget account that funds TRICARE-for-Life, which is the program that allows military retirees who are eligible for Medicare to remain enrolled in DOD’s TRICARE medical insurance program. TRICARE-for-Life funds are not provided by the annual defense appropriations bills but, rather, by permanent law according to calculations by DOD actuaries (\$6.68 billion in FY2014).

At the request of Senate Armed Services Committee Chairman Carl Levin and Senator James M. Inhofe, the committee’s ranking minority Member, DOD agreed to present a plan for cutting \$52 billion (about 10%) from the FY2014 base budget request, to meet the legally binding BCA spending cap.³⁷ In addition, Secretary Hagel launched in April a DOD-wide Strategic Choices and

³⁶ DOD Comptroller, *Overview: U.S. Department of Defense Fiscal Year 2014 Budget Request*, April 2013, pp. 2-1 to 2-7.

³⁷ Senators Carl Levin and James M. Inhofe, Letter to Secretary of Defense Chuck Hagel, May 2, 2013, accessed at (continued...)

Management Review (SCMR) intended to develop three alternative DOD budget plans for FY2015-FY2019: one based on the Administration's current budget projection, a second based on annual funding levels that were 5% lower, and a third based on annual funding levels lower by 10%.

Sustaining Current Strategy

In January 2012, the Obama Administration issued a new Strategic Guidance document to inform DOD planning and budgeting.³⁸ Among the premises drawn from that document to underpin the Administration's FY2014 base budget request are the following:

- DOD will maintain a large enough force to win a major conventional war in one region while, concurrently, being able to inflict enough damage on an aggressor in a second region to deter a second attack.
- DOD will not maintain an active-duty force large enough to conduct large-scale stability operations on a prolonged basis such as recent operations in Iraq and Afghanistan. Those campaigns required a large enough force so that upwards of 100,000 troops at a time could be periodically deployed and then rotated back home for rest and retraining.
- In a departure from the practice in recent years of having forces concentrate on training for the types of missions being carried out in Iraq and Afghanistan, forces will train for operating across the spectrum of conflict, from major conventional wars to peacekeeping and stability operations.
- DOD will try to improve its ability to help other countries bolster their own security forces to partner more effectively with U.S. forces in missions of mutual interest.³⁹
- DOD will “rebalance” its global posture to emphasize operations in the Asia-Pacific region and the Middle East.⁴⁰

Military Personnel

The Administration's FY2014 budget would continue the ongoing reduction in number of active-component Army and Marine Corps personnel to a planned total of 672,100 personnel by the end of FY2017. At that point, the combined, active-duty end-strength of those two services would exceed by more than 18,000 troops their combined end-strength at the end of FY2001, before the services' post-9/11 expansion. In effect, the plan would remove the 92,000 personnel that were added to the two ground combat-oriented services in 2007. (See **Table 6.**)

(...continued)

<http://www.armed-services.senate.gov/press/releases/upload/SASC-Budget-letter-to-Hagel-050313.pdf>.

³⁸For further analysis, see CRS Report R42146, *In Brief: Assessing the January 2012 Defense Strategic Guidance (DSG)*, by Catherine Dale and Pat Towell.

³⁹For further analysis, see CRS Report R42516, *In Brief: Clarifying the Concept of “Partnership” in National Security*, by Catherine Dale.

⁴⁰For further analysis, see CRS Report R42448, *Pivot to the Pacific? The Obama Administration's “Rebalancing” Toward Asia*, coordinated by Mark E. Manyin

Table 6 Active Component Authorized End-Strength

	FY2001	FY2013	FY2014	FY2017
Army	480,000	552,100	520,000	490,000
Navy	372,642	322,700	323,600	319,500
Marine Corps	172,600	197,300	190,200	182,100
Air Force	357,000	329,460	327,600	328,600
Total	1,382,242	1,401,600	1,361,400	1,320,200

Source: Data for FY2001 from H.Rept. 106-945, Conference Report on H.R. 4205, Enactment of Provisions of H.R. 5408, the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, p. 777; Data for FY2013 and FY2014 from DOD Comptroller, *National Defense Budget Estimates for FY2014* (“The Green Book”), Table 3-2, p. 53; Data for FY2017 from DOD Comptroller, Briefing on the FY2013 Budget Request, accessed at http://comptroller.defense.gov/defbudget/fy2013/FY2013_Budget_Request.pdf, slide 9.

Notes: In the Administration’s FY2014 budget request, 490,000 Army personnel and 182,000 Marines would be funded in the base budget with the remainder of each service—30,000 Army and 8,100 Marines—being funded with OCO appropriations.

As DOD had done in its FY2013 budget request, it proposed to fund in the FY2014 base budget only the “enduring end-strength” of the two services—that is, the number of personnel they would have after the drawdown is complete in 2017: 490,000 for the Army and 182,000 for the Marine Corps. On grounds that the additional Army and Marine personnel were a legacy of the expansion of those services to deal with wars in Iraq and Afghanistan—an expansion now being largely reversed—the remaining personnel would be funded out of appropriations to cover war costs (OCO).

Military Pay and Allowances

The budget request would provide a 1% raise in military basic pay, which typically accounts for between two-thirds and three-quarters of active-duty services members’ cash compensation (the balance of which typically consists of allowances for housing and living costs and various special pays and bonuses intended to attract and retain personnel with certain skills).⁴¹ DOD estimates that this 1% raise would save \$540 million in FY2014 (and nearly \$3.5 billion through FY2018) compared with the 1.8% increase in basic pay that would occur, automatically, under the terms of 37 U.S.C. 1009, which provides that military basic pay will increase by the same annual percentage as pay in the private sector as measured by the Labor Department in the Employment Cost Index (ECI).

Congress can, by law, establish a different pay raise than the ECI and the President asserts that he has authority under subsection (e) of 37 U.S.C. 1009 to set an alternative pay adjustment.⁴² On August 30, 2013, the President sent a letter to Congress stating, “I have determined it is

⁴¹ See CRS Report RL33446, *Military Pay and Benefits: Key Questions and Answers*, by Lawrence Kapp.

⁴² Section 1009 (e) allows the President to submit a plan for an alternative pay adjustment to Congress before September 1 of the year preceding the pay raise. This provision does not explicitly state that any such plan overrides the automatic adjustment tied to the ECI, but it could be argued that the authority nonetheless exists because subsection (e) refers to “alternative pay adjustments as the President considers appropriate” and subsection (b) states that “an adjustment under this section [1009] shall have the force and effect of law.”

appropriate to exercise my authority under 1009(e) of Title 37, United States Code, to set the 2014 monthly basic pay increase at 1.0 percent.”⁴³

When the Obama Administration presented its FY2013 budget request in February 2012, it had announced plans to increase military basic pay at the ECI rate for FY2014 and to begin proposing pay increases below the ECI rate in FY2015.

TRICARE Fees

As it had done in its FY2013 budget request, the Administration included in its FY2014 DOD budget the creation of some new fees and increases in others for beneficiaries of TRICARE, DOD’s medical insurance program. TRICARE covers more than 9.6 million active duty and retired servicemembers as well as their dependents and survivors.

DOD justifies the proposed increases on the argument that, while the costs to beneficiaries remained largely unchanged between 1996 and 2012, DOD’s medical costs grew from \$19 billion in FY2001 to a projected \$49 billion in FY2014.⁴⁴ Congress had rejected most of the fee increases proposed for FY2013, but approved a proposed increase in pharmacy copayments.

The TRICARE fee increases proposed for FY2014 would not affect servicemembers currently on active duty except that their dependents would be liable for increased pharmacy copayments. Most of the other proposed fee increases would apply to military retirees under the age of 65, although a proposal to create a new TRICARE for Life enrollment fee was included in the Administration’s request for the first time.

“Efficiency” Initiatives

According to DOD, the FY2014 base budget request incorporates some two dozen “efficiency” initiatives that would reduce spending by a total of \$17.03 billion over the period FY2014-FY2018.⁴⁵ Five of those proposals account for about 80% of the projected five-year savings, namely:

- \$8.90 billion—more than a quarter of the total reduction—would come from reduced estimates of the cost of DOD’s TRICARE medical insurance program, with the cuts based partly on a decline in the rate of medical care cost growth and partly on an Administration plan to reorganize some DOD facilities (FY2014 savings of \$1.37 billion);
- \$2.77 billion would be cut from projected payrolls for DOD civilians, partly on the assumption that annual pay raises will be lower than previously projected and partly on the assumption that Congress will approve the closure of some bases and medical facilities (FY2014 savings of \$356 million);

⁴³ Letter available at <http://www.whitehouse.gov/the-press-office/2013/08/30/letter-president-regarding-alternate-pay-plan-members-uniformed-services>.

⁴⁴ See CRS Report RS22402, *Increases in Tricare Costs: Background and Options for Congress*, by Don J. Jansen.

⁴⁵ DOD Comptroller, *Operation and Maintenance Overview: Fiscal Year 2014 Budget Estimates*, April 2013, pp. 210-235. This CRS report discusses separately additional savings projected by the Administration to result from base closures and reduced military construction.

- \$1.20 billion would be saved by reducing enlistment bonuses and the budget for recruitment advertising, capitalizing on the improved recruiting environment created by a weak domestic economy⁴⁶ (FY2014 savings of \$213 million);
- \$625 million would be saved as a result of scaling down Army deployments in the Balkans (FY2014 savings of \$106 million);
- \$447 million would be saved by reducing the Navy’s projected operation and maintenance budgets on grounds that the service routinely has requested more funding in those accounts than it has spent in recent years (FY2014 savings of \$87 million).

Weapons Acquisition Reductions

The FY2014 request incorporates reductions in planned acquisition spending for some five dozen weapons programs by a total of \$15.62 billion over the period FY2014-FY2018. Some of the reduction would result from the cancellation of some programs and reductions in the number of items that would be purchased, or the rate at which they would be purchased. Still other savings are projected to result from wider use of multi-year procurement contracts.

Most of the proposed changes would yield savings of less than \$150 million each over the five-year period, but 10 of the changes—each projected to save more than \$500 million—account for nearly 60% of the projected five-year savings, namely:

- \$2.06 billion would come from dropping plans to develop a “Block IIB” version of the SM-3 anti-ballistic missile interceptor (FY2014 savings of \$216 million);
- \$1.72 billion would come from cancellation of the Precision Tracking Space System, a satellite network intended to provide targeting data on incoming ballistic missiles (FY2014 savings of \$270 million);
- \$1.35 billion would be saved by deferring until FY2019 the construction of a new “IIIB” version of the Apache attack helicopter (upgrading existing Apaches to that standard, in the meantime) (FY2014 savings of \$475 million);
- \$1.09 billion would come from using Atlas rockets for some planned satellite launches instead of more expensive Delta rockets (FY2014 savings of \$106 million);
- \$684 million would be saved in the near term by slowing procurement of the Navy’s SM-6 anti-cruise missile interceptor until more ships are equipped with a new version of the Aegis weapons control system that is needed to fully exploit the capabilities of the SM-6 (FY2014 savings of \$58 million);
- \$683 million would come from a reduction in the overhead cost budgeted for the carrier-launched version of the F-35 Joint Strike Fighter (FY2014 savings of \$8 million);

⁴⁶ See CRS Report RL32965, *Recruiting and Retention: An Overview of FY2011 and FY2012 Results for Active and Reserve Component Enlisted Personnel*, by Lawrence Kapp.

- \$598 million would come from reducing the number of the Navy’s F/A-18 fighters that would be rebuilt to like-new condition (FY2014 savings of \$48 million);
- \$593 million would be saved by reducing the Marine Corps ammunition inventory consistent with the retirement of one of three flotillas of pre-positioned supply ships carrying supplies and equipment for Marine combat units (FY2014 savings of \$229 million);
- \$528 million would come from savings as a result of buying DDG-51-class destroyers on a multi-year contract (FY2014 savings of \$67 million); and
- \$526 million would come from savings as a result of buying C-130J cargo planes on a multi-year contract (FY2014 savings of \$83 million).

Proposed Base Closures

Over the FY2014-FY2018 period, DOD projects a total reduction in military construction budgets of \$4.13 billion compared with previous projections. Some of those cutbacks are slated to result from the closure of some bases and medical facilities as a result of a Base Realignment and Closure Commission (BRAC), which Congress is asked to authorize. Congress rejected a BRAC proposal included in the FY2013 budget request.

FY2014 OCO Budget Highlights

The Administration’s \$79.44 billion request for war costs (OCO) represents a reduction of about 3% from the amount appropriated by Congress for war costs in FY2013 (after sequestration). (See **Table 7.**)

Table 7 Administration’s FY2014 Discretionary OCO Budget Request

amounts in billions of dollars

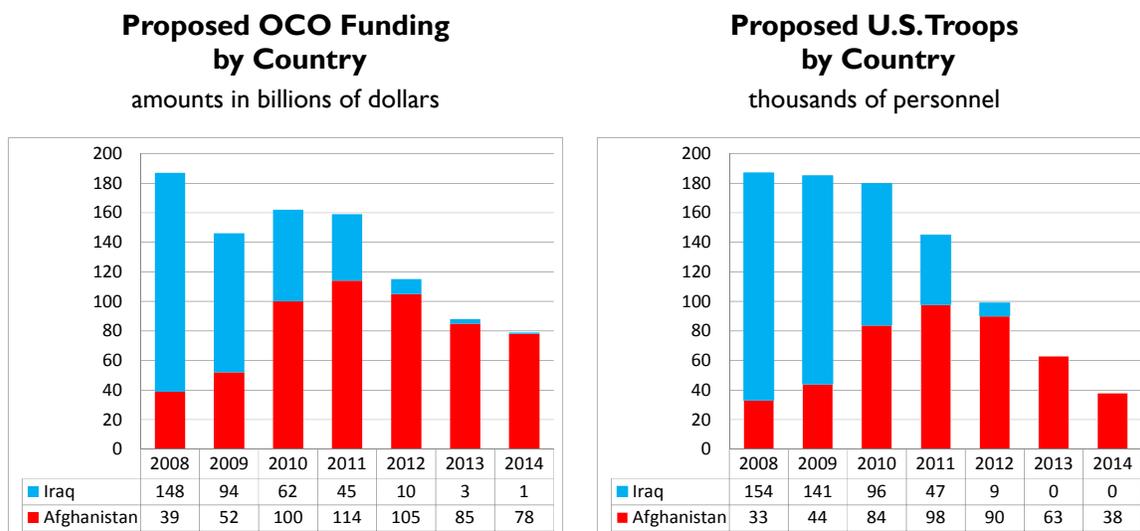
	FY2012 Enacted Appropriation	FY2013 Post- Sequester (as scored) ^a and FY2014 continuing resolution (P.L. 113-46)	FY2013 Post- Sequester Resources Available ^b	FY2014 Request as Amended May 2013
Military Personnel ^c	11.29	14.26	14.26	9.85
Operation and Maintenance	86.78	58.38	58.38	63.63 ^d
Procurement	16.05	8.89	9.33	5.62 ^e
RDT&E	0.53	0.19	0.19	0.07 ^f
Military Construction	0.00	-0.01	-0.01	0.00
Revolving and Management Funds	0.44	0.24	0.24	0.26
Total: OCO Budget	115.08	81.96	82.40	79.44

Source: Data for FY2012 from DOD Comptroller, *National Defense Budget Estimates for FY2014* (“The Green Book”), Table 2.1, pp. 40-41. Data for the two FY2013 columns are from DOD Comptroller data provided to CRS showing track from enacted level to post-sequester level with separate figures for base budget and OCO funding. Data for FY2014 request from DOD Comptroller, *Overview: United States Department of Defense Fiscal Year 2014 Budget Request, Addendum A, Overseas Contingency Operations*, Table I, “OCO Funding by Appropriations Title,” p. 11.

- a. Amounts “as scored” reflect sequester cuts to both new FY2013 BA and to unobligated balances from prior years that are credited in FY2013. FY2014 CR reflects scored levels because unobligated balances from prior year cancelled by the FY2013 sequester are not available to finance FY2014 programs.
- b. Resources funds available for FY2013 programs and activities including only sequester cuts from FY2013 BA.
- c. Includes annual accrual payment into the budget account that funds TRICARE-for-Life, which is the program that allows military retirees who are eligible for Medicare to remain enrolled in DOD’s TRICARE medical insurance program. TRICARE-for-Life funds are not provided by the annual defense appropriations bills but, rather, by permanent law according to calculations by DOD actuaries (\$164 million in OCO funds in FY2014).
- d. Assumes Congress will transfer to this account an additional \$486 million that Congress had added to the FY2013 DOD appropriation to keep in service several Aegis cruisers the Administration wants to retire.
- e. Assumes Congress will transfer to this account an additional \$749 million that Congress had added to the FY2013 DOD appropriation to continue purchasing C-27 cargo planes, a program the Administration wants to terminate.
- f. Assumes Congress will transfer to this account an additional \$44 million that was appropriated for unspecified R&D program in FY2004.

