

# PRESS RELEASE

## House Armed Services Committee Bob Stump, Chairman

FOR IMMEDIATE RELEASE

November 12, 2002

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### CONFEREES COMPLETE NATIONAL DEFENSE AUTHORIZATION ACT CONFERENCE

Conference agreement protects homeland, supports U.S. service members and their families,  
and trains and equips U.S. military to continue the war against terrorism

*House Armed Services Committee Chairman Bob Stump (R-AZ) today announced that conferees have reached agreement on the conference report to the National Defense Authorization Act for Fiscal Year 2003 (H.R. 4546). Chairman Stump issued the following statement on the agreement:*

“I am pleased to announce that the conferees have reached agreement on the National Defense Authorization Act for Fiscal Year 2003. This conference report places a priority on improving our homeland defenses against terrorism and weapons of mass destruction, supporting the needs of our military personnel, and preparing for an extended war against terrorism. The resulting legislation will make America more secure and ensure the continued revitalization of the United States military.

“In just two years, our nation’s annual defense budget has grown by more than \$60 billion. In so doing, we have finally ‘turned the corner’ on providing for our nation’s defense, as H.R. 4546 includes:

- the largest increase to national defense spending since the early 1980s;
- the largest national defense budget (in inflation-adjusted terms) since fiscal year 1990; and
- the fifth straight year of real increases to DOD spending, after 13 consecutive years of real cuts to DOD budgets; a particularly striking fact considering that at the low-point of these cuts (fiscal year 1998), the national defense budget was only \$271 billion, more than \$120 billion less than this conference agreement.

“Sadly, the effort to rebuild the U.S. military is far from complete. Thirteen years of budget cuts did enormous damage that even five consecutive years of significant budget increases will not repair. As such, the time has come to recognize that current budget forecasts that provide for a ‘flat’ defense budget in fiscal year 2004 will only delay the day that the health of our nation’s military is completely restored. I hope that the 108th Congress, and those that will follow, will keep this in mind and continue our commitment to revitalizing our nation’s defense.”

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*The conference committee authorized \$393 billion in budget authority for fiscal year 2003 national defense spending, matching the President’s request. The conference report and a complete summary of the conference agreement are available on the House Armed Services Committee website at: <http://www.house.gov/hasc>.*

— continued —

*Highlights of the agreement include:*

### ***Making the Homeland Safe***

**Counterterrorism Programs:** \$7.3 billion for programs to combat terrorism

**Ballistic Missile Defense:** \$7.8 billion for continued development of ballistic missile defenses, with flexibility for the President to use up to \$814 million of these funds for DOD efforts to combat terrorism.

### ***Supporting U.S. Military Personnel***

**Pay Raise:** Provides a 4.1 percent military pay raise, with larger pay increases for mid-grade and senior noncommissioned officers and mid-grade officers (effective January 1, 2003).

**Concurrent Receipt:** Creates a new payment for all military retirees who were wounded in combat and received the Purple heart and those retirees who were severely disabled in combat-related incidents. Monthly payments would range from \$103 to \$2,100 each month, depending upon the level of disability, and would represent a partial to full offset of the reduction in retired pay required by current law on concurrent receipt. The conference report also continues the existing DOD payment of a special stipend for severely disabled military retirees (those with a VA disability rating of 60 percent or higher).

**Housing Costs:** Reduces out-of-pocket housing costs for military personnel by increasing housing allowances to cover 92.5 percent of all housing costs.

**Meeting Infrastructure Needs:** Provides \$10.4 billion for military construction and family housing projects.

### ***Continuing the War Against Terrorism and Preparing for Future Conflicts***

**Conducting the War Against Terrorism:** Provides \$10 billion for the ongoing costs of the War Against Terrorism

**Increasing Military Manpower:** Supports the President's request for active duty endstrengths, but gives the Secretary of Defense authority to add more than 40,000 soldiers, sailors, airmen, and Marines to meet increased demands resulting from the war against terrorism.

**Critical Readiness Accounts:** Increases key readiness accounts by approximately \$4.6 billion above the fiscal year 2002 level.

**Procurement Accounts:** Provides \$73.7 billion to purchase military equipment and weapons.

**Research and Development Accounts:** Provides \$56.7 billion for programs to research and develop next generation military technologies.