Although the OCO funding request for FY2014 would drop by 3% compared with the pre-sequester FY2013 appropriation, the number of U.S. personnel deployed in Afghanistan would decline by 39% and the total number of personnel supported by the OCO budget (including forces outside Afghanistan that support operations in that country, in the Philippines and in the Horn of Africa) would drop by about 20%. (See **Table 8**.)

Table 8. OCO Funding and Troop Level Trends: FY2008 through FY2014 Request



Source: DOD Comptroller, *Overview: United States Department of Defense Fiscal Year 2014 Budget Request, Addendum A, Overseas Contingency Operations*, Figure 2, “OCO Funding and Troop Level Trends,” p. 2.

According to DOD's functional breakdown of the FY2014 OCO budget (see **Table 9**), three components that, in sum, account for more than 80% of the total request would decline by less than 10% compared with the pre-sequester FY2013 appropriation:

- \$25.7 billion for U.S. force operations (including force protection);
- \$21.8 billion for activities outside Afghanistan to support operations inside that country; and
- \$8.9 billion to purchase equipment to replace war losses (including 4 Apache attack helicopters and 11 Chinook transport helicopters), replenish ammunition supplies, and refurbish equipment worn out by use in Afghanistan and Iraq.

According to DOD, those costs are declining at a slower rate than U.S. troop levels in Afghanistan because of expenses associated with closing bases in that country and returning thousands of cargo containers, vehicles, and other pieces of equipment to the United States and refurbishing the equipment as necessary.⁴⁷

⁴⁷ DOD Comptroller, *Overview: United States Department of Defense Fiscal Year 2014 Budget Request, Addendum A, Overseas Contingency Operations*, p. 1.

Table 9 OCO Funding by Mission Category

amounts in billions of dollars

	FY2013 Enacted Appropriation PRE-SEQUESTER	FY2014 Request
Operations and Force Protection	27.7	25.7
In-Theater Support	23.0	21.8
Military Intelligence Program	4.4	3.8
Afghanistan Security Forces Fund	5.1	7.7
Afghanistan Infrastructure Fund	0.3	0.3
Commander's Emergency Response Program (CERP)	0.2	0.1
Coalition Support Funds	2.1	2.0
Procurement and Equipment Reset	11.1	8.9
Temporary End-Strength	5.8	5.1
Other	9.5	5.3
<i>Prior-Year Cancellations</i>	-2.0	-1.3
Net Total	87.2	79.4

Source: DOD Comptroller, *Overview: United States Department of Defense Fiscal Year 2014 Budget Request, Addendum A, Overseas Contingency Operations*, Figure 3. "OCO Functional/Mission Category Breakout," p. 5. Post-sequester estimates are not available.

Afghanistan's Army, projected to number 195,000 at the end of FY2013, and its National Police, projected to number 157,000 at the end of FY2013, are expected to remain at those levels through FY2014. The OCO budget request would increase U.S. support for those forces by 50% (to \$7.7 billion) over the pre-sequester FY2013 appropriation. According to DOD, the increase is associated with the Afghan forces' assumption of responsibility for security as well as continued efforts to improve their operational capabilities.⁴⁸

Ship and Aircraft Retirements

The Administration's FY2014 OCO budget request would require \$80.7 billion in budget authority. However, the Administration proposes to reduce the budgetary impact of the request by covering part of the costs by rescinding or cancelling \$1.3 billion appropriated for FY2013 to retain in service Navy ships and Air Force cargo planes that the Administration's FY2013 budget request would have retired.

Thus, the FY2014 request proposes to reverse Congress's decision to reject the Administration's FY2013 proposals to retire seven Aegis cruisers and two amphibious transport ships and to mothball the fleet of C-27 cargo planes. To fund its FY2014 OCO budget, it would use:

⁴⁸ Ibid., p. 7.

- \$486 million that Congress had added to the FY2013 DOD appropriation to keep in service the ships the Administration wanted to retire;
- \$749 million that Congress had added to the FY2013 bill to continue purchasing and operating C-27s; and
- \$44 million that had been appropriated for unspecified R&D program in FY2004.

FY2014 National Defense Authorization Act (NDAA)

For DOD's FY2014 base budget, the totals authorized by both the version of the FY2014 National Defense Authorization Act (NDAA) passed by the House on June 14, 2013 (H.R. 1960), and the version reported by the Senate Armed Services Committee on June 20, 2013 (S. 1197), differ by less than \$50 million from the \$526.57 billion requested by the President. However, the similar net totals reflected differences between the two bills in the mixes of specific additions and reductions that produced those similar net totals.

The House bill, passed by a vote of 315-108, would authorize hundreds of millions of dollars more than requested for each of several purposes, including a military pay raise, shipbuilding, and ballistic missile defense. However, those gross increases were almost entirely offset by several gross reductions which, according to the House Armed Services Committee, would have no adverse impact on DOD programs because—in each of the affected accounts—previously appropriated funds could be used in lieu of the requested new budget authority.

The Senate committee bill, on the other hand, would add a total of more than \$1.5 billion to Operation and Maintenance accounts—to improve readiness, the committee said—while largely offsetting that gross increase with cuts taken from the amounts requested for military construction and military personnel accounts.

For OCO funding (or “war costs”), S. 1197, as reported by the Senate Armed Services Committee, would make few changes to the Administration's \$80.72 billion request. The House-passed bill, on the other hand, would authorize \$5.04 billion more than was requested, including the following increases:

- \$1.68 billion for depot maintenance;
- \$1.50 billion to “reset” (i.e., rehabilitate, reequip, and retrain) Army units after their deployment in Afghanistan;
- \$535.9 million for higher than budgeted fuel costs;
- \$453.0 million for additional training and other “readiness” related O&M costs;
- \$340.9 million to to replace FY2013 OCO funds that were reprogrammed to other OCO uses; and
- \$400 million for equipment for National Guard and reserve component units.
(See **Table 10**.)

The House-proposed increases in OCO funds would not count against the caps set by the Budget Control Act. However, OCO funds would be subject to sequestration, if that occurs.

Table 10. FY2014 National Defense Authorization Act (H.R. 1960; S. 1197)
(amounts in millions of dollars of discretionary budget authority)

	FY2014 Administration Request	FY2014 House-passed H.R. 1960	FY2014 Senate- committee reported S. 1197	FY2014 Conference Report
Base Budget				
Procurement	98,227	99,666	98,151	
Research and Development	67,520	68,079	67,541	
Operations and Maintenance	175,098	174,672	176,632	
Military Personnel	137,077	136,896	136,807	
Defense Health Program and Other Authorizations	37,639	37,362	37,775	
Military Construction and Family Housing	11,012	10,056	9,662	
Subtotal: DOD Base Budget	526,572	526,732	526,568	
Atomic Energy Defense Activities (Energy Dept.)	17,858	17,696	17,842	
TOTAL: FY2013 Base Budget	544,430	544,428	544,411	
Subtotal: Overseas Contingency Operations	80,722	85,766	80,704	
GRAND TOTAL: FY2013 NDAA	625,153	630,194	625,115	

Sources: House Armed Services Committee, H.Rept. 113-102, Report on the National Defense Authorization Act for Fiscal Year 2014 (H.R. 1960), June 7, 2013, pp. 363-67; Senate Armed Services Committee, S.Rept. 113-44, Report to accompany the National Defense Authorization Act for Fiscal Year 2014 (S. 1197), June 20, 2013, pp. 268-72.

NDAA: The Broad Outlines

Like the defense authorization act for FY2013 (H.R. 4310, P.L. 112-239), both the House-passed and Senate committee-reported versions of the FY2014 NDAA would make relatively few individual additions to the authorization levels proposed by the Administration for specific procurement and R&D programs, compared with the annual defense authorization bills enacted in the first decade of this century. That difference reflects the stringent bars against “earmarks” currently observed in both the House and the Senate.

Proposed Administration Savings

The House-passed and Senate committee-reported versions of the bill each would reject the Administration’s proposal to retire several Navy ships ahead of schedule—a proposal that Congress had rejected in the FY2013 budget. The House bill also would authorize a higher military pay-raise than the Administration requested; but both versions of the bill would support several of the Administration’s other cost-cutting proposals.

Following are actions incorporated in various versions of the FY2014 NDAA related to selected Administration savings. (See **Table 11.**)

Table 11 Selected Administration Cost Cutting Initiatives

	Administration Proposal	House-passed H.R. 1960	Senate Committee-reported S. 1197	Conference Report
Annual Raise in Military Basic Pay	1.0%	1.8% (added cost of \$580.0 million)	1.0%	
Recruiting and Retention Bonuses and Advertising	Reduce FY2014 request by \$213 million	Add \$5.4 million for bonuses for flight paramedics in Army Reserve and National Guard	no change	
DOD Civilian Pay	Cut by \$346.1 million compared with current policy	Cut an additional \$341.5 million (lower projection of number of employees)	no change	
TRICARE medical insurance costs	Cut by \$1.37 billion	Add \$164 million	Add \$218 million	
Retirement of seven Navy cruisers and two amphibious landing transport ships (proposal rejected by Congress in FY2013 budget)	Cancel \$486 million (of \$1.4 billion) that Congress added to the FY2013 DOD appropriation to keep in service the ships the Administration wanted to retire. Use those funds to cover part of the cost of the FY2014 budget request	Bar retirement of the seven cruisers and one of the two amphibious ships; Authorized use of up to \$915 million (of the funds authorized in FY2013 to keep the ships in service) to modernize the cruisers	Reject Administration proposal and direct DOD to use funds appropriated in FY2013 to continue operating the ships	
Retirement of C-27 cargo planes (proposal rejected by Congress in FY2013 budget)	Cancel \$749 million that Congress had added to the FY2013 bill to continue purchasing and operating C-27s; Use those funds to cover part of the cost of the FY 2014 budget request	no change	no change	
AH-64 Apache helicopter	Defer until FY2019 the manufacture of new AH-64s; Continue upgrade of existing helicopters to AH-64 Block III B configuration; Reduce FY2014 request by \$475 million	no change	no change	

	Administration Proposal	House-passed H.R. 1960	Senate Committee-reported S. 1197	Conference Report
UH-72 Lakota helicopter for non-combat missions	Buy the final 10 UH-72s in FY2014 in lieu of planned 31 in FY2014 and 10 more in FY2015; Reduce projected FY2014 request by \$163 million	Add \$135 million to buy 21 additional UH-72s in FY2014	no change	
Standard SM-3-IIB anti-ballistic missile interceptor	Cancel development of a new variant of the SM-3 IIA anti-missile interceptor; Reduce FY2014 request by \$216 million	no change	no change	
Precision Tracking Space System (PTSS) missile defense tracking satellite	Cancel development of PTSS missile defense tracking satellite; Reduce FY2014 request by \$270 million	no change	no change	

Other Congressional Additions

Both versions of the NDAA would authorize more than was requested for several large O&M accounts in which the Administration’s budget assumed costs would be reduced by “efficiencies.” The Senate committee-reported S. 1197 would add \$1.8 billion to these amounts, while the House-passed H.R. 1960 would add \$5.6 billion, of which \$4.6 billion was added to the authorization for OCO funding.

Following are actions selected increases to the Administration’s DOD budget request that would be authorized by various versions of the FY2014 NDAA. (See **Table 12.**)

Table 12 Selected Additions to the Administration Request

	Administration proposal	House-passed bill	Senate-passed bill	Conference Report
Facilities maintenance and upgrades	\$9.38 billion request assumes unspecified efficiencies	Add \$1.01 billion for facilities maintenance and repair	Add \$323 million for facilities maintenance and repair	
Depot maintenance	\$14.04 billion request assumes unspecified efficiencies	Add \$1.68 billion million for depot maintenance (nearly all OCO funding)	Add \$608 million for depot maintenance	
“Reset” of equipment deployed in Afghanistan and Iraq	Request \$2.24 billion for Army “reset” (in OCO funding)	Add \$1.50 billion for reset (OCO funding)	no change	

	Administration proposal	House-passed bill	Senate-passed bill	Conference Report
Other “add-backs”	n/a	Add \$341 million to replace FY2013 OCO funds that were reprogrammed to other OCO uses; Add \$453 million for additional training and other readiness-related O&M costs (OCO funding)	Add \$848 million for additional training and other readiness-related O&M costs	
Fuel costs	Request assumes unspecified efficiencies	Add \$536 million for fuel costs. (OCO funding)	no change	
Ballistic Missile Defense system deployed in Alaska and California to intercept inter-continental missiles aimed at U.S. territory	Request \$1.03 billion to continue upgrading Ballistic Missile Defense system deployed in Alaska and California to intercept inter-continental missiles	Add \$140 million; require construction of the third site for defense of U.S. territory against long-range ballistic missiles	no change	
Three Israeli missile defense systems	Request \$96 million to continue development of the three missile defense systems	Add \$173 million	Add \$150 million	
“Iron Dome” Israeli system designed to intercept short-range rockets and artillery shells	Request \$220 million for procurement	Add \$15 million to facilitate U.S. production of Iron Dome	no change	
Upgrades to Abrams tanks and Bradley troop carriers	Request \$171 million for Bradley mods and \$178 million for Abrams mods but no funds for more complex upgrade of Abrams tanks to so-called M-1A2 SEP configuration	Add \$168 million to continue M-1A2 SEP upgrades	no change	
Virginia-class nuclear submarine	Request \$2.93 billion to fully fund one sub and partly fund a second	Add \$492 million to fully fund the second sub	no change	
Equipment for National Guard and reserve component forces	Request \$4.25 billion distributed through the appropriations accounts that fund equipment for active-component forces	Add \$400 million for procurement in the National Guard and Reserve Equipment Account (NGREA) (OCO funds)	no change	

Funding Offsets

As is customary in annual NDAA's, both the House-passed H.R. 1960 and the Senate committee's S. 1197 would offset some or all of their proposed additions to the budget request with some relatively large proposed reductions within certain programs. Moreover—as usual—the House and Senate Armed Services Committees that drafted the two bills said that some of their proposed reductions would have no adverse impact on DOD.

Following are selected examples of funding offsets incorporated into various versions of the FY2014 NDAA. (See **Table 13**.)

Table 13 Selected Congressional Funding Offsets in the FY2014 NDAA

	House-passed bill	Senate-passed bill	Conference Report
Permanent Change of Station (PCS) funding to cover the cost of military personnel transferred between bases	Approve \$4.76 billion, as requested	Cut request by \$150 million	
FY2014 cost of some programs can be partly covered by unobligated and unexpended balances for those programs from prior fiscal years	Cut \$2.51 billion, of which \$584 million is from military construction accounts	Cut \$30 million	
Funding requests deemed by the committees to be not adequately justified or to be premature	Cut \$623 million	Cut \$187 million	
Programs requesting more than they historically have spent in one year (“under-execution”)	no change	Cut \$370 million	

Military Personnel Issues (Authorization)

Military Personnel Policy Issues

For additional background and analysis of selected military personnel issues dealt with in the FY2014 NDAA (end-strength, pay raise, TRICARE fees, chaplains' rights, and reserve component mobilization), see CRS Report R43184, *FY2014 National Defense Authorization Act: Selected Military Personnel Issues*, coordinated by Don J. Jansen.

Both H.R. 1960, as passed by the House, and S. 1197, as reported by the Senate Armed Services Committee, incorporate Administration proposals to reduce the statutory ceilings on the number of military personnel at the end of FY2014 by just over 40,000 troops in the active components (to a new total of 1.36 million), and by just over 8,000 troops in the National Guard and other reserve components (to a new total of 833,700). However, the House and Senate Armed Services Committees each expressed concern over the Administration's plan to cut an additional 41,200 personnel from the active components by FY2017, with more than 90% of that net reduction coming from the Army and Marine Corps.⁴⁹

⁴⁹ For additional background and analysis on the Administration's manpower plan, see CRS Report R42493, *Army Drawdown and Restructuring: Background and Issues for Congress*, by Andrew Feickert.

Military Pay Raise

The Senate committee’s bill includes a provision (Section 601) that would authorize for FY2014 the 1% raise in military basic pay called for by the budget request. On the other hand, the House Armed Services Committee called for a 1.8% military pay raise, as would happen automatically under existing law, which ties the annual raise in military basic pay to the Labor Department’s Employment Cost Index (ECI). DOD estimated that the higher raise would increase FY2014 military personnel costs by \$540 million.

However, the President asserts that the law that ties pay raises to the ECI⁵⁰ includes a provision giving him authority to specify an alternative pay raise, and he has done so for FY2014.⁵¹

Sexual Assault Prevention and Treatment

Sexual Assault-Related Provisions

For more extensive description and analysis of sexual assault-related provisions of H.R. 1960 and S. 1197 relating to sexual assault, see CRS Report R43213, *Sexual Assaults Under the Uniform Code of Military Justice (UCMJ): Selected Legislative Proposals*, by R. Chuck Mason.

In response to several high-profile cases involving sexual assaults within the Armed Forces, the House-passed and Senate committee-approved versions of the FY2014 NDAA each included several provisions that would address the issue. Some of these provisions would change the provisions of the Uniform Code of Military Justice (UCMJ) pertaining to sexual assault while others would change the rules governing (1) the disposition of sexual assault allegations within the military and (2) the conduct of courts-martial.

Corresponding provisions of the House and Senate bills differ in some respects, particularly in the types of alleged crimes to which they would apply. Following are selected aspects of the sexual assault issue that would be addressed by one or both bills (**Table 14**).

Table 14 Selected Sexual Assault-related Provisions, FY2014 NDAA

	House-passed bill	Senate committee-reported bill	Conference report
Establishment of mandatory minimum sentences for conviction by court-martial of a sex-related crime	Section 533	Section 554	
Appointment of a Special Victims’ Counsel to provide victims of alleged sex-related offenses with independent legal representation, drawn from outside the military services	Section 536	Section 539	
Prohibition of a commander’s consideration of the “character and military service” of the accused in deciding whether to prosecute an alleged offense	Section 546	Section 565	

⁵⁰ 37 U.S.C. 1009.

⁵¹ See, above, “Military Pay and Allowances.”

	House-passed bill	Senate committee-reported bill	Conference report
Limitation of a commander's authority to grant clemency	Section 531	Section 555	
Right of a complaining witness to be heard in the clemency phase of the proceedings	Section 544	Section 556	

Provisions Relating to Chaplains Corps and Conscience

As passed by the House, H.R. 1960 included a provision (Section 529) providing that, if a military chaplain were called upon to lead a prayer in some context other than a religious service, he or she would have the right to close the prayer “according to the traditions, expressions and religious exercises” of the chaplain’s faith tradition. During debate on the bill, the House rejected an amendment that would have authorized the appointment of military chaplains who are endorsed by recognized non-theistic or non-religious organizations.⁵²

The House bill also includes a provision that would expand the scope of Section 533 of the FY2013 NDAA (P.L. 112-239). As originally enacted, that provision of law requires the Armed Forces to accommodate expressions of individual servicemembers’ beliefs unless the beliefs or expressions threaten good order and discipline. The FY2014 NDAA passed by the House includes a provision (Section 530) that would exempt from protection only those expressions of belief that actually harm good order and discipline.

On the other hand, S. 1197 included a provision (Section 512) that would narrow the scope of Section 533 by exempting from protection any expressions of individual belief that “could have an adverse impact on military readiness, unit cohesion, and good order and discipline.”

Another provision of H.R. 1960 (Section 530E) would require “advance written notice of any meeting to be held between Department employees and civilians for the purpose of writing, revising, issuing, implementing, enforcing, or seeking advice, input, or counsel regarding military policy related to religious liberty.”

TRICARE

Neither the House nor Senate versions of the FY2014 NDAA would authorize the Administration’s proposals to:

- Raise the premiums paid by military retirees to participate in TRICARE, DOD’s private-sector health insurance program for active-duty and retired services members, their dependents, and their survivors;
- Index increases in TRICARE’s “catastrophic cap”—the maximum annual amount a beneficiary should have to pay—to the National Health Expenditure index, which is a federal government barometer of changes in health care costs; and

⁵² See House amendment number 169 in **Table 15**.

- Introduce enrollment fees for certain TRICARE programs, including TRICARE for Life, the program that covers Medicare-eligible military retirees.

In addition, the Senate bill would add \$218 million to the requested TRICARE authorization for FY2014, which would restore funds the budget request assumed would not be needed because of the proposed fees.

DOD has announced its intention to cut off TRICARE Prime coverage in certain areas of the United States. The House bill (Section 711) would guarantee that TRICARE beneficiaries currently enrolled in the TRICARE Prime program—an HMO-like option—could continue to participate in that program, even if DOD bars additional beneficiaries from joining the program in the area in which the current beneficiary resides. The House bill also would increase the TRICARE authorization for FY2014 by \$164 million to cover the cost of “grandfathering” those current TRICARE Prime enrollees who would be affected if Section 711 were not enacted into law.

Assignment of Women in the Military⁵³

The NDAA for FY2011 (P.L. 111-383) included a provision (Section 535) requiring the Secretary of Defense to submit to Congress a report on changes in laws, policies, and regulations that would be needed to ensure that women have an “equitable opportunity” to serve in the Armed Forces. The report, due April 15, 2012, has not been submitted to date. However, in February 2013, then-Secretary of Defense Leon Panetta rescinded DOD’s so-called “combat exclusion rule,” which barred the assignment of female military personnel to ground combat units. Panetta also directed the services to open all military assignments to women by January 1, 2016, unless by then they had requested specific exceptions which, in turn, would be subject to approval by the Secretary of Defense and the Chairman of the Joint Chiefs of Staff.

The House-passed FY2014 NDAA, H.R. 1960, includes Section 530D expressing the sense of Congress that by September 2015, the secretaries of the Army, Navy and Air Force “should develop, review, and validate individual occupational standards, using validated gender-neutral occupational standards, so as to assess and assign members of the Armed Forces to units, including Special Operations Forces.” The House bill also would require (Section 530C) that the report that was due of April 15, 2012, be submitted no later than 60 days after enactment of the FY2014 NDAA.

In its report on S. 1197, the Senate Armed Services Committee praised DOD for “moving toward an assignment system that is gender-neutral and performance-based.” Moreover, the committee encouraged DOD “to work toward full integration of women in all military occupations to the maximum extent practicable, consistent with military capabilities required for our nation’s defense.” However, the committee also expressed concern “that women may not always be afforded the opportunity to serve a full career.” It directed DOD to submit a report examining:

- retention rates and career progression opportunities for female servicemembers;
- “causes of voluntary mid-career separation, especially those related to childbirth”; and

⁵³ For additional background on issues related to the assignment of women in the military, see CRS Report R42075, *Women in Combat: Issues for Congress*, by David F. Burrelli.

- personnel management options that might better accommodate servicemembers' personal and family goals, including the use of temporary assignments to the reserve components.

Reserve Component Mobilization Guarantees

The House and Senate versions of the bill each include provisions that were triggered by instances in which reserve component units that had been mobilized for deployment overseas had their deployments cancelled on relatively short notice, in some cases causing significant cost and inconvenience to members of the affected units.

In the House bill, Section 511 would require the secretaries of the military departments to provide at least 120 days' notice to reserve units or individual reserve component members if they are to be mobilized for deployment in connection with a contingency operation or if, after such notification has been given, the deployment is cancelled or otherwise altered. If such notification is not given, a report would have to be submitted to the House and Senate Armed Services Committees explaining the reasons and providing the names of the affected units or individuals.

In the bill reported by the Senate Armed Services Committee, Section 508 would require the Secretary of Defense to personally approve any decision to cancel a planned reserve unit deployment within 180 days of the unit's scheduled deployment if an active duty unit is to be deployed, instead, to perform the same mission. In those cases, the provision also would require notification of the House and Senate Armed Services and Appropriations Committees and the governors of the affected states.

Ground Combat Systems (Authorization)

Congressional action on authorization of funding for selected ground force equipment is summarized in **Appendix Table A-3**. Following are highlights:

Current Generation Vehicles (M-1, Bradley, and others)

The House bill would increase by \$274 million the total authorized for procurement of tanks and other armored combat vehicles. In its report on H.R. 1960, the House Armed Services Committee said the budget request for armored vehicles was too anemic to sustain the specialized network of suppliers and assembly plants needed to build such equipment.

While a number of armored vehicle programs currently are underway, DOD projects a surge in demand for production capacity in about 2019, when new programs are slated for funding. Until then, the Administration maintains, foreign sales combined with projected DOD purchases will keep the production lines warm. The House committee said reliance on foreign sales to keep the industrial base intact was too risky, and that the additional vehicles for which it would provide authorization could replace older equipment in some units.

As passed by the House, H.R. 1960 would add to the budget request authorization for \$168 million to upgrade M-1 tanks with improved digital communications, night-vision equipment, armor, and transmissions. DOD has not budgeted for this program since FY2012, but Congress funded it in FY2013 in the absence of an Administration request. The House bill also would authorize:

- \$178.1 million, as requested, for less complex modifications to other M-1 tanks;
- \$158.0 million, as requested, for upgrades to Bradley armored troop carriers;
- \$374.1 million, as requested, to wind up production of the Stryker wheeled armored combat vehicle.
- \$186.0 million, \$75.0 million more than the \$116.0 million requested, for so-called armored recovery vehicles, designed to tow disabled 70-ton tanks off the battlefield; and
- \$94.0 million, \$31.0 million more than the \$63.0 million requested, to buy assault breacher vehicles, which are M-1 tank chassis equipped with a bulldozer and other gear for clearing a path through a minefield.

The Senate bill would authorize no funds for the M-1 upgrade program or the amounts requested for the other programs listed.

Next Generation Vehicles: GCV, AMPV, MPC, and JLTV

H.R. 1960 and S. 1197 each would authorize the amounts requested to develop four new types of battlefield vehicles for use by the Army and Marine Corps:

- \$592.2 million for the Army's Ground Combat Vehicle (GCV) intended to replace some Bradley troop carriers;⁵⁴
- \$116.3 million for the Armored Multi-Purpose Vehicle intended to replace the thousands of Vietnam War-era M-113 tracked vehicles still in use for various Army utility tasks;⁵⁵
- \$137.0 million for the Marines' Amphibious Combat Vehicle, intended to replace the 1970s-designed AAV-7 amphibious troop carrier;⁵⁶ and
- \$134.6 million for the Joint Light Tactical Vehicle (JLTV), slated to replace the ubiquitous HMMWV (Humm-Vee).⁵⁷

Since the Marine Corps has deferred plans to field a simpler armored troop carrier, not designed for amphibious landings, both bills would drop the requested \$20.9 million authorization for this program, designated the Marine Personnel Carrier (MPC).

⁵⁴ For background and additional analysis see CRS Report R41597, *The Army's Ground Combat Vehicle (GCV) Program: Background and Issues for Congress*, by Andrew Feickert.

⁵⁵ For background and additional analysis, see CRS Report R43240, *The Army's Armored Multi-Purpose Vehicle (AMPV): Background and Issues for Congress*, by Andrew Feickert.

⁵⁶ For background and additional analysis, see CRS Report R42723, *Marine Corps Amphibious Combat Vehicle (ACV) and Marine Personnel Carrier (MPC): Background and Issues for Congress*, by Andrew Feickert.

⁵⁷ For background and additional analysis, see CRS Report RS22942, *Joint Light Tactical Vehicle (JLTV): Background and Issues for Congress*, by Andrew Feickert.

Naval Systems (Authorization)

In their reports on H.R. 1960 and S. 1197, respectively, the House and Senate Armed Services Committees each expressed concern that, because of budgetary limits, DOD might not be able to fund the Navy's long-term shipbuilding plan.⁵⁸ Each committee highlighted in particular the challenge of replacing the current fleet of Trident missile-launching submarines even within the DOD budgets through FY2021 that were projected by the Obama Administration, let alone within the tighter budgets that might result from the current budget battles. In a House Armed Services Seapower Subcommittee hearing on September 12, 2013, Rear Admiral Richard P. Breckenridge, director of the Navy's Undersea Warfare Division, said that, on top of currently projected shipbuilding budgets, the Navy would need an additional \$60 billion over 15 years to replace the missile subs.

In its report on H.R. 1960, the House committee noted that DOD's annual 30-year shipbuilding plan, sent to Congress in April 2013, assumed that during the middle decade of that period (namely, 2024-2033) annual shipbuilding budgets would average nearly \$20 billion in constant dollars. The committee directed DOD to submit a 30-year plan that assumed annual shipbuilding budgets of \$16 billion (in constant dollars), which the Congressional Budget Office (CBO) says was the average annual shipbuilding budget over the past 30 years.

As reported by the Senate Armed Services Committee, S. 1197 included provisions that would:

- require DOD to submit an assessment of the strategic risk to national security if the number of ships in the annual 30-year plan do not meet DOD's stated goals (Section 1021); and
- require the Chief of Naval Operations to report on the number and capability of combat ships needed to meet current and prospective threats over the next 30 years (Section 1022).

Congressional action on authorization of funding for selected naval systems is summarized in **Appendix Table A-5**. Following are highlights:

Aircraft Carriers⁵⁹

The House and Senate versions of the NDAA each would authorize a total of \$3.48 billion, as requested, to sustain a fleet of 11 nuclear-powered aircraft carriers by the end of this decade.⁶⁰ Slightly less than half that total would provide partial funding for two ships currently under construction:

⁵⁸ For additional background and analysis of the Navy's long-range shipbuilding plan, see CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by Ronald O'Rourke.

⁵⁹ For additional background and analysis, see CRS Report RS20643, *Navy Ford (CVN-78) Class Aircraft Carrier Program: Background and Issues for Congress*, by Ronald O'Rourke

⁶⁰ The FY2006 NDAA (P.L. 109-163, Section 126) established a requirement in law that the Navy maintain no fewer than 12 operational carriers (codified at 10 U.S.C. 5062b). The FY2007 NDAA (P.L. 109-364, Section 1012) amended the law to reduce the requirement to 11 carriers. The FY2010 NDAA (P.L. 111-84, Section 1023) provided that the number of carriers could drop to 10 in the interval between the retirement of the carrier *Enterprise* and the commissioning of the carrier *Gerald R. Ford*, currently under construction.

- \$944.9 million for the *John F. Kennedy* (CVN 79), authorized in FY2013 and currently slated for completion in FY2022 at an estimated total cost of \$11.33 billion; and
- \$588.1 million for the *Gerald R. Ford* (CVN 78), authorized in FY2008 and currently slated for completion in FY2015 at an estimated total cost of \$12.8 billion.⁶¹

The balance of the carrier-related funding would partially fund major overhauls for two existing ships, about halfway through their projected 50-year service lives. This would entail refueling their nuclear reactors and upgrading key electronic and weapons systems, for which the House and Senate bills would authorize, as requested:

- \$1.71 billion for work on the *Abraham Lincoln* (CVN 72), slated for completion in FY2016 at a total cost of \$4.57 billion; and
- \$245.8 million from preliminary work on the *George Washington* (CVN 73), on which work is scheduled to begin in FY2016.

Both bills also would increase the legislative cap on spending for the *Ford* (CVN 78), raising it from \$11.76 billion to \$12.90 billion.

Attack Submarines and Missile Submarines

The House-passed H.R. 1960 and Senate Armed Services Committee-reported S. 1197 each would authorize, as requested, a total of \$6.92 billion to continue construction of Virginia-class submarines, to design and develop a new ballistic-missile sub to replace the Ohio-class ships currently in service, and to design an enlarged version of the Virginia-class that would greatly increase the ship's payload of Tomahawk land-attack missiles. The House-passed H.R. 1960 would increase the total submarine-related authorization by \$492 million to compensate for the amount that the sequestration process cut from the FY2013 appropriation for Virginia-class subs.

About three-quarters of the total amount requested would fund continued construction of the Virginia-class subs, including:

- \$2.93 billion to fully fund one sub and to provide about two-thirds of the cost of a second, for which the remaining \$953 million will be requested in the FY2015 budget. The House bill added \$492 million—the amount of the FY2013 sequester—to this request.⁶²
- \$2.35 billion for long lead-time components that would be used in two additional subs for which the bulk of the funding will be included in the FY2015 budget.

The remainder of the sub-related funding, endorsed by both bills, is for R&D programs:

⁶¹ In the DOD budget documentation, NDAA and DOD appropriations bill for FY2014, funding for CVN 79 is included in the Carrier Replacement Program while funding for CVN 78 is included in a separate budget line entitled "Completion of Prior Year Shipbuilding Programs."

⁶² For additional background and analysis on the Virginia-class submarine program, see CRS Report RL32418, *Navy Virginia (SSN-774) Class Attack Submarine Procurement: Background and Issues for Congress*, by Ronald O'Rourke.

- \$1.08 billion to continue developing a next-generation ballistic missile sub (\$787.6 million) and the associated nuclear powerplant (\$296.1 million),⁶³ and
- \$59.1 million to continue developing the Virginia Payload Module—an extension of the sub’s hull by nearly 100 feet to accommodate four large vertical launch tubes, each of which could accommodate seven Tomahawk missiles.