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**Bob Stump, Chairman**

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Summary of Major Provisions  
**Conference Report to H.R. 4546:**

*The Bob Stump*  
*National Defense Authorization Act*  
*for Fiscal Year 2003*

November 12, 2002



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## MAKING THE HOMELAND SAFE

*In the years to come, securing the homeland must remain a priority as terrorists become increasingly sophisticated and dangerous. As such, the conferees enhanced U.S. non-proliferation and intelligence programs, improved crisis response, and boosted efforts to protect Americans from ballistic missiles and weapons of mass destruction.*

### ***Combating Terrorism***

The President's budget request included \$7.3 billion for DOD efforts to combat terrorism, including counterterrorism, force protection, counter-intelligence, consequence management, and anti-terrorism programs. The conferees supported this request, as well as requests for DOE efforts to combat terrorism and the proliferation of weapons of mass destruction.

#### **HOMELAND SECURITY FACTS:**

At least 25 countries now possess or are acquiring nuclear, biological, or chemical weapons.

At least 28 countries, including Iran, Iraq, North Korea, Syria, and Libya, possess ballistic missiles.

U.S. fighter pilots have flown 20,000 flights over American cities since September 11, 2001.

Secretary of Defense Donald Rumsfeld: "On September 11<sup>th</sup>, we were awakened to the fact that America is now vulnerable to unprecedented destruction. That awareness ought to be sufficient to change the way we think about our security, how we defend our country."

### ***Defending Against Weapons of Mass Destruction (WMD)***

**Biowarfare Defense Technology.** The conferees authorized \$148.2 million (\$4 million more than the President's request) for Defense Advanced Research Projects Agency (DARPA) efforts to develop technology to detect biowarfare attacks and counter the effects of such an attack.

**Chemical-Biological Detection, Protection, and Decontamination.** The conferees authorized \$993 million (\$57.5 million more than the President's request) for research and development of advanced individual protection programs and equipment to detect and decontaminate chemical-biological agents. Specifically, the conferees supported the President's request for \$480.1 million (\$90 million for procurement and \$390.1 million for research and development) for DOD homeland security and consequence management programs, and \$474 million (\$38.4 million more than the President's request) to procure chemical-biological protection and decontamination equipment, including:

- \$143.2 million (matching the President's request) for the joint biological defense program;
- \$133.9 million (\$17 million more than the President's request) for contamination avoidance equipment;
- \$125.8 million (\$500,000 more than the President's request) for procurement of individual protection equipment;

- \$49.6 million (\$14.9 million more than the President's request) for collective protection equipment; and
- \$21.6 million (\$6 million more than the President's request) for decontamination equipment.

**Cooperative Threat Reduction (CTR).** The conferees authorized \$416.7 million (matching the President's request) to dismantle, secure, and eliminate WMDs and WMD facilities in the Former Soviet Union (FSU) through the CTR program, including:

- \$70.5 million (matching the President's request) to eliminate strategic offensive arms in Russia;
- \$55 million (matching the President's request) to prevent proliferation of biological weapons and materials from the FSU;
- \$50 million (\$83.6 million less than the President's request but matching the current funding level) to destroy chemical weapons in Russia;
- \$83.6 million (\$83.6 million more than the President's request) to eliminate strategic offensive arms in the FSU, improve nuclear weapons transportation and storage security in Russia, and continue construction of the Chemical Weapons Destruction Facility at Schuch'ye pending a full and accurate disclosure by Russia of its chemical weapons stockpiles;
- \$40 million (matching the President's request) to prevent the proliferation of WMDs and WMD technologies and material in the FSU; and
- \$40 million (matching the President's request) to improve security at nuclear weapons storage facilities in Russia.

Current law requires that a FSU state may not receive CTR funds until the President certifies that it is committed to important U.S. interests. Given the heightened importance of stopping WMDs since September 11, the conferees granted the President more flexibility to waive this requirement and release CTR funds when dictated by U.S. national security. In addition, the conferees required the President to report to Congress on the Russian proliferation of WMD goods, technologies, and know-how to Iran and other countries of concern, along with a plan to control these activities.

**Countering WMD Threats.** Rogue states and foreign terrorist organizations continue to pursue WMDs, and although WMD materials and technologies are difficult to acquire, stockpiles of these items in Russia and the other states of the FSU may be vulnerable to theft, loss, or illicit transfer. The conferees authorized \$456.5 million (\$9 million more than the President's request) for Defense Threat Reduction Agency (DTRA) research and development programs to deter, reduce, and counter these WMD threats. Of the total amount for DTRA, the conferees authorized \$230.1 million (\$9 million more than the President's request) for DTRA's arms control programs and to develop technologies to defeat WMDs.

**Developing Technology to Combat Terrorism.** The Technical Support Working Group (TSWG) is an inter-agency organization that addresses the advanced technology needs of DOD, U.S. government agencies, and international activities to combat terrorism. The conferees

authorized \$131.6 million (\$13 million more than the President's request) for the counter terrorism technology support programs under TSWG.

**National Nuclear Security Administration (NNSA) Nonproliferation Programs.** NNSA's nonproliferation programs are intended to reduce the threat resulting from the proliferation of WMD and nuclear materials, and to prepare the U.S. to respond to domestic nuclear, chemical, and biological attacks. The conferees authorized \$1.1 billion (\$9.5 million less than the President's request) to address the proliferation of WMDs (a complete listing of NNSA programs may be found on pages 29-30).

**Nonproliferation Program Enhancements.** Weak or nonexistent nonproliferation and export control policies in countries around the world make it easier for terrorist groups and nations hostile to the United States to gain the materials, technologies, and expertise necessary to build WMDs. The conferees increased protection and accountability for sensitive technologies by establishing stronger nonproliferation programs, including efforts to:

- improve control of exports of nuclear and radiological materials, technologies, and expertise to regions of concern;
- develop technologies to protect and respond to nuclear and radiological terrorist acts;
- encourage nations with nuclear materials to adhere to uniform international standards for securing stockpiles of uranium and plutonium;
- return weapons-usable nuclear materials in the FSU to Russia;
- accelerate the blending of highly enriched uranium into non-weapons grade material in the Russian Federation;
- account for and protect radiological materials; and
- promote and strengthen international safeguards for nuclear reactors and materials.

**Weapons of Mass Destruction Civil Support Teams (WMD CST).** WMD CSTs are National Guard units trained to provide critical medical and technical advice following a terrorist attack with a chemical, biological, or nuclear weapon. The conferees directed the Secretary of Defense to establish one WMD CST in every U.S. state and territory.

### *Other Programs*

**Equipping First Responders.** The conferees believe that first responders may find many defense technologies useful to react quickly and effectively to crises. Therefore, the conferees required the Secretary of Defense to designate a senior DOD official to work with other federal agencies, including the Department of Homeland Security, to identify and transfer promising technologies to first responders. In addition, the conferees included a provision to express the sense of Congress that the Secretary of Defense should use defense funds as he deems appropriate to help local first responders improve their abilities to respond to domestic terrorist incidents.

**Fighting Terrorism With Small Business Technology.** Small businesses and organizations that do not regularly contract with DOD may have valuable technologies that could be used to



combat terrorism. Therefore, the conferees established a Small Business Outreach Program under which a panel of experts will evaluate new technologies offered by small businesses for use by DOD. In addition, the panel will coordinate its activities with other federal agencies that develop technologies to combat terrorism in order to enhance the opportunities for consideration of proposals that are not specific to DOD's needs.

**Protecting Military Installations.** The conferees authorized \$836.5 million (\$41.8 million more than the President's request) for construction and improvement of facilities to protect U.S. military installations and personnel against terrorist and enemy attacks. In addition, the conferees directed the Secretary of Defense to report to Congress with a comprehensive plan to improve the preparedness of military facilities to respond to terrorist incidents.

### *Protecting Americans from Ballistic Missile Attack*

Rogue nations such as North Korea, Iran, and Iraq are actively seeking or testing ballistic missiles capable of striking the U.S. homeland, and U.S. allies and U.S. forward deployed troops already face a growing threat from shorter range ballistic missiles. The proliferation of ballistic missile technologies, and the dangers of an intentional, accidental, or unauthorized launch of a ballistic missile are serious risks to U.S. national security. Therefore, the conferees commend the President's commitment to missile defense, and authorized up to \$7.8 billion for the continued development of ballistic missile defenses (BMD), of which the President may use up to \$814.3 million for DOD efforts to combat terrorism. BMD funding levels include:

- **Midcourse Defenses.** The conferees authorized \$3.2 billion (\$5 million more than the President's request) for mid-course defense programs, including the 2004 Pacific Test Bed, ground-based defense (formerly known as National Missile Defense), and cooperative development with Japan of sea-based high altitude missile defenses.
- **Ballistic Missile Defense System.** The conferees authorized \$1.1 billion (\$5.6 million more than the President's request) for battle management command, control, and communication, system engineering, and system-wide test and evaluation efforts.
- **Advanced Development Programs.** The conferees authorized \$1.1 billion (matching the President's request) for Theater High Altitude Air Defense System (THAAD) and Patriot Advanced Capability-3 (PAC-3) engineering and manufacturing development (EMD).
- **Boost Defense Segment.** The conferees authorized \$755.6 million (\$41.3 million less than the President's request) for boost defense systems, including "hit-to-kill" and directed energy boost phase intercept programs.
- **PAC-3 Procurement.** PAC-3 missiles are currently in low rate initial production, and only limited quantities are available for deployment. As such, the conferees authorized \$507.3 million (\$35.6 million more than the President's request) for procurement of PAC-3 missiles.
- **Sensors.** The conferees authorized \$393.4 million (\$20 million more than the President's request) for space-based sensors, including the Space-Based Infrared System, and the Russian-American Observation Satellite program.

- **Terminal Defenses.** The conferees authorized \$247.7 million (\$40 million less than the President's request) for terminal defense system research and development, including co-development with Italy and Germany of the Medium Extended Air Defense System (MEADS), sea-based terminal, and Israel's Arrow missile program.
- **Technology.** The conferees authorized \$136.8 million (\$15 million more than the President's request) to develop advanced technological components necessary to keep pace with constantly evolving missile threats.

## SUPPORTING AMERICA'S SERVICE MEMBERS

*Today, America is demanding much of her soldiers, sailors, airmen, and Marines. However, they still face deteriorating living and working facilities, and pay and benefits that lag behind the private sector. Our nation needs to do more to support hardworking U.S. service members. Therefore, the conferees authorized quality of life initiatives including increases to military pay, enhancements to critical benefits such as health care and education, improvements to living and working facilities.*

### ***Pay and Bonuses***

**Basic Military Pay.** The conferees authorized an across-the-board 4.1 percent pay increase for military personnel, the fourth largest increase since 1982. In addition, the conferees authorized targeted increases of up to 6.5 percent for mid-grade and senior noncommissioned officers and mid-grade officers.

**Housing Allowance.** The conferees authorized the President's request to reduce the average amount of housing expenses paid by service members from the current 11.3 percent to 7.5 percent in fiscal year 2003, and to eliminate the out-of-pocket expense completely by fiscal year 2005.

**Active Duty Special Pay and Bonuses.** The conferees extended several special pays and bonuses for active duty personnel through December 31, 2003, including:

- enlistment and reenlistment bonuses;
- aviation officer retention bonus;
- special pay for nuclear qualified officers extending their period of active service;
- nuclear career accession bonus;
- nuclear career annual incentive bonus;
- accession bonuses for dental officers and registered nurses;
- incentive pay for nurse anesthetists;
- nurse officer candidate accession program;
- accession bonus for new officers in critical skills; and
- retention bonus for members with critical skills (in addition, the conferees authorized eliminating caps on bonus amounts and extending years of eligibility for bonuses for health care providers).

### **PERSONNEL FACTS:**

The active duty military includes:

- About 1.4 million personnel
- About 200,000 women
- More than 270,000 African-Americans
- Nearly 110,000 Hispanics

Over half of active duty enlisted force and 70 percent of active duty officers are married.

About 97 percent of the officer corps hold college degrees, and about 45 percent hold advanced degrees.

Basic pay for a new enlisted service member is approximately \$1,020 per month.

About 90 percent of military dependents live in the U.S. while a total of nine percent live in foreign countries.

**Assignment Incentive Pay.** The conferees authorized the service secretaries to award an incentive pay of up to \$1,500 per month to personnel serving in assignments involving difficult working conditions or undesirable overseas locations.

**Health Care Professional Special Pays.** The conferees increased the maximum rates for certain special pays and bonuses for health care professionals from:

- \$14,000 to \$50,000 multi-year retention bonus for certain medical officers and dentists;
- \$15,000 to \$50,000 special pay for nurse anesthetists;
- \$36,000 to \$50,000 incentive special pay for medical officers;
- \$5,000 to \$30,000 accession bonus for registered nurses;
- \$12,000 to \$15,000 annual special pay for pharmacy officers; and
- \$6,000 to \$15,000 retention special pay for optometrists.