Destroyers⁶⁴

Both versions of the NDAA would support the budget request for construction of new Navy destroyers, but the House version would add to the request funds that would roughly offset the funds removed by sequester from the destroyer programs in FY2013. Following are highlights:

- For two DDG-51-class ships, the budget requested \$1.62 billion; the Senate bill would increase the authorization by \$100 million, and the House bill by \$332 million (which is nearly the amount cut from this program in FY2013 by sequestration);
- To complete construction of three DDG 1000-class destroyers, authorized in FY2007-FY2009, the Senate bill would authorize \$231.7 million, as requested, and the House would add \$79.3 million, slightly more than was sequestered from the program in FY2013; and
- To continue developing a new Air and Missile Defense Radar (AMDR), intended to improve the missile defense performance of a new version of the DDG-51 (so-called “Flight III” ships), both versions of the NDAA would authorize \$240.1 million, as requested. In addition, however, the House Armed Services Committee directed the Secretary of the Navy to submit a report on whether a larger version of AMDR mounted on a larger ship than a destroyer would serve the missile defense mission better than the smaller version slated to be installed on Flight II DDG-51s, beginning in FY2016.

Littoral Combat Ships⁶⁵

H.R. 1960 and S. 1197 each would authorize \$1.78 billion as requested for procurement of four Littoral Combat Ships (LCSs), which are fast, relatively small ships intended to deal with hostile submarines, minefields, and small attack boats in “littoral”—that is, “near to shore”—waters. Both bills also would authorize \$143.1 million, as requested, to continue acquisition of the interchangeable weapons modules intended to equip the ships for either mine-sweeping, sub-hunting, or surface combat. But each bill also would require the Navy to report on certain aspects of the program.

⁶³ For additional background and analysis, see CRS Report R41129, *Navy Ohio Replacement (SSBN[X]) Ballistic Missile Submarine Program: Background and Issues for Congress*, by Ronald O'Rourke.

⁶⁴ For background and additional analysis on destroyer programs, see CRS Report RL32109, *Navy DDG-51 and DDG-1000 Destroyer Programs: Background and Issues for Congress*, by Ronald O'Rourke.

⁶⁵ For background and additional analysis on the LCS program, see CRS Report RL33741, *Navy Littoral Combat Ship (LCS) Program: Background and Issues for Congress*, by Ronald O'Rourke.

The House bill (Section 321) would require a detailed report by the Navy on its plan to sustain the ships for extended periods in areas far from U.S. shipyards—for example, in Singapore—using private contractors rather than U.S. government personnel for routine maintenance. In its report, the House Armed Services Committee called on the Government Accountability Office to review the Navy’s plan for sustainment of the LCS.

The Senate bill (Section 125) would require a report by the Navy on its plans for how the ships would be used, how they compare with other U.S. warships and with the ships of potential adversaries in terms of their combat survivability, and how their capability in a particular mission compares with the capability of the older equipment they are slated to replace.

Aircraft and Missile Programs (Authorization)

Congressional action on authorization of funding for selected aircraft and long-range missile programs is summarized in **Appendix Table A-9**. Following are some highlights:

Long-Range Weapons and Provisions Related to Arms Control

The House-passed version of the FY2013 NDAA includes several funding reductions and policy provisions reflecting opposition to the New START nuclear arms reduction treaty with Russia, approved by the Senate in 2010, and to President Obama’s announcement in his 2013 State of the Union Address that he would seek agreement with Russia for additional reductions in nuclear arms.⁶⁶

The Senate committee bill would authorize as requested a total of \$1.09 billion to sustain the Air Force’s long-range bomber fleet,⁶⁷ including (for both procurement and R&D):

- \$423.7 million to upgrade the 20 B-2 bombers (including \$303.5 million to improve the stealth planes’ defensive electronics);
- \$151.8 million to modernize B-1s;
- \$135.0 million to upgrade B-52s; and
- \$379.4 million to develop a new, stealthy bomber slated to enter service in the mid-2020s.⁶⁸

The House-passed version of the bill would authorize the requested bomber funding except that it would deny authorization for \$500,000 that would modify B-52s in accordance with the New START treaty.

⁶⁶ For background and additional analysis on New START and prospective future nuclear arms control agreements see CRS Report R41219, *The New START Treaty: Central Limits and Key Provisions*, by Amy F. Woolf and CRS Report R43037, *Next Steps in Nuclear Arms Control with Russia: Issues for Congress*, by Amy F. Woolf.

⁶⁷ For background and additional analysis, see CRS Report R43049, *U.S. Air Force Bomber Sustainment and Modernization: Background and Issues for Congress*, by Michael A. Miller

⁶⁸ For background and additional analysis, see CRS Report RL34406, *Air Force Next-Generation Bomber: Background and Issues for Congress*, by Jeremiah Gertler.

Similarly, the Senate bill would authorize, as requested, a total of \$1.47 billion for an ongoing program of refurbishing Trident II nuclear-armed, submarine-launched ballistic missiles by replacing their solid-fuel rocket motors and other aging components. The House bill would reduce the authorization by \$717,000 for activities related to New START compliance.

Both versions of the NDAA would authorize, as requested, \$65.4 million to continue the Conventional Prompt Global Strike program, aimed at developing a ballistic missile or other vehicle that could strike a distant target with a non-nuclear warhead on short notice.⁶⁹ However, the Senate committee added to its bill a provision (Section 211) barring the use of funds to develop a submarine-launched missile for this mission until 60 days after DOD reports to Congress on how it would manage the risk that an adversary might assume that any missile launched from a submarine carried a nuclear warhead.

In addition to reducing the authorization request by a total of \$1.22 million to block funding associated with New START compliance, H.R. 1960 included several provisions that would put conditions on U.S. compliance with that treaty and on prospective further reductions in U.S. nuclear weaponry. Among these provisions are:

- Section 1051, which would bar the use of any funds in FY2014 to eliminate one of the three “legs” of the U.S. nuclear “triad” of land-based ballistic missiles, sub-launched ballistic missiles, and intercontinental bombers;
- Section 1052, which would prohibit the Administration from implementing arms reductions required by New START until it reports to Congress—as required by the FY2012 NDAA (P.L. 112-81, Section 1042a)—its plan for allocating the required cuts among the three legs of the triad;
- Section 1054, which would bar additional reductions in the U.S. nuclear force, below those required by New START, unless they were required by a treaty ratified by the Senate or by a law enacted by Congress; and
- Section 1056, which would require that DOD retain the ability to reinstall multiple warheads on Minuteman III ICBMs, which had been modified—under the terms of New START—to carry one warhead rather than the three for which it was designed.

Carrier-Based UAVs

The FY2014 budget request includes a total of \$167.7 million for two Navy R&D programs aimed at developing a fleet of long-range, armed, drone aircraft to fly reconnaissance and attack missions from aircraft carriers. Of that total, the Senate version of the NDAA would authorize, as requested:

- \$21.0 million to conclude the Unmanned Combat Air Vehicle (UCAV) project, which has tested the feasibility of operating large drones off carriers using full-sized, experimental X-47 aircraft, one of which autonomously landed on the carrier *George H. W. Bush* on July 10, 2013; and

⁶⁹ For background and additional analysis, see CRS Report R41464, *Conventional Prompt Global Strike and Long-Range Ballistic Missiles: Background and Issues*, by Amy F. Woolf.

- \$146.7 million for the Unmanned Carrier-launched Airborne Surveillance and Strike (UCLASS) project, which is intended to produce an operational weapon.

In its report on H.R. 1960, the House Armed Services Committee contended that the Navy was acting prematurely in retiring the X-47s before they had been used to explore all the technical challenges that the operators would encounter when the UCLASS drones were deployed. The committee was particularly critical of the Navy's decision to drop a planned effort to refuel an X-47 in midair while the drone was fully under the control of its on-board computers, with no intervention by a human pilot.

Accordingly, H.R. 1960 would increase the UCAV authorization by \$20.0 million—to \$41.0 million—and would include a provision (Section 217) requiring the Navy to conduct mid-air refueling tests with the X-47. The House bill also would authorize, as requested, \$146.7 million for UCLASS.

Missile Defense (Authorization)

The FY2014 budget request included \$7.68 billion for the Missile Defense Agency (MDA), the bulk of it for R&D efforts aimed to developing an array of sensors to detect ballistic missiles in flight and weapons to destroy them. The House-passed bill would increase the total MDA authorization by \$435.4 million, with most of the additional funding directed to several Israeli defense systems and to the Ground-based Midcourse Defense (GMD) currently deployed in Alaska and California, which is intended to protect U.S. territory against a small number of intercontinental ballistic missiles launched from North Korea or Iran. The Senate committee-reported NDAA would increase the MDA authorization by \$150.0 million, directing the additional funds to the same Israeli systems.

Congressional action on authorization of funding for selected missile defense programs is summarized in **Appendix Table A-1**. Following are highlights:

Ground-Based Missile Defense (GMD)

The budget request includes \$1.03 billion for the GMD system: some of which is intended to pay for refurbishing and upgrading the 30 interceptor missiles currently deployed; some to prepare for deployment of 14 additional interceptors at the existing launch site in Alaska, as the Administration has announced it may do; and some to survey locations for a potential third launch site for missile interceptors on the East Coast. The FY2013 NDAA (P.L. 112-239, Section 227) required DOD to develop a plan for deploying interceptors at an East Coast site, on the grounds that it would increase the likelihood that the GMD system could intercept U.S.-bound missiles from Iran or North Korea.

The budget also requests \$315.2 million for the network of long-range radars on which the GMD system relies for target data.

The Senate bill would authorize the GMD request and would add to the radar request \$30.0 million to deploy an additional radar for defense of U.S. territory (Section 234). It also includes a provision (Section 231) requiring a DOD report evaluating the cost and effectiveness of various enhancements to the current GMD system, including the planned deployment of 14 additional interceptors and the creation of an East Coast launch site.

By contrast, the House bill would begin funding both the expansion of the GMD interceptor arsenal and construction of a third launch site on the East Coast. It would add to the \$1.03 billion GMD request \$107.0 million to begin acquisition of 14 additional interceptors and \$140.4 million to begin work on the East Coast interceptor site. H.R. 1960 also includes a provision that would require completion by FY2018 of a third GMD site “designed to complement existing sites in Alaska and California [and] to deal more effectively with the long-range ballistic missile threat from the Middle East” (Section 232).

Israeli Defenses

The House and Senate bills each would authorize significantly more than the \$98.0 million requested for three Israeli programs intended to intercept short-range and medium-range ballistic missiles. H.R. 1960 would add \$188.0 million while S. 1197 would add \$150.0 million.

Both bills would authorize \$220.3 million, as requested, to continue acquiring for Israel a fourth weapons system, dubbed “Iron Dome,” designed to intercept short-range rockets and artillery shells. But the House bill also would authorize DOD to use \$15.0 million to gear up for U.S. production of the Iron Dome system (Section 237).

NATO Missile Defense Cost

H.R. 1960 included a provision (Section 238) that would require the President to negotiate with other leaders of NATO, an agreement that the alliance would pay half the cost of deploying and operating a U.S.-designed regional missile defense system intended to protect Europe.

Provisions Relating to Wartime Detainees⁷⁰

The House-passed and Senate committee-reported versions of the FY2014 NDAA each contain provisions relating to persons captured in the course of hostilities against Al Qaeda and associated forces, including those detained at the U.S. Naval Station at Guantanamo Bay, Cuba. Among the detainee-related provisions in H.R. 1960 are:

- Section 1033, restricting the conditions under which detainees can be transferred to other countries through December 31, 2014;
- Section 1040D, barring transfer of detainees to Yemen through December 31, 2014;
- Section 1032, barring the use of funds to construct or modify facilities in the United States to house detainees; and
- Section 1040C, barring the use of funds to provide new or improved recreational facilities for detainees.

During floor debate on H.R. 1960, the House rejected by a vote of 200-226 an amendment that would have eliminated indefinite military detention for any detainee held in the United States by

⁷⁰ This section was prepared by Jennifer K. Elsea, Legislative Attorney, American Law Division, Congressional Research Service.

requiring an immediate trial in a state or federal court for any person detained under authority of the Authorization for Use of Military Force (AUMF) resolution (P.L. 107-40).

The Senate bill (S. 1197) would relax some of the restraints in current law on the treatment of detainees. For example, it would allow the expiration of the current prohibition on constructing or modifying facilities in the United States to house detainees currently held at Guantanamo Bay. The bill also contains:

- Section 1033, extending the current prohibition on releasing Guantanamo detainees in the United States but allowing them to be transferred to the United States for detention and trial; and
- Section 1031, allowing the transfer to other countries of certain classes of detainees, including those who have been ordered released by a competent U.S. court and those who have been tried and either were acquitted or have served their sentence.

On November 19, 2013, the Senate rejected two amendments related to detainee issues:

- Amendment 2255 (Senator Ayotte) would have dropped from the bill several committee provisions, thus leaving intact the provisions of current law that bar transfer to any other place of any detainees currently held at Guantanamo; rejected by a vote of 43-55 (with 60 votes required for passage); and
- Amendment 2175 (Senator Levin) stipulated that any detainee transferred to the United States for trial would be barred from requesting asylum while on U.S. territory; rejected by a vote of 52-46 (with 60 votes required for passage).

Detainee Issues

For background and further analysis of detainee-related provisions in H.R. 1960 and S. 1197, see CRS Report R42143, *The National Defense Authorization Act for FY2012 and Beyond: Detainee Matters*, by Jennifer K. Elsea and Michael John Garcia.

House Floor Amendments

Following are selected amendments on which the House took action during its consideration of H.R. 1960

Table 15 Selected House Floor Amendments to FY2014 National Defense Authorization Act (H.R. 1960)

Principal Sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Conf. Rept.
Defense Budget				
Nolan	H.Amdt. 159	reduce by \$60 billion the total amount authorized by the bill	rejected 71-353	
Van Hollen	H.Amdt. 171	reduce by \$5 billion the OCO authorization in the bill	rejected 191-232	
Coffman	H.Amdt. 145	shift \$250 million from the Defense Rapid Innovation Program to funding for training and readiness	rejected 206-220	

Principal Sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Conf. Rept.
Afghanistan				
McGovern	H.Amdt. 149	express sense of Congress that, if the President decides to leave U.S. troops deployed in Afghanistan after the end of 2014 , Congress should authorize the deployment by vote no later than June 1, 2014	agreed to 305-121	
Johnson	H.Amdt. 166 (en bloc 7)	bar use of authorized funds to establish a base for the permanent stationing of U.S. forces in Afghanistan	agreed to voice vote	
Blumenauer	H.Amdt. 174	streamline the process for awarding special immigrant visas to Iraqis and Afghans who have assisted U.S. forces and expressing sense of the House that this program should be extended through 2018	agreed to 420-3	
Braley	H.Amdt. 165 (en bloc 6)	require the President to send Congress a report on the long-term cost of the military campaigns in Iraq and Afghanistan , including the cost of veterans' care	agreed to voice vote	
Lewis	H.Amdt. 165 (en bloc 6)	require that the cost to each taxpayer of the wars in Iraq and Afghanistan be posted on the DOD website	agreed to voice vote	
Sexual Assault				
Frankel	H.Amdt. 146 (en bloc 1)	make it a crime under UCMJ to abuse one's position in the chain of command to rape or sexually assault a subordinate	agreed to voice vote	
Turner	H.Amdt. 147	establish mandatory minimum sentences of dismissal or discharge from service and imprisonment for certain sex-related offenses by military personnel	agreed to voice vote	
Jackson Lee	H.Amdt. 153 (en bloc 2)	require posting at DOD installations of information on sexual assault prevention and response	agreed to voice vote	
Lowey	H.Amdt. 156 (en bloc 3)	require inclusion of sexual assault prevention in the ethics curriculum of the service academies	agreed to voice vote	
deLauro	H.Amdt. 156 (en bloc 3)	require that the annual DOD report on sexual assaults in the military include certain information relating to retention of evidence and records relating to sexual assaults	agreed to voice vote	
Terrorism / Guantanamo Bay				
Broun	H.Amdt. 165 (en bloc 6)	bars use of a drone to kill a U.S. citizen unless that person is actively engaged in combat against the United States	agreed to voice vote	
Goodlatte	H.Amdt. 150	in <i>habeus corpus</i> proceedings for U.S. citizens detained pursuant to the 2001 resolution authorizing the use of military force (AUMF), require the government to prove by clear and convincing evidence that the citizen is an unprivileged enemy combatant , with no presumption that the government's evidence is accurate	agreed to 214-211	
Radel	H.Amdt. 151	require annual DOD report to Congress containing the names of U.S. citizens detained by military , the justification for their detention, and steps taken to either give them judicial process or release them	agreed to voice vote	
Smith (Wash.)	H.Amdt. 152	eliminate indefinite military detention by providing immediate trial in a state or federal court for any person detained under authority of the AUMF	rejected 200-226	

Principal Sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Conf. Rept.
Walorski	H.Amdt. 167	prohibit the use funds to transfer or release to Yemen any detainees held at Guantanamo Bay	agreed to 236-188	
Smith (Wash.)	H.Amdt. 168	bar funding of the Guantanamo Bay detention facility after December 31, 2014	rejected 174-249	
Ross	H.Amdt. 164 (en bloc 5)	bar use of taxpayer funds to construct or upgrade recreational facilities for detainees at Guantanamo Bay	agreed to voice vote	
Policy Toward Other Countries				
Gibson	H.Amdt. 162	delete from the committee-reported bill Section 1251 expressing the Sense of Congress should ensure robust contingency planning to secure U.S. interests in Syria including the consideration of all courses of action to remove Syria President Assad from power	rejected 123-301	
Walorski	H.Amdt. 166 (en bloc 7)	express sense of Congress strongly supporting sanctions on Iran, supporting U.S. policy of preventing Iran from acquiring nuclear weapons, and declaring that Israel's security is a vital U.S. national interest	agree to voice vote	
Rigell	H.Amdt. 165 (en bloc 6)	declare that nothing in this act shall be construed to authorize any use of military force	agreed to voice vote	
Ros-Lehtinen	H.Amdt. 165 (en bloc 6)	expand the scope of a report on U.S. relations with Egypt required by the bill and require GAO to comment on the report	agreed to voice vote	
Connolly	H.Amdt. 165 (en bloc 6)	direct the President to sell 66 F-16C/D fighters to Taiwan	agreed to voice vote	
Strategic Arms and Arms Control				
Polis	H.Amdt. 170	bar the use of funds to expand the missile defense system currently deployed in Alaska and California unless the system successfully intercepts target warheads twice prior to October 1, 2014	Rejected 146-278	
Holt	H.Amdt. 157	delete Subtitle C of Title II of the bill (i.e., several legislative provisions dealing with missile defense R&D) except for Section 237, which would authorize \$15 million to facilitate U.S. production of the Israeli-developed Iron Dome system	rejected 61-362	
Cooper	H.Amdt. 161	add authorization totalling \$70.5 million, requested by the Administration but deleted by the House committee, to pay for actions required to comply with the New START nuclear arms reduction treaty	rejected 195-229	
Lummis	H.Amdt. 143	require that currently active ICBM launch silos, if retired from service, be maintained in a way to would permit their return to service	agreed to 235-189	
Turner	H.Amdt. 155	express sense of Congress that the President inform Congress of the terms of any proposed agreement with Russia concerning U.S. nuclear arms or missile defenses	agreed to 239-182	
Other				
Blumenauer	H.Amdt. 142	reduce from 11 to 10 the number of nuclear-powered carriers the Navy is required to keep in active service	rejected 106-318	

Principal Sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Conf. Rept.
Coffman	H.Amdt. 163	return to the United States one of the Army's two Armored Cavalry Regiments currently stationed in Germany	rejected 110-313	
Langevin	H.Amdt. 164 (en bloc 5)	require a report comparing the cost and risks of procuring two types of Navy destroyers equipped for missile defense: the DDG-1000 class and a new version of the DDG-51 class (designated Flight III)	agreed to voice vote	
Polis	H.Amdt. 169	allow the appointment as military chaplains of persons certified by recognized nontheistic or nonreligious organizations	rejected 150-274	
Huelskamp	H.Amdt. 146 (en bloc 1)	require a report to the House and Senate Armed Services Committees anytime DOD officials meet with persons who are not federal employees to discuss the creation or enforcement of DOD regulations concerning religious liberty	agreed to voice vote	
Thompson (Pa.)	H.Amdt. 160 (en bloc 4)	require a baseline preliminary mental health assessment of individuals before they join the military	agreed to voice vote	
Fitzpatrick	H.Amdt. 146 (en bloc 1)	prohibit termination of military tuition assistance programs	agreed to voice vote	
Rigell	H.Amdt. 148	lift a moratorium on so-called A-76 competitions to determine whether to outsource DOD jobs currently performed by federal employees	rejected 178-248	
McCollum	H.Amdt. 158	bar the use of authorized funds for Army National Guard sponsorship of professional wrestling or motor sports contests	rejected 134-290	
DeSantis	H.Amdt. 160 (en bloc 4)	prohibit collaborative cybersecurity activities with China	agreed to voice vote	
Cardenas	H.Amdt. 164 (en bloc 5)	require that DOD investigations of compromised critical program information include estimate of resulting economic losses	agreed to voice vote	
Schakowsky	H.Amdt. 166 (en bloc 7)	require that clothes made in Bangladesh that are sold in post exchanges be manufactured in factories that comply with fire and building safety standards	agreed to voice vote	
DeLauro	H.Amdt. 175	bar DOD procurement from Russian arms firm Rosoboronexport unless certain conditions are met, including DOD certification that the company is not delivering advanced missile defense batteries to Syria	agreed to 423-0	

FY2014 DOD Appropriations Bill

Overview (H.R. 2397; S. 1429)

Unlike the more inclusive National Defense Authorization Act, the annual DOD appropriation bill covers only DOD military activities and excludes military construction, which is funded in the annual appropriations bill that also funds the Department of Veterans Affairs and related agencies.

The House version of the FY2014 DOD appropriations bill (H.R. 2397), passed on June 24, 2013, by a vote of 315 to 109, would provide \$585.1 billion for those activities—including both the base budget and OCO costs—which is nearly \$4.4 billion less than the Administration requested. The Senate Appropriations Committee’s version of the bill (S. 1429), reported on July 30, 2013, would provide \$587.5 billion, which is nearly \$2.2 billion less than the request. (See **Table 16**.)

Differing Presentations of FY2014 Budget Request

Summary tables in the House and Senate Appropriations Committees’ reports on their respective versions of the FY2014 DOD appropriations bill differ slightly in their presentation of the Administration’s FY2014 DOD budget request.

At issue is an Administration proposal that would, in effect, finance part of the \$80.56 billion OCO request by rescinding \$1.28 billion that Congress added to the FY2013 DOD funding bill (P.L. 113-6) for the purpose of modernizing and continuing to operate several Navy ships the Administration’s FY2013 budget would have retired. Both committees rejected the proposed rescission and took steps to include those funds in their respective FY2014 bills but recorded them in different places.

The summary table in H.Rept. 113-113, the House Appropriations Committee report on H.R. 2397, adds back the funding for the ships in the part of the bill funding war costs (OCO). On the other hand, the summary table in S.Rept. 113-85, the Senate Appropriations Committee’s report on S. 1429, includes the addition in DOD’s base (i.e., non-war) budget.

In **Table 16**, each committee’s summary of the budget request is presented alongside the summary of that committee’s version of the DOD appropriations bill.

Table 16. FY2014 DOD Appropriations Act (H.R. 2397; S. 1429)

amounts in thousands of dollars

	FY2014 Budget Request (House) ^a	House-passed Bill H.R. 2397	FY2014 Budget Request (Senate) ^b	Senate Committee-reported Bill S. 1429	Conference Report
BASE BUDGET					
Military Personnel	130,399,881	129,649,180	130,399,881	129,133,927	
Operation and Maintenance	175,097,941	174,926,024	175,097,941	178,573,167	
Procurement ^c	98,153,506	98,346,158	98,153,506	98,368,753	
Research, Development, Test & Evaluation	67,520,236	66,399,530	67,520,236	65,806,815	
Revolving and Management Funds	2,276,527	2,141,527	2,276,527	2,304,205	
Defense Health Program and Other DOD Programs	35,461,127	36,025,967	35,461,127	36,080,718	
Related Agencies	1,082,271	1,066,535	1,082,271	1,082,671	
General Provisions (net)	158,000	-2,844,571	-913,571	-1,510,465	
Subtotal: BASE BUDGET	510,149,486	505,710,350	509,077,915	509,839,791	
Overseas Contingency Operations	79,278,902	79,576,649	80,558,154	77,623,143	
GRAND TOTAL	589,428,388	585,286,999	589,636,069	587,462,934	

Sources: House Appropriations Committee, H.Rept. 113-113, Report on the Department of Defense Appropriations Bill for FY2014 [H.R. 2397], June 17, 2013, supplemented by communication with committee staff; and Senate Appropriations Committee, S.Rept. 113-85, Report to Accompany S. 1429, Department of Defense Appropriations Bill for 2014 [S. 1429], August 1, 2013.

Notes:

- The relatively minor differences between the House and Senate summaries of the Administration’s FY2014 DOD budget request are analyzed in the text box, “Differing Presentations of FY2014 Budget Request,” which immediately precedes this table.
- The relatively minor differences between the House and Senate summaries of the Administration’s FY2014 DOD budget request are analyzed in the text box, “Differing Presentations of FY2014 Budget Request,” which immediately precedes this table.
- The Administration also requested in the Procurement account \$952.7 million in “advance appropriations” that would not be spent until after FY2014. All of the congressional defense committees rejected this request.

Base Budget

For the FY2014 base budget, H.R. 2397 would add \$1.20 billion to the Administration's request to offset what the House Appropriations Committee called the budget's "unrealistic" assumptions about the extent to which "efficiencies" would reduce the cost of building maintenance, depot overhauls of major weapons, and other routine operations. The House bill also added to the amount requested \$536 million in anticipation of higher-than-budgeted fuel costs and several billion dollars for various weapons and R&D programs, including increases of \$950 million for a submarine, \$923 million to modernize Navy cruisers the budget would retire, and \$667 million for medical R&D projects.

But those additions would be more than offset by reductions to the base budget request, many of which the House Appropriations Committee said would have no adverse impact on DOD operations. Among these are:

- a total of \$6.06 billion which the committee deemed to be either in excess of what was required for a particular program or else not adequately justified;
- a total of \$1.10 billion from programs that previously have requested and received more funds for a given year than they spend; and
- a total of \$3.04 billion that would be offset by rescinding the same amount appropriated in prior years, thus reducing the need for new budget authority.

The Senate committee's version of the bill would make several relatively large cuts from the base budget, among which are:

- a total of \$5.06 billion which the committee deemed to be either in excess of what was required for a particular program or else not adequately justified;
- a total of \$1.53 billion from programs that either have relatively large, unspent balances from prior appropriations or have a track record of requesting larger appropriations for a given year than they typically spend; and
- a total of \$578 million⁷¹ that would be offset by rescinding the same amount appropriated in prior years, thus reducing the need for new budget authority.

But the Senate committee would largely offset those reductions by additions to the Administration base budget request, including:

- a total of \$4.19 billion to compensate for assumed efficiencies in the budget request that the Senate committee deemed unrealistic; and
- \$1.16 billion to fund programs the Administration had included in its budget request for OCO funding.

⁷¹ The Administration's request for the FY2014 base budget included proposed rescissions totaling \$1.02 billion. The Senate committee's bill would rescind \$1.60 billion.

OCO Funding

For FY2014 war costs, the House-passed H.R. 2397 would appropriate \$79.34 billion, which is \$59.3 million more than the Administration's request. Among the largest increases in the committee bill are:

- \$1.50 billion for equipment for National Guard and reserve units;
- \$1.30 billion to accelerate the “reset” process for Army units that had been deployed in Afghanistan; and
- \$1.07 billion for a transfer fund from which amounts could be transferred to regular appropriations accounts to cover unforeseen OCO costs.

As reported by the House Appropriations Committee, the bill would have added \$6.3 billion to the OCO request, but amendments adopted by the House eliminated most of that overall increase.⁷²

- H.Amdt. 392 (Representative Mulvaney) reduced the committee-reported OCO amount by \$3.5 billion, eliminating all additions to the Administration's request except procurement funds for the National Guard and reserve forces.
- H.Amdt. 366 (Representative Terry) reduced the amount appropriated for support of the Afghan Army and National Policy by \$2.6 billion (from the \$7.73 billion requested and approved by the committee) and added \$1 billion to Operations and Maintenance accounts to reduce the need to furlough DOD civilian employees.

The Senate committee's bill, S. 1429, would provide \$77.62 billion in new budget authority for OCO, which is \$1.66 billion less than the Administration's request. Among the largest components of that net reduction are cuts of:

- \$1.16 billion for programs the Senate committee funded in the part of the bill that funds DOD's base budget;
- \$782 million cut from the \$7.73 billion request for the Afghan Security Forces Fund;
- \$284 million the committee deemed excess to need for Army basic pay; and
- \$227 million for Coast Guard missions in support of the Navy, which the Senate committee said should be funded through the Department of Homeland Security.

Military Personnel Issues (Appropriations)

Military Compensation

The Senate committee-reported version of the FY2014 DOD appropriations bill (S. 1429) would fund, as requested, a 1% raise in military basic pay. The House-passed version (H.R. 2397) includes Section 8126, which would add to the amount requested \$580 million to fund a 1.8%

⁷² For these and other amendments offered during House debate on H.R. 2397, see **Table 17**.

basic pay increase, as would be authorized by the House-passed version of the NDAA. On other military personnel funding issues:

- Both bills would cut the \$4.03 billion requested for enlistment and reenlistment bonuses and special pays—the House bill by \$145 million, the Senate bill by \$156 million—on grounds that, in the current civilian jobs market, it was easier than the budget assumed for the services to recruit and retain talented individuals;
- Both bills would reduce the \$4.76 billion requested for “Permanent Change of Station” funding—intended to cover the cost of transferring servicemembers and their dependents from one assignment to another—with the House bill cutting \$151 million and the Senate bill cutting \$306 million; and
- Both bills also would add to the request \$25 million to expand to all the services the Air Force’s Special Victims’ Counsel program to provide victims of alleged sex-related offenses with independent legal representation, drawn from outside the military services (see H.R. 2397, Section 8122; and S. 1429, Section 8115).

Defense Health Program (including TRICARE)

The FY2014 DOD appropriations bills passed by the House and reported by the Senate Appropriations Committee each would add upwards of \$500 million to the \$33.1 billion requested in the base budget for DOD’s health care system, which serves 9.6 million beneficiaries (active-duty and retired military personnel and their dependents).⁷³ Nearly half the request (\$16 billion) is for TRICARE, DOD’s insurance program, to fund contracts for private-sector medical care for active-duty and retired military personnel, their dependents, and their survivors.

Both bills would reduce the TRICARE request on grounds that, in recent years, the program has requested more than it spent in a given year. Those reductions were more than offset by additions in each bill to compensate for rejection of proposed TRICARE fee hikes and to provide roughly \$600 million for medical R&D projects. The House bill also would add \$225.0 million to the amount requested for maintenance and repair of medical facilities.

Ground Combat Systems (Appropriations)

Congressional action on authorization of funding for selected ground combat programs is summarized in Appendix **Table A-4**. Following are some highlights:

In the reports on their respective versions of the FY2014 appropriations bill, the House and Senate Appropriations Committees each took note of the planned downturn over the next few years in the Army’s purchases from the specialized industrial base that builds tanks and other heavily armored combat vehicles. In S. 1429, the Senate committee added to the request \$90.0 million to continue for one more year the conversion of existing M-1 tanks to the M-1A2 SEP variant, with improved digital communications, night-vision equipment, armor, and transmission. The House-passed bill included no additional funds for the tank upgrades but included an

⁷³ In addition to the \$33.1 billion requested for the Defense Health Program (DHP) in the base budget, the OCO funding request includes \$904 million for DHP.

additional \$75 million for M-88 recovery vehicles—vehicles built on tank chassis that are intended to tow damaged tanks from the battlefield.

The House and Senate bills each made some reductions in the set of R&D programs intended to develop a new generation of armored combat vehicles for the Army and Marine Corps:

- For the Army’s Ground Combat Vehicle, envisioned as a replacement for the Bradley armored troop carrier, the House bill would provide \$592.2 million, as requested, while the Senate bill would cut \$169.0 million;
- For the Armored Multipurpose Vehicle, a replacement for the 1970s-vintage M-113 tracked vehicle which the Army uses for jobs ranging from mobile command posts to battlefield ambulances, the Senate bill would provide \$116.3 million as requested, while the House bill would cut \$30.0 million; and
- Both bills would cut \$14.0 million from the Marine Corps request for \$137.0 million to develop a new amphibious assault vehicle.

Naval Systems (Appropriations)

Congressional action on appropriation of funds for selected naval programs is summarized in Appendix **Table A-6**. Following are some highlights:

Submarines

Historically, Congress has insisted on full funding for major weapons programs, with limited exceptions for so-called long lead-time components, such as the nuclear power plants of submarines. For aircraft carriers and helicopter carriers, with price tags of several billion dollars apiece, Congress has allowed “incremental funding”—that is, spreading the cost of the ship across several budgets. However, it has resisted proposals to use that approach for other types of ships.

In a similar vein, Congress has rejected proposals to fund ships and Air Force satellites using “advance appropriations,” that is, funding that Congress appropriates in one year’s appropriations bill but which will not become available for obligation until a subsequent fiscal year.⁷⁴ Nevertheless, the Administration is depending on advance appropriations to fund one of two Virginia-class submarines in the FY2014 budget request.

Of the projected \$5.41 billion total cost of two subs:

- \$1.53 billion was appropriated as “long lead-time” funding in prior budgets;
- \$2.93 billion is requested in FY2014; and
- \$952.7 million is budgeted as an “advance appropriation.”

Under DOD’s plan, one of the two subs would be “fully funded” by a combination of long lead-time funding from prior years and a portion of the funds requested in FY2014. The second sub

⁷⁴ For additional background and analysis of “advance appropriations,” see CRS Report RL32776, *Navy Ship Procurement: Alternative Funding Approaches—Background and Options for Congress*, by Ronald O'Rourke

would be funded by a combination of long lead-time money, the remainder of the FY2014 request and the FY2015 “advance appropriation” amount.

In its report on H.R. 2397, the House Appropriations Committee dubbed the advance appropriation proposal a “funding gimmick” and added to the bill \$950.0 million to fully fund the second FY2014 submarine.

As reported by the Senate Appropriations Committee, S. 1429 would add to the amount requested \$277.0 million, the purpose of which is to “maintain critical industrial base” associated with the Virginia-class subs.

In addition, the Senate bill would deny the \$59.9 million requested to continue developing the Virginia Payload Module, an additional hull section—reportedly about 94 feet in length—that would be incorporated into future Virginia-class subs carrying four large-diameter, vertical launch tubes that could carry additional Tomahawk cruise missiles or other payloads, such as unmanned underwater vehicles. In its report, the committee objected that the modification would disrupt a smoothly functioning production line for the subs and that DOD had not yet officially approved the change.

Destroyers

The House and Senate bills each would approve the \$1.62 billion requested for a DDG-51-class destroyer. In addition, the House bill would add \$100 million to make up for part of a \$304 million shortfall in the program’s account as a result of the FY2013 sequestration.

Both bills would deny a portion of the \$240.1 million requested for the Air and Missile Defense Radar (AMDR) program, intended to replace the current DDG-51 radar on a projected new version of the ship with a radar better able to track long-range ballistic missiles and low-flying or stealthy cruise missiles and aircraft. Citing delays in the development program, the House bill would cut \$79.8 million while the Senate bill would cut \$87.0 million.

Aircraft and Missile Programs (Appropriations)

Congressional action on appropriation of funds for selected aircraft and long-range missile programs is summarized in Appendix **Table A-10**. Following are highlights:

Strike Fighters (Joint Strike Fighter and F/A-18)

The House and Senate bills would make relatively minor reductions to the \$5.45 billion requested for procurement of 29 F-35 Joint Strike Fighter, of which there are three versions used by the Navy, Marine Corps, and Air Force, respectively. The House bill would cut \$323.4 million while the Senate bill would cut \$278.0 million, the reductions being justified, in each case, on grounds of efficiency and sound management.

While both bills thus would fund acquisition of 29 F-35s in FY2014, as requested, the Senate bill also would cut \$80.0 million from the \$564.8 million requested for long lead-time components with the intention of slowing the planned increase in production for FY2015. In its report on S. 1429, the Senate Appropriations Committee observed that the DOD budget assumed procurement in FY2014 of 42 F-35s, an increase of 13 planes (about 45%) over the 29 F-35s funded in the

FY2014 budget request. By reducing funding for long lead-time components, the Senate bill is intended to reduce the number of F-35s funded in the FY2015 budget request to 36, which would be an increase of about 25% over the number requested in FY2014.

Both the House and Senate bills also would add to the amount requested \$75.0 million for long lead-time components that would support the purchase in FY2015 of 22 F/A-18E/F Navy fighters, the type of plane the F-35 is slated eventually to replace on Navy carriers. In its report, the Senate Appropriations Committee opposed DOD's decision to end F/A-18E/F production, noting that the plane would be the "backbone" of the Navy's carrier air wings for the next 25 years. Keeping the F/A-18E/F in production would maintain the U.S. fighter production base and would hedge against the risk that the F-35 might be delayed, the committee said.

Missile Defense Programs (Appropriations)

H.R. 2397 would make a net addition of \$323.0 million to the Missile Defense Agency's \$7.68 billion FY2014 budget request while S. 1429 would give the agency a net increase over the request of \$227.4 million. Each bill would add \$173.0 million to the \$95.8 million requested for continued development of three Israeli anti-missile systems designed to intercept short-range and medium-range missiles ballistic missiles.

In addition, the House bill would add \$177.2 million to the \$1.03 billion requested for the Ground-based Midcourse Defense (GMD) currently deployed in Alaska and California, which is intended to protect U.S. territory against a small number of intercontinental ballistic missiles launched from North Korea or Iran. Of the additional funds, \$107.0 million is intended to accelerate procurement of 14 additional GMD interceptor missiles and \$70.2 million is to expedite consideration of deploying additional interceptors at a third site, located on the East Coast.

The Senate bill would appropriate a total of \$1.03 billion for GMD, as requested. However, within that total, it would shift \$142.9 million from the R&D account to the operation and maintenance account.

For the Israeli Iron Dome system, designed to intercept short-range rockets and artillery shells, both bills would provide \$220.3 million, the amount requested.

Afghanistan Security Forces Fund (OCO)

The House bill would provide the \$7.73 billion requested for the Afghan Security Forces Fund, which pays for training, equipping, and sustaining the Afghan military and national police.

But the Senate bill would cut from the request a total of \$781.8 million intended to purchase aircraft for Afghanistan's Air Force, including:

- \$365.0 million to purchase Russian-built Mi-17 helicopters from Rosboronexport, a Russian state-owned company that also has supplied arms to Syrian President Bashar al Assad. The bill also includes a general provision (Section 8113) that would bar DOD from doing business with Rosboronexport.
- \$416.8 million to purchase an additional 20 Super Tucano turboprops, ground-attack planes built by the Brazilian firm Embraer, 20 of which had been

purchased with FY2012 funds. In its report, the Senate Appropriations Committee said DOD had not identified a requirement for more than the 20 planes initially planned for.

House Floor Amendments to FY2014 DOD Appropriations Bills

Following are selected amendments on which the Senate took action during its consideration of H.R. 2397:

Table 17 Selected House Floor Amendments to FY2014 DOD Appropriations Act (H.R. 2397)

Principal Sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Conf. Rept.
Overall Budget Reductions				
Lee (CA)	H.Amdt. 383	Reduce the total amount appropriated by 1%	rejected	109-317
Terry		Reduce the appropriation for the Afghan Security Forces Fund by \$2.6 billion and add \$1.0 billion to the Defense-wide O&M account to reduce the need to furlough DOD civilian employees	agreed to voice vote	
Mulvaney	H.Amdt. 392	Reduce the OCO appropriation by \$3.5 billion , eliminating all additions to the President's request except procurement funds for National Guard and reserve component units	agreed to	215-206
Medical Funding Increases				
Sessions	H.Amdt. 349 <i>(en bloc 1)</i>	Move \$10 million to create a pilot program to assist servicemembers suffering from TBI or PTSD	agreed to voice vote	
Grayson	H.Amdt. 349 <i>(en bloc 1)</i>	Move \$10 million to increase funding for research on prostate cancer	agreed to voice vote	
Jackson Lee	H.Amdt. 351	Move \$500,000 to increase funding for PTSD treatment	agreed to voice vote	
Jackson Lee	H.Amdt. 354	Move \$10 million to increase funding for research on breast cancer	agreed to voice vote	
Other Funding Increases				
Nugent	H.Amdt. 359	Move \$11 million to increase funding to develop a cruise missile equipped with a high-powered microwave	rejected	93-327
Bridenstine	H.Amdt. 349 <i>(en bloc 1)</i>	Move \$10 million to increase funding for the National Guard State Partnership Program	agreed to voice vote	
McKinley	H.Amdt. 349 <i>(en bloc 1)</i>	Move \$10 million to increase funding for the National Guard's Youth Challenge Program	agreed to voice vote	
Strategic Arms and Arms Control				
Polis	H.Amdt. 356	Cut \$107 million added by committee to buy 14 U.S.-based GBI anti-missile interceptors	rejected	141-272

Principal Sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Conf. Rept.
Blumenauer	H.Amdt. 357	Cut \$85 million (10%) from the amount appropriated to develop a replacement for Trident missile submarines	rejected 49-372	
Nadler	H.Amdt. 362	Cut \$70 million added by committee to begin work on an East Coast missile defense site	rejected 173-249	
Quigley	H.Amdt. 384	Bar operation of more than 300 ICBMs (reducing the force by one-third)	rejected 142-283	
Lamborn	H.Amdt. 389	Bar the use of funds to conduct an environmental impact study on ICBM bases	agreed to voice vote	
Rogers	H.Amdt. 395	Bar the use of funds provided by the bill to carry out the nuclear force reductions required by the New START Treaty	agreed to voice vote	
Turner	H.Amdt. 398	Bar the use of funds to reduce the number of strategic nuclear bombers and missiles except pursuant to the Arms Control and Disarmament Act of 1961	agreed to voice vote	
Brooks	H.Amdt. 406	Bar the use of funds to carry out any agreement with the Russian Federation regarding U.S. missile defenses	agreed to voice vote	
Detainee issues				
Moran	H.Amdt. 365	Delete from the bill several provisions that would restrict the Administration's treatment of detainees at Guantanamo Bay	rejected 175-247	
Walorski	H.Amdt. 399	Bar the use of funds to transfer detainees from Guantanamo Bay to Yemen	agreed to 238-185	
Nadler	H.Amdt. 403	Bar the use of funds for further detention at Guantanamo Bay of prisoners already cleared for release	rejected 176-242	
Nadler	H.Amdt. 404	Bar the use of funds for additional construction or expansion of detainee facilities at Guantanamo Bay	rejected 187-237	
Afghanistan Issues				
Lee (NE)	H.Amdt. 366	Reduce by \$2.6 billion the Afghan Security Forces Fund and add \$1.0 billion for DOD operations to reduce civilian furloughs	agreed voice vote	
Walberg	H.Amdt. 369	Reduce by \$79 million to Afghan Infrastructure Fund	agreed to 283-139	
	H.Amdt. 349 (<i>en bloc 1</i>)	Reduce by \$10 million the Afghan Security Forces Fund and add \$10 million for suicide prevention	agreed to voice vote	
Cicilline	H.Amdt. 370 (<i>en bloc 3</i>)	Reduce by \$60 million the Afghan Security Forces Fund and add \$14 million for research on TBI, psychological health, and substance abuse	agreed to voice vote	
Cicilline	H.Amdt. 371	Reduce by \$279 million (i.e., to \$0) the Afghan Infrastructure Fund	rejected 184-237	
Cohen	H.Amdt. 372	Reduce by \$139 million the Afghan Infrastructure Fund	agreed to 249-173	
Coffman	H.Amdt. 373	Reduce by \$554 million the Afghan Security Forces Fund (thus eliminating contract with Soviet arms export firm to buy 30 Russian-built Mi-17 helicopters for Afghan forces' use)	agreed to 346-79	
Garamendi	H.Amdt. 374	Reduce Afghan Security Forces Fund by \$2.6 billion, the amount the committee bill would add to the President's request	rejected 150-276	

Principal Sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Conf. Rept.
Rigell	H.Amdt. 376	Bar the use of funds appropriated to the Afghan Infrastructure Fund for any project on which construction has not commenced by date of enactment	agreed to 332-94	
DeLauro	H.Amdt. 382	Bar the use of funds to train Afghan Security Forces to operate or maintain Russian-built Mi-17 helicopters	agreed to 333-93	
Jones	H.Amdt. 386	Bar the use of funds to carry out activities under the United States-Afghanistan Strategic Partnership Agreement, unless authorized by Congress	rejected 177-246	
Schiff	H.Amdt. 407	Bar the use of funds after December 31, 2014, for the use of force pursuant to the Authorization of the Use of Military Force resolution (P.L. 107-40)	rejected 185-236	
Provisions Relating to Other Countries in the Middle East and South Asia				
Poe	H.Amdt. 367	Reduce by \$600 million funds for Pakistan provided by the bill (a reduction of 50%)	rejected 186-237	
Rohrabacher	H.Amdt. 396	Bar any funds appropriated by the bill from being provided to Pakistan	rejected voice vote	
Radel	H.Amdt. 410	Provide that none of the funds may be used with respect to Syria in contravention of the War Powers Act	agreed to voice vote	
Massie	H.Amdt. 411	Bar the use of funds for DOD military operations in Egypt	agreed to voice vote	
Sexual Assault-Related Issues				
Speier	H.Amdt. 408	Investigate cases of possible retaliation against military personnel who report a sexual assault	agreed to voice vote	
Speier	H.Amdt. 409	Move \$10 million to improve training of DOD personnel who investigate allegations of sexual assault	agreed to voice vote	
Kline	H.Amdt. 355 (en bloc 2)	Bar the enlistment of persons convicted of rape, sexual assault, or other sex crimes	agreed to voice vote	
NSA Surveillance Issues				
Pompeo	H.Amdt. 412	Bar use of funds for operations of the National Security Agency	rejected 409-12	
Amash	H.Amdt. 413	Terminate authority for blanket collection of records under the Patriot Act	rejected 205-217	
Other Issues				
Velazquez	H.Amdt. 349 (en bloc 1)	Move \$10 million to reduce hazing and suicide in the military	agreed to voice vote	
Hunter	H.Amdt. 355 (en bloc 2)	Bar the use of funds to plan or carry out the removal of any part of the Mt. Soledad Veterans Memorial	agreed to voice vote	
Nunes	H.Amdt. 355 (en bloc 2)	Bar the use of funds to reduce force structure at Lajes Field in the Azores	agreed to voice vote	

Principal Sponsor	House Amdt. Number	Summary	Disposition in House	Disposition in Conf. Rept.
Grayson	H.Amdt. 355 (en bloc 2)	Bar the awarding of any contract to a contractor within three years of the contractor's conviction of fraud or other crimes against the federal government	agreed to voice vote	
Grayson	H.Amdt. 355 (en bloc 2)	Bar the use of funds to engage in any act defined by 18 U.S.C. 2340A as torture or conspiracy to commit torture	agreed to voice vote	
Grayson	H.Amdt. 355 (en bloc 2)	Bar the use of funds to produce any net increase in the number of admirals and generals	agreed to voice vote	
LoBiondo	H.Amdt. 355 (en bloc 2)	Bar the use of funds for DOD aviation demonstration teams (e.g., Navy "Blue Angels") to perform outside the United States	agreed to voice vote	
Heck	H.Amdt. 360	Move \$15 million to prepare for U.S. production of the Israeli "Iron Dome" defense against short-range rockets	agreed to voice vote	
Fleming	H.Amdt. 375	Bar the use of funds to appoint chaplains not endorsed by a recognized religious organization	agreed to 253-173	
Wittman	H.Amdt. 379	Bar the use of funds to plan or carry out a "base closure and realignment" (BRAC)	rejected voice vote	
Flores	H.Amdt. 380	Exempt DOD from existing law (42 U.S.C. 17142) that bars federal agencies from purchasing any fuel that produces more greenhouse gases over its life-cycle than conventionally produced petroleum-based fuels	agreed to 237-189	
LaMalfa	H.Amdt. 388	Bar the use of funds to pay any fine levied against a military base by the California Air Resources Board	agreed to 235-288	
Lamborn	H.Amdt. 390	Bar sequestration-related furloughs of DOD civilians	agreed to voice vote	
Meadows	H.Amdt. 391	Bar the use of funds to pay salaries of recess appointees until they are confirmed by the Senate	agreed to voice vote	
Palazzo	H.Amdt. 393	Bar the use of funds to rebase any Air Force, Air Force Reserve, or Air National Guard aircraft until 60 days after the report of the National Commission on the Structure of the Air Force.	rejected voice vote	
Palazzo	H.Amdt. 394	Bar the use of funds to plan or carry out furloughs of dual status military technicians	agreed to voice vote	
Stockman	H.Amdt. 397	Prohibit joint military exercises with the Peoples Republic of China	rejected 137-286	
Bonamici	H.Amdt. 400	Bar the disposal of C-23 aircraft operated by the National Guard	agreed to 264-154	
Hanabusa	H.Amdt. 401	Bar implementation of an enrollment fee for TRICARE for Life	agreed to voice vote	

Appendix. Selected Program Funding Tables

Table A-1. Congressional Authorization Action on Selected FY2014 Missile Defense Programs

(amounts in millions of dollars)

PE Number (for R&D projects only)	Program Element Title	FY2014 Administration Request	House- Passed Authorization H.R. 1960	Senate Committee- Reported Authorization S. 1197	Conference Report	Notes
0603175C	BMD Technology	309.2	239.2	279.2		House transfers \$70 million for "Common Kill Vehicle" to a new program element
	Common Kill Vehicle	0.0	70.0	0.0		
0603274C	Special Programs	40.4	40.4	40.4		
0603881C	BMD Terminal Defense Segment	269.0	269.0	269.0		
0603882C	BMD Midcourse Defense Segment	1,033.9	1,281.3	1,033.9		House adds \$140.4 million to expedite work on East Coast missile defense site and \$107.0 million in procurement funds for long lead-time components of 14 additional GBI anti-missile interceptors
0603884C	BMD Sensors	315.2	315.2	345.2		Senate adds \$30 million for additional U.S.-based radar
0603890C	BMD Enabling Programs	377.6	377.6	377.6		
0603891C	Special Programs	286.6	286.6	286.6		
0603892C	AEGIS BMD	937.1	937.1	937.1		
0603893C	Space Tracking & Surveillance System	44.9	44.9	44.9		

PE Number (for R&D projects only)	Program Element Title	FY2014 Administration Request	House- Passed Authorization H.R. 1960	Senate Committee- Reported Authorization S. 1197	Conference Report	Notes
0603895C	BMD System Space Programs	6.5	6.5	6.5		
0603896C	BMD Command and Control, Battle Management and Communications	418.4	418.4	418.4		
0603898C	BMD Joint Warfighter Support	47.4	47.4	47.4		
0603904C	Missile Defense Integration & Operations Center (MDIOC)	52.1	52.1	52.1		
0603906C	Regarding Trench	13.9	13.9	13.9		
0603907C	Sea-Based X-Band Radar (SBX)	44.5	44.5	44.5		
0603913C	Israeli Cooperative Programs	95.8	268.8	245.8		Both bills increase R&D funds for four Israeli-developed anti-missile systems.
0603914C	BMD Tests	375.9	375.9	375.9		
0603915C	BMD Targets	495.3	495.3	495.3		
0604880C	Land-based SM-3	129.4	129.4	129.4		
0604881C	Aegis SM-3 Block IIA Co-Development	308.5	308.5	308.5		
0901598C	Management HQ-MDA	37.7	37.7	37.7		
Subtotal, MDA RDT&E,		5,639.3	6,074.7	5,789.3		

THAAD, Fielding	581.0	581.0	581.0	
Aegis BMD	580.8	580.8	580.8	
AN/TPY-2 radar	62.0	62.0	62.0	
Aegis Ashore, Phase III	131.4	131.4	131.4	
Iron Dome	220.3	220.3	220.3	Israeli system designed to intercept mortar shells and short-range rockets
Ground-based Interceptors (GBI) [U.S.-based anti-missile defense]	0.0	107.0	0.0	House adds \$107 million for long lead-time components of 14 additional GBI interceptors
Subtotal, MDA Procurement	1,575.5	1,682.5	1,575.5	
THAAD, O&M	92.0	92.0	92.0	
Aegis BMD O&M	18.4	18.4	18.4	
Ballistic Missile Defense Radars. O&M	145.8	145.8	145.8	
Subtotal, MDA, O&M	256.2	256.2	256.2	
Aegis Ashore Site Deveselu, Romania	85.0	80.0	85.0	
AN/TPY-2 radar site (classified location)	15.0	15.0	15.0	
Missile Defense Field Ft. Greely, Alaska	82.0	82.0	82.0	
Missile Defense Radar Upgrade Clear, Alaska	17.2	17.2	17.2	
MDA Minor Construction and Planning and Design	12.9	12.9	12.9	
Subtotal, MDA, Military Construction	212.1	207.1	212.1	
Total, Missile Defense Agency	7,683.1	8,220.5	7,833.1	

0102419A	Aerostat Joint Project Office	98.5	98.5	98.5
	Patriot Missile (PAC-3) procurement	540.4	540.4	540.4
	Total, Selected Army Missile Defense	638.9	608.9	638.9
	Grand Total, Selected Missile Defense	8,322.0	8,829.4	8,472.0

Source: House Armed Services Committee, H.Rept. 113-102, Report on the National Defense Authorization Act for Fiscal Year 2014 (H.R. 1960), June 7, 2013; Senate Armed Services Committee, S.Rept. 113-44; Report to accompany the National Defense Authorization Act for Fiscal Year 2014 (S. 1197), June 20, 2013.

Table A-2. Congressional Action on Selected FY2014 Missile Defense Funding Appropriation
(amounts in millions of dollars)

PE Number (for R&D projects only)	Program Element Title	FY2014 Administration Request	House- Passed Appropriation	Senate Committee- Reported Appropriation	Conference Report	Notes
0603175C	BMD Technology	309.2	199.2	237.8		House transfers \$70 million for "Common Kill Vehicle" to a new program element; Senate splits funding for the element into six parts, including Common Kill Vehicle (\$70 million)
	Common Kill Vehicle	0.0	70.0	0.0		
0603274C	Special Programs	40.4	40.4	40.4		
0603881C	BMD Terminal Defense Segment	269.0	269.0	269.0		
0603882C	BMD Midcourse Defense Segment	1,033.9	1,211.1	891.0		House adds \$70.2 million to accelerate work on a third anti-missile site in U.S. and \$107.0 million in procurement funds for long lead-time components of 14 additional GBI anti-missile interceptors Senate transfers \$143 million to MDA O&M funding

PE Number (for R&D projects only)	Program Element Title	FY2014 Administration Request	House- Passed Appropriation	Senate Committee- Reported Appropriation	Conference Report	Notes
0603884C	BMD Sensors	315.2	361.8	345.2		
0603890C	BMD Enabling Programs	377.6	372.6	377.6		
0603891C	Special Programs	286.6	266.6	286.6		
0603892C	AEGIS BMD	937.1	937.1	910.1		
0603893C	Space Surveillance & Tracking System	44.9	44.9	44.9		
0603895C	BMD System Space Programs	6.5	6.5	6.5		
0603896C	BMD Command and Control, Battle Management and Communications	418.4	418.4	405.5		
0603898C	BMD Joint Warfighter Support	47.4	47.4	47.4		
0603904C	Missile Defense Integration & Operations Center (MDIOC)	52.1	52.1	52.1		
0603906C	Regarding Trench	13.9	13.9	13.9		
0603907C	Sea-Based X-Band Radar (SBX)	44.5	44.5	44.5		
0603913C	Israeli Cooperative Programs	95.8	268.8	268.8		House and Senate add \$173 million for three Israeli anti-missile systems
0603914C	BMD Tests	375.9	375.9	375.9		
0603915C	BMD Targets	495.3	491.4	495.3		
0604880C	Land-based SM-3	129.4	129.4	129.4		

PE Number (for R&D projects only)	Program Element Title	FY2014 Administration Request	House- Passed Appropriation	Senate Committee- Reported Appropriation	Conference Report	Notes
0604881C	Aegis SM-3 Block IIA Co-Development	308.5	308.5	308.5		
0901598C	Management HQ- MDA	37.7	37.7	37.7		
Subtotal, MDA RDT&E,		5,639.3	5,862.4	5,789.3		
	THAAD, Fielding	581.0	576.0	576.9		
	Aegis BMD	580.8	580.8	580.8		
	AN/TPY-2 radar	62.0	62.0	62.0		
	Aegis Ashore, Phase III	131.4	131.4	131.4		
Subtotal, MDA Procurement		1,575.5	1,677.5	1,575.5		
	THAAD, O&M	92.0	90.6	78.0		
	Aegis BMD O&M	18.4	18.4	18.4		
	Ballistic Missile Defense Radars. O&M	145.8	145.8	145.8		
	Midcourse Defense (U.S. bases)	-	-	142.0		
Subtotal, MDA, O&M		256.2	254.8	384.2		
	Aegis Ashore Site Desevelu, Romania	85.0	80.0	85.0		
	Missile Defense Field Fort Greely, Alaska	82.0	82.0	82.0		
	Missile Defense Radar Upgrade Clear, Alaska	17.2	17.2	17.2		
	An/TPY-2 radar site (classified location)	15.0	15.0	15.0		
	MDA Minor Construction and Planning and Design	12.9	12.9	12.9		

PE Number (for R&D projects only)	Program Element Title	FY2014 Administration Request	House- Passed Appropriation	Senate Committee- Reported Appropriation	Conference Report	Notes
Subtotal, MDA, Military Construction (Funded in H.R. 2216)		212.1	207.1	212.1		
Total, Missile Defense Agency		7,683.1	8,000.8	7,961.1		
0102419A	Aerostat Joint Program Office	98.5	83.5	98.5		Senate appropriates the total requested but divides it between two program lines
	Patriot Missile (PAC-3) procurement	540.4	740.4	540.4		
Total, Selected Army Missile Defense		638.9	608.9	638.9		
Grand Total, Selected Missile Defense		8,322.0	8,609.7	8,600.0		

Sources: House Appropriations Committee, H.Rept. 113-113, Report on the Department of Defense Appropriations Bill for FY2014 (H.R. 2397), June 17, 2013; and Senate Appropriations Committee, S.Rept. 113-85, Report to Accompany S. 1429, Department of Defense Appropriations Bill for 2014 (S. 1429), August 1, 2013.

Table A-3. Congressional Action on Selected FY2014 Army, Marine Corps Ground Combat Programs: Authorization
(amounts in millions of dollars)

	FY2014 Request		House-passed Authorization H.R. 1960		Senate Committee- reported Authorization S. 1197		Authorization Conference report		Notes	
	Procurement	R&D	Procurement	R&D	Procurement	R&D	Procurement	R&D		
	#	\$	\$	#	\$	\$	#	\$		\$
M-2 Bradley Mods	-	158.0	76.2	-	158.0	76.2	-	158.0	76.2	
M-1 Abrams tank Mods	-	178.1	101.3	-	178.1	101.3	-	178.1	101.3	

	FY2014 Request		House-passed Authorization H.R. 1960		Senate Committee-reported Authorization S. 1197		Authorization Conference report	Notes		
M-I Abrams tank Upgrade	-	-	-	-	168.0	-	-	-	House continues funding upgrade to modernize National Guard units and keep industrial base warm	
Stryker Armored Vehicle	-	374.1	50.0	-	374.1	50.0	-	374.1	50.0	
Ground Combat Vehicle	-	-	592.2	-	-	592.2	-	-	592.2	
Armored Multi-Purpose Vehicle	-	-	116.3	-	-	116.3	-	-	116.3	
Amphibious Combat Vehicle	-	-	137.0	-	-	137.0	-	-	137.0	
Marine personnel Carrier	-	-	20.9	-	-	0.1	-	-	0.0	
Joint Light Tactical Vehicle	-	-	134.6	-	-	134.6	-	-	134.6	
Paladin howitzer Upgrade	18	260.2	80.6	18	260.2	80.6	18	219.5	121.3	
Hercules recovery vehicle	-	111.0	-	-	186.0	-	-	111.0	-	House increases procurement funding to keep industrial base warm

Sources: House Armed Services Committee, H.Rept. 113-102, Report on the National Defense Authorization Act for Fiscal Year 2014 (H.R. 1960), June 7, 2013; Senate Armed Services Committee, S.Rept. 113-44; Report to accompany the National Defense Authorization Act for Fiscal Year 2014 (S. 1197), June 20, 2013.

Table A-4. Congressional Action on Selected FY2014 Army Ground Combat Programs: Appropriation
(amounts in millions of dollars)

	FY2014 Request			House-passed Appropriation			Senate Committee-reported Appropriation			Appropriation Conference report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
M-2 Bradley Mods	-	158.0	76.2	-	158.0	76.2	-	158.0	76.2				
M-1 Abrams tank Mods	-	178.1	101.3	-	178.1	101.3	-	178.1	101.3				
M-1 Abrams tank Upgrade	-	-	-	-	-	-	-	90.0	-				
Stryker Armored Vehicle	-	374.1	50.0	-	374.1	50.0	-	419.1	50.0				
Ground Combat Vehicle	-	-	592.2	-	-	592.2	-	-	423.2				
Armored Multi-Purpose Vehicle	-	-	116.3	-	-	86.3	-	-	116.3				
Amphibious Combat Vehicle	-	-	137.0			123.0	-	-	123.0				
Marine personnel Carrier	-	-	20.9	-	-	0.0	-	-	0.0				
Joint Light Tactical Vehicle	-	-	134.6	-	-	133.3	-	-	134.6				
Paladin howitzer Upgrade	18	260.2	80.6	18	217.2	80.6	18	219.5	121.3				
Hercules recovery vehicle	32	111.0	-	53	186.0	-	32	111.0	-				

Sources: House Appropriations Committee, H.Rept. 113-113, Report on the Department of Defense Appropriations Bill for FY2014 (H.R. 2397), June 17, 2013; and Senate Appropriations Committee, S.Rept. 113-85, Report to Accompany S. 1429, Department of Defense Appropriations Bill for 2014 (S. 1429), August 1, 2013.

Table A-5. Congressional Action on Selected FY2014 Shipbuilding and Modernization Programs: Authorization

amounts in millions of dollars

	FY2014 Request			House-passed Authorization H.R. 1960			Senate Committee-reported Authorization S. 1197			Authorization Conference report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
CVN-21 Carrier ^a	-	944.9	132.1	-	944.9	132.1	-	944.9	132.1				
Carrier Refueling Overhaul ^b	-	1,951.2	-	-	1,951.2	-	-	1,951.2	-				
Virginia-class submarine	2	5,285.3	121.6	2	5,777.3	131.6	2	5,285.3	121.6				
SSBN(X)	-	-	1,083.7	-	-	1,083.7	-	-	1,083.7				
DDG-1000 Destroyer	-	231.7	187.9	-	311.0	187.9	-	231.7	187.9				
DDG-51 Destroyer	1	2,004.1	-	1	2,336.1	-	1	2,104.1	-				Both bills add funds to offset impact of sequestration on FY2013 funding for three ships
Air and Missile Defense Radar (AMDR)	-	-	240.1	-	-	160.3	-	-	240.1				House committee calls for report on whether it would be more useful to mount the radar on ships larger than DDG-51 class destroyers
Cruiser modernization	-	10.5	236.5	-	10.5	236.5	-	10.5	236.5				
Destroyer modernization	-	286.0		-	286.0		-	286.0					
Littoral Combat Ship (LCS)	4	1,793.0	406.4	4	1,793.0	382.0	4	1,793.0					
LCS Combat Modules	-	143.0		-	143.0		-	143.0					
Afloat Forward Staging Base	1	524.0	-	1	524.0	-	1	579.3	-				

Sources: House Armed Services Committee, H.Rept. 113-102, Report on the National Defense Authorization Act for Fiscal Year 2014 (H.R. 1960, June 7, 2013; Senate Armed Services Committee, S.Rept. 113-44; Report to accompany the National Defense Authorization Act for Fiscal Year 2014 (S. 1197), June 20, 2013.

Notes:

- a. Procurement request includes \$944.9 million for USS *John F. Kennedy*, projected to cost \$11.33 billion in toto (including \$3.93 billion appropriated in FYs 2007-13 and \$6.46 to be requested in budgets for FY2015-FY2018). Request also includes \$588.1 billion for cost increases on USS *Gerald R. Ford*, currently projected to cost \$12.83 billion in toto (including \$11.51 appropriated in FYs 2001-11 and \$729.0 million for cost increases to requested in FY2015).
- b. Request includes \$1.71 billion (of estimated total cost of \$4.57 billion cost) to refuel and modernize USS *George Washington* and \$245.8 million (of estimated total cost of \$4.74 billion) to refuel and modernize USS *Abraham Lincoln*.

Table A-6. Congressional Action on Selected FY2013 Shipbuilding and Modernization Programs: Appropriation

(amounts in millions of dollars)

	FY2014 Request			House-passed Appropriation			Senate Committee-reported Appropriation			Appropriation Conference report			Notes
	Procurement #	R&D \$	R&D \$	Procurement #	R&D \$	R&D \$	Procurement #	R&D \$	R&D \$	Procurement #	R&D \$	R&D \$	
CVN-21 Carrier ^a	-	944.9	132.1	-	944.9	132.1	-	917.7	132.1				
Carrier Refueling Overhaul ^b	-	1,951.2	-	-	1,855.1	-	-	1,929.1	-				
Virginia-class submarine	2	5,285.3	121.6	2	6,235.3	121.6	2	5,285.3	61.7				House adds \$950 million to fully fund two subs; Senate denies R&D funds for "combat module"
SSBN(X)	-	-	1,083.7	-	-	1,083.7	-	-	1,058.7				
DDG-1000 Destroyer	-	231.7	187.9	-	231.7	187.9	-	231.7	187.9				
DDG-51 Destroyer	1	2,004.1	-	1	2,004.1	-	1	1,995.1	-				
Air and Missile Defense Radar (AMDR)	-	-	240.1	-	-	160.3	-	-	188.9				
Cruiser modernization	-	10.5	236.5	-	734.1	236.5	-	10.5	236.5				House adds \$724 million to

Destroyer modernization	-	286.0	-	286.0		208.4			upgrade cruisers the budget would retire	
Littoral Combat Ship (LCS)	4	1,793.0		4	1,793.0	202.6	4	1,793.0	202.6	House and Senate approve separately the R&D amounts requested for LCS ships and for combat modules,
LCS Combat Modules	-	143.0	406.4	-	130.8	203.8	-	125.3	203.8	
Afloat Forward Staging Base	1	524.0	-	1	562.0	-		579.3	-	

Sources: House Appropriations Committee, H.Rept. 113-113, Report on the Department of Defense Appropriations Bill for FY2014 (H.R. 2397), June 17, 2013; and Senate Appropriations Committee, S.Rept. 113-85, Report to Accompany S. 1429, Department of Defense Appropriations Bill for 2014 (S. 1429), August 1, 2013.

Notes:

- a. Procurement request includes \$944.9 million for USS *John F. Kennedy*, projected to cost \$11.33 billion in toto (including \$3.93 billion appropriated in FY2007-FY2013 and \$6.46 to be requested in budgets for FY2015-FY2018). Request also includes \$588.1 billion for cost increases on USS *Gerald R. Ford*, currently projected to cost \$12.83 billion in toto (including \$11.51 appropriated in FY2001-FY2011 and \$729.0 million for cost increases to requested in FY2015).
- b. Request includes \$1.71 billion (of estimated total cost of \$4.57 billion cost) to refuel and modernize USS *George Washington* and \$245.8 million (of estimated total cost of \$4.74 billion) to refuel and modernize USS *Abraham Lincoln*.

Table A-7. Congressional Action on Selected FY2013 Space Programs: Authorization

(amounts in millions of dollars)

	FY2013 Request			House-passed Authorization H.R. 1960			Senate Committee-reported Authorization S. 1197			Authorization Conference report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Advanced EHF Satellite	-	379.6	272.9	-	379.6	272.9	-	379.6	272.9				
GPS III Satellite	2	477.6	604.8	2	477.6	604.8	2	477.6	604.8				

	FY2013 Request			House-passed Authorization H.R. 1960			Senate Committee-reported Authorization S. 1197			Authorization Conference report			Notes
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Evolved Expendable Launch Vehicle (EELV)	5	1,852.9	28.0	5	1,852.9	28.0	5	1,852.9	28.0				
SBIR High	-	583.2	352.5	-	583.2	352.5	-	583.2	372.5				
“Space Fence”	-	-	377.7	-	-	377.7	-	-	377.7				

Sources: House Armed Services Committee, H.Rept. 113-102, Report on the National Defense Authorization Act for Fiscal Year 2014 (H.R. 1960), June 7, 2013; Senate Armed Services Committee, S.Rept. 113-44; Report to accompany the National Defense Authorization Act for Fiscal Year 2014 (S. 1197), June 20, 2013.

Table A-8. Congressional Action on Selected FY2013 Space Programs: Appropriation
(amounts in millions of dollars)

	FY2013 Request			House-passed Appropriation			Senate Committee-reported Appropriation			Appropriation Conference report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Advanced EHF Satellite	-	379.6	272.9	-	379.6	258.9	-	379.6	272.9				
GPS III Satellite	2	477.6	604.8	2	433.4	571.8	2	472.6	604.8				
Evolved Expendable Launch Vehicle (EELV)	5	1,852.9	28.0	5	1,842.9	25.0	5	1,702.9	28.0				
SBIR High	-	583.2	352.5	-	583.2	322.8	-	583.2	322.8				

	FY2013 Request		House-passed Appropriation		Senate Committee-reported Appropriation		Appropriation Conference report		Notes
"Space Fence"	-	-	377.7	-	-	327.7	-	-	377.7

Sources: House Appropriations Committee, H.Rept. 113-113, Report on the Department of Defense Appropriations Bill for FY2014 (H.R. 2397), June 17, 2013; and Senate Appropriations Committee, S.Rept. 113-85, Report to Accompany S. 1429, Department of Defense Appropriations Bill for 2014 (S. 1429), August 1, 2013.

Table A-9. Congressional Action on Selected FY2014 Aircraft and Long-Range Missile Programs: Authorization

(amounts in millions of dollars)

	FY2014 Request			House-passed Authorization H.R. 1960			Senate Committee-reported Authorization S. 1197			Authorization Conference report			Notes
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Fixed Wing Tactical Combat Aircraft													
F-35A Joint Strike Fighter and Mods, AF (conventional takeoff version)	19	3,424.5	816.3	19	3,424.5	816.3	19	3,424.5	816.3				
F-35B Joint Strike Fighter, Marine Corps (STOVL version)	6	1,370.4	512.6	6	1,370.4	512.6	6	1,370.4	512.6				
F-35C Joint Strike Fighter, Navy (Carrier-based version)	4	1,230.3	534.2	4	1,230.3	534.2	4	1,230.3	534.2				
F-35 Fighter Mods	-	336.0	33.0	-	336.0	33.0	-	336.0	33.0				

		FY2014 Request		House-passed Authorization H.R. 1960		Senate Committee-reported Authorization S. 1197		Authorization Conference report		Notes
[F-35 Joint Strike Fighter, total]	29	6,361.1	1,896.1	29	6,361.1	1,896.1	29	6,361.1	1,896.1	
F-22 Fighter Mods	-	285.8	459.6	-	285.8	459.6	-	285.8	459.6	
F-15 Fighter Mods	-	354.6	244.3	-	354.6	244.3	-	354.6	244.3	
F-16 Fighter Mods	-	11.8	177.3	-	11.8	177.3	-	11.8	177.3	
EA-18G Electronic Warfare Acft.	21	2,001.8	11.1	21	1,956.8	11.1	21	2,001.8	11.1	
F/A-18E/F Fighter	-	206.6	131.1	-	281.6	131.1	-	206.6	131.1	House adds \$75 million for long lead-time funding to support procurement of 24 planes in FY2015
F/A-18 Fighter Mods	-	910.9	-	-	910.9	-	-	910.9	-	
A-10 Attack Plane Mods	-	47.6	9.6	-	47.6	9.6	-	47.6	9.6	
Long-Range Strike Aircraft and Missiles										
Long-Range Strike (Aircraft)	-	-	379.4	-	-	379.4	-	-	379.4	
B-1B Bomber Mods	-	132.2	19.6	-	132.2	19.6	-	132.2	19.6	
B-2A Bomber Mods	-	20.0	403.7	-	20.0	403.7	-	20.0	403.7	
B-52 Bomber Mods	-	111.0	24.0	-	110.5	24.0	-	111.0	24.0	
Trident II Missile Mods	-	1,140.9	98.1	-	1,126.8	122.0	-	1,140.9	98.1	
Conventional Prompt Global Strike	-	-	65.4	-	-	65.4	-	-	65.4	

	FY2014 Request			House-passed Authorization H.R. 1960			Senate Committee-reported Authorization S. 1197			Authorization Conference report	Notes
Fixed-Wing and Tilt-Rotor Cargo, Transport, and Tanker Aircraft											
C-130 variants, including Mods	18	2,308.1	29.1	18	2,371.1	55.1	18	2,355.4	29.1		
C-5 Mods,	-	1,024.4	61.5	-	1,024.4	61.5	-	1,024.4	61.5		
C-17 Mods	-	143.2	109.1	-	143.2	109.1	-	143.2	109.1		
KC-46 tanker	-	-	1,558.6	-	-	1,558.6	-	-	1,558.6		
V-22 Osprey, including Mods	21	2,001.8	89.79	21	2,001.8	89.79	21	2,001.8	89.79		
Fixed-Wing Surveillance Aircraft											
E-8C Joint Stars	-	57.5	13.2	-	57.5	13.2	-	57.5	23.1		
P-8A Poseidon	16	3,503.1	317.4	16	3,503.1	317.4	16	3,503.1	317.4		
P-3/EP-3 Mods	-	96.0	4.5	-	118.0	4.5	-	118.0	4.5		
E-2D Hawkeye	5	1,263.6	152.0	5	1,228.6	152.0	5	1,263.6	152.0		
E-3A AWACS Mods	-	197.1	186.3	-	197.1	186.3	-	197.1	186.3		
Rotary-Wing Aircraft (including SOF)											
UH-60 Blackhawk	65	1,163.0	79.9	65	1,163.0	79.9	65	1,146.0	99.9		
Blackhawk Mods	-	74.1	-	-	74.1	-	-	74.1	-		
AH-64 Apache Block III	46	901.4	124.8	46	901.4	124.8	46	901.4	124.8		
Apache Mods	-	53.6	-	-	53.6	-	-	53.6	-		
CH-47 Chinook	38	1,286.0	50.6	38	1,286.0	50.6	38	1,286.0	50.6		
Chinook Mods	-	149.8	-	-	149.8	-	-	149.8	-		
Light Utility Helicopter	10	96.2	-	31	231.3	-	10	95.2	-		

	FY2014 Request			House-passed Authorization H.R. 1960			Senate Committee-reported Authorization S. 1197			Authorization Conference report	Notes
OH-58 Kiowa Upgrade	17	347.8	69.8	17	347.8	69.8	17	347.8	69.8		
Huey/SuperCobra Upgrades	26	850.5	47.1	26	850.5	47.1	26	850.5	47.1		
MH-60R/S Seahawk	37	1,252.2	51.4	37	1,252.2	51.4	37	1,252.2	51.4		
CH-53K	-	-	503.2	-	-	503.2	-	-	503.2		
Combat Rescue Helicopter	-	-	393.6	-	-	393.6	-	-	393.6		
Unmanned Aerial Systems (including SOF)											
Predator and Reaper	31	1,055.6	144.4	41	1,135.6	144.4	31	1,004.1	156.4		
Global Hawk	-	118.3	773.7	-	118.3	773.7	-	118.3	773.7		
Unmanned Combat Air Vehicle (UCAV)	-	-	21.0	-	-	41.0	-	-	21.0		
Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS)	-	-	146.6	-	-	146.6	-	-	146.6		
Fire Scout	2	75.1	48.7	2	75.1	48.7	2	75.1	48.7		
Shadow	-	148.3	12.7	-	148.3	12.7	-	148.3	12.7		
Raven	-	16.1	2.4	-	16.1	2.4	-	16.1	2.4		
RQ-21	25	66.6	11.1	25	66.6	11.1	25	66.6	11.1		

Sources: House Armed Services Committee, H.Rept. 113-102, Report on the National Defense Authorization Act for Fiscal Year 2014 (H.R. 1960), June 7, 2013; Senate Armed Services Committee, S.Rept. 113-44; Report to accompany the National Defense Authorization Act for Fiscal Year 2014 (S. 1197), June 20, 2013.

Table A-10. Congressional Action on Selected FY2014 Aircraft and Long-Range Missile Programs: Appropriation

(amounts in millions of dollars)

	FY2014 Request			House-passed Appropriation			Senate Committee-reported Appropriation			Appropriation Conference report			Comments
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D	
	#	\$	\$	#	\$	\$	#	\$	\$	#	\$	\$	
Fixed Wing Tactical Combat Aircraft													
F-35A Joint Strike Fighter and Mods, AF (conventional takeoff version)	19	3,424.5	816.3	19	3,227.3	798.5		3,226.6	796.3				
F-35B Joint Strike Fighter, Marine Corps (STOVL version)	6	1,370.4	512.6	6	1,303.6	497.7		1,319.5	492.6				
F-35C Joint Strike Fighter, Navy (Carrier-based version)	4	1,230.3	534.2	4	1,170.9	522.7		1,122.0	514.2				
F-35 Fighter Mods	-	336.0	33.0	-	138.7	10.0		336.0	5.9				
<i>F-35 Joint Strike Fighter, total</i>	29	6,361.1	1,896.1	29	5,840.5	1,828.9	29	6,004.1	1,809.0				
F-22 Fighter Mods	-	285.8	459.6	-	279.7	446.5	-	285.8	459.6				
F-15 Fighter Mods	-	354.6	244.3	-	339.6	234.3	-	354.6	244.3				
F-16 Fighter Mods	-	11.8	177.3	-	11.8	167.3	-	11.8	177.3				
EA-18G Electronic Warfare Acft.	21	2,001.8	11.1	21	1,870.4	11.1	21	1,781.8	21				
F/A-18E/F Fighter	-	206.6	131.1	-	281.6	124.6	-	281.6	-				
F/A-18 Fighter Mods	-	910.9	-	-	806.9	-	-	823.6	-				

	FY2014 Request			House-passed Appropriation			Senate Committee-reported Appropriation		Appropriation Conference report		Comments
A-10 Attack Plane Mods	-	47.6	9.6	-	47.6	9.6	-	47.6	9.6		
Long-Range Strike Aircraft and Missiles											
Long-Range Strike (Aircraft)	-	-	379.4	-	-	379.4	-	-	379.4		
B-1B Bomber Mods	-	132.2	19.6	-	132.2	19.6	-	121.2	19.6		
B-2A Bomber Mods	-	20.0	403.7	-	20.0	361.3	-	20.0	403.7		
B-52 Bomber Mods	-	111.0	24.0	-	105.9	24.0	-	99.1	21.0		
Trident II Missile Mods	-	1,140.9	98.1	-	1,092.9	98.1	-	1,140.9	98.1		
Conventional Prompt Global Strike	-	-	65.4	-	-	65.4	-	-	65.4		
Fixed-Wing and Tilt-Rotor Cargo, Transport, and Tanker Aircraft											
C-130 variants, including Mods	18	2,308.1	29.1	18	2,185.1	55.1	18	2,297.5	29.1		
C-5 Mods,	-	1,024.4	61.5	-	986.4	61.5	-	922.2	61.5		
C-17 Mods	-	143.2	109.1	-	143.2	106.1	-	143.2	109.1		
KC-46 tanker	-	-	1,558.6	-	-	1,558.6	-	-	1,558.6		
V-22 Osprey, including Mods.	21	2,001.6	89.8	22	2,063.1	89.8	21	2,001.6	89.8		
Fixed-Wing Surveillance Aircraft											
E-8C Joint Stars	-	57.5	13.2	-	57.5	23.2	-	57.5	23.1		
P-8A Poseidon	16	3,503.1	317.4	16	3,483.6	302.4	16	3,503.1	240.4		
P-3/EP-3 Mods	-	96.0	4.5	-	88.9	4.5	-	118.0	2.7		

	FY2014 Request			House-passed Appropriation			Senate Committee-reported Appropriation			Appropriation Conference report	Comments
E-2D Hawkeye	5	1,263.7	152.0	5	1,224.2	147.0	5	1,263.7	124.0		
E-3A AWACS Mods	-	197.1	186.3	-	197.1	176.9	-	142.6	186.3		
Rotary-Wing Aircraft (including SOF)											
UH-60 Blackhawk	65	1,163.0	79.9	73	1,309.0	79.9	65	1,148.9	79.9		
Blackhawk Mods	-	155.6	-	-	155.6	-	-	155.6	-		
AH-64 Apache Block III	46	901.4	124.8	46	901.4	124.8	46	901.4	124.8		
Apache Mods	-	53.6	-	-	53.6	-	-	53.6	-		
CH-47 Chinook	38	1,286.0	50.6	38	1,286.0	50.6	38	1,270.2	50.6		
Chinook Mods	-	169.6	-	-	169.6	-	-	169.6	-		
Light Utility Helicopter	10	96.2	-	31	231.3	-	10	171.2	-		
OH-58 Kiowa Upgrade	17	347.8	69.8	17	347.8	69.8	17	213.6	69.8		
Huey/SuperCobra Upgrades	26	850.5	47.1	26	821.2	47.1	26	821.0	47.1		
MH-60R/S Seahawk	37	1,252.2	51.4	37	1,216.7	49.4	37	1,252.2	51.4		
CH-53K	-	-	503.2	-	-	494.2	-	-	471.3		
Combat Rescue Helicopter	-	-	393.6	-	-	333.6	-	-	201.6		
Unmanned Aerial Systems (including Mods)											
Predator and Reaper	31	1,055.6	144.4	40	1,091.3	144.4	31	996.6	143.9		
Global Hawk	-	120.1	773.7	-	52.1	803.7	-	56.9	749.7		

	FY2014 Request			House-passed Appropriation			Senate Committee-reported Appropriation			Appropriation Conference report	Comments
Unmanned Combat Air Vehicle (UCAV)	-	-	21.0	-	-	21.0	-	-	21.0		
Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS)	-	-	146.6	-	-	96.9	-	-	133.7		
Fire Scout	2	75.1	48.7	2	74.1	12.5	2	75.1	48.7		
Shadow	-	148.3	12.7	-	144.0	12.7	-	148.3	12.7		
Raven	-	16.2	2.4	-	16.2	2.4	-	15.5	2.3		
RQ-21	25	66.6	11.1	25	66.6	11.1	25	66.6	9.1		

Sources: House Appropriations Committee, H.Rept. 113-113, Report on the Department of Defense Appropriations Bill for FY2014 (H.R. 2397), June 17, 2013; and Senate Appropriations Committee, S.Rept. 113-85, Report to Accompany S. 1429, Department of Defense Appropriations Bill for 2014 (S. 1429), August 1, 2013.

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