**Promoting Volunteerism Through the Armed Services.** In an effort to encourage Americans to serve their nation, the conferees established a National Service Plan with incentives to enlist in the armed forces. Volunteers must serve 15 months on active duty, followed by either an additional active duty period determined by the Secretary of Defense or 24 months in an active status in the Selected Reserve. If time still remains of the individual's service obligation, he or she may serve on active duty, in the Selected or Ready Reserve, in a national service program such as the Peace Corps or Americorps, or in some combination of these programs. Participants must meet all eligibility requirements for military service and may choose one of the following incentives:

- \$5,000, payable after completing 15 months of active duty;
- repayment of student loans up to \$18,000;
- an educational allowance at the Montgomery GI Bill monthly rate for one year; or
- an educational allowance of one-half of the GI Bill monthly rate for three years.

**Reserve Forces Special Pay and Bonuses.** The conferees extended certain special pays and bonuses for reserve personnel through December 31, 2003 (except as noted), including:

- special pay for health care professionals who serve in the selected reserve in critically short wartime specialties;
- selected reserve enlistment and reenlistment bonuses;
- special pay for selected reserve enlisted personnel who are assigned to certain high priority units;
- ready reserve enlistment and reenlistment bonus;
- selected reserve affiliation bonus;
- prior service enlistment bonus, increased from:
  - \$5,000 to \$8,000 for members who enlist for six years;
  - \$2,500 to \$4,000 for members who enlist for three years;
  - \$2,000 to \$3,500 for members who received prior bonuses for a three-year enlistment and enlist for an additional three years;

- authority for repayment of educational loans for certain health professionals who serve in the selected reserve (extended to January 1, 2004); and
- reduction for minimum service from eight to six years required before qualifying for retirement pay (made permanent).

**Subsistence Allowance.** Military personnel based at remote locations or at installations with inadequate or no dining facilities must buy their food from the local economy. While officers and married enlisted personnel receive a subsistence allowance to help with the cost of food prepared in their residences, many single enlisted personnel stationed at remote locations reside in government quarters with no food storage or preparation facilities. Therefore, the conferees authorized doubling the regular basic allowance for subsistence for single enlisted personnel stationed in remote locations.

### ***Benefits***

**Assistance for Families of Service Members.** Capitalizing on lessons learned during the Persian Gulf War, the conferees made permanent the temporary authority to provide child care, education, and other youth services assistance to the families of active duty personnel.

**Emergency Leave of Absence.** There are times when service members need extended leave for family or personal hardships. In order to prevent service members in such situations from entering into unearned or excessive leave status, the conferees authorized the service secretaries to grant a one-time leave of absence of up to 14 days to service members with qualifying emergencies.

**Health Care Sharing.** The \$40 billion that DOD and the Department of Veterans Affairs (VA) will spend on health care in 2002 is not enough to meet the needs of current and former service members and their families. Increased sharing of health care resources between DOD and VA can maximize efficiency and reduce the costs of health care. As such, the conferees included provisions to facilitate improved, mutually beneficial health care sharing by requiring DOD and VA to:

- enter into agreements to exchange health care resources, develop guidelines for the implementation of sharing recommendations, and establish and jointly fund a DOD-VA health executive committee and an incentives program to foster creative coordination and sharing initiatives at the facility, intraregional, and nationwide levels;
- adopt an interoperable, real-time pharmacy data system that would enable DOD and VA to exchange outpatient medication information; and
- conduct a health care resources sharing coordination project, at three sites or more, to test the health care sharing improvement programs.

**Improving the Montgomery GI Bill for the Reserves.** Under current law, members of the selected reserve may use Montgomery GI Bill benefits for as many as ten years after becoming eligible. The conferees extended this period to 14 years.

**Reforming the TRICARE Process.** Impediments in the TRICARE system limit patients' access to health care and discourage medical providers from participating in TRICARE programs. As such, the conferees authorized provisions to improve access to care for TRICARE and TRICARE for Life (TFL) patients, including:

- **Expanding TRICARE Prime Remote.** Under current law, a dependent whose sponsor is assigned to a remote location (more than 50 miles or one hour's drive from the nearest medical facility) is entitled to TRICARE Prime Remote benefits only if they also reside with the service member. However, this benefit does not apply to those dependents whose sponsors are reassigned to an unaccompanied permanent duty station, such as Korea. Therefore, the conferees extended TRICARE Prime Remote benefits to dependents who remain in a remote location when they cannot accompany their sponsor. In addition, the conferees extended TRICARE Prime Remote benefits to dependents of remotely located reserve personnel when the member is ordered to active duty for more than 30 days.
- **Reforming the Claims Process.** In response to growing concerns about the stability of TRICARE provider networks and the requirements of TRICARE claims processing, the conferees required that TRICARE claims requirements be substantially the same as Medicare claims requirements.
- **TRICARE Provider Certification.** Currently, certified Medicare providers who treat TFL patients (over age 65) cannot treat TRICARE patients (under age 65) unless they are further certified as TRICARE providers. This administrative requirement deters some providers from participating in the TRICARE program. As such, the conferees required that medicare-approved health care providers be treated as approved TRICARE providers for new and existing TRICARE contracts.

**Shipboard Hazard and Defense Program (SHAD) Disclosure.** The SHAD program, part of the Cold War-era Project 112, tested the effects of chemical and biological attacks on U.S. military vessels, aircraft, and thousands of American service members. Some veterans who participated in the tests may not know that they may have been exposed to potentially harmful substances, while many who are aware of the dangers believe that their health has been affected. Every service member who was subjected to SHAD tests should be notified of their participation in order to evaluate their health. Therefore, the conferees required the Secretary of Defense to develop a plan to review and declassify all medically relevant information on Project 112 and SHAD within one year, and to identify participants so that the Veterans Administration may notify them and deliver proper benefits and care. In addition, the conferees required that the Government Accounting Office review the Secretary's plan.

**Special Compensation for the Combat Disabled.** The conferees authorized new payments to be made to all military retirees whose disability resulted from a combat injury or wound for which they were awarded a Purple Heart. In addition, the conferees authorized military retirees whose 60 percent or greater disability resulted from combat-related activities (as determined by criteria set by the Secretary of Defense). Such activities would include, for example, injuries received in live fire training exercises. The range payment DOD would be authorized to make could range from \$103 to \$2,160. In addition, the conferees continued payment of a special stipend ranging from \$50 to \$300 per month to approximately 33,000 severely disabled military

retirees with a VA rating of 60 percent or higher. Although these provisions do not benefit the entire disabled retiree community, the conferees believe that this is another significant step towards amending the concurrent receipt law.

**Travel and Transportation Benefit.** In order to improve the travel and transportation benefit available to service members, the conferees authorized service members serving in a second consecutive overseas tour to defer expenses-paid transportation and travel benefits until the second tour is completed. If a service member cannot travel because of participation in a contingency operation, benefits may be deferred for one year after the contingency operation duty ends. In addition, military personnel who extend an overseas tour currently receive travel and transportation benefits only to and from the nearest port of entry. The conferees authorized travel to the nearest port of entry within the 48 contiguous states, or an alternate location that does not exceed the travel costs to the nearest port of entry.

**Use of Commissaries by National Guard.** Under current law, the thousands of National Guard members who are called to duty for national emergencies, such as those serving in Operation Noble Eagle under state-controlled status, are not eligible for commissary privileges. Therefore, the conferees authorized commissary privileges to National Guard members who are participating in federally declared national emergencies.

### ***Improving Living and Working Facilities***

*The President's request for the fiscal year 2003 military construction and family housing budget fell short of the levels necessary to maintain the military's infrastructure. In an effort to improve living and working conditions for military personnel and their families, the conferees authorized \$10.4 billion (\$740 million more than the President's request), including nearly \$2.3 billion for quality-of-life enhancements. Highlights of the conferees' recommendations include:*

- **Troop Housing.** The conferees authorized \$1.2 billion (\$15.4 million and four buildings more than the President's request) for the construction of 52 new barracks and dormitories to support unaccompanied military personnel.
- **Military Family Housing.** The conferees authorized \$676.6 million (\$15.9 million more than the President's request) for construction and improvement of 3,437 units and the privatization of over 30,000 units.
- **Medical Facilities.** The conferees authorized \$83.8 million (matching the President's request) for the construction of three medical facilities.
- **Fitness Centers.** The conferees authorized \$64 million (\$4.3 million and one more than the President's request) for eight fitness centers.
- **Schools for DOD Dependents.** The conferees authorized \$61 million (matching the President's request) for the construction and improvement of classrooms and education facilities.
- **Religious Facilities.** The conferees authorized \$17.8 million (the President did not request any funds) for the construction of three religious facilities.
- **Child Development Centers.** The conferees authorized \$17.6 million (\$6.9 million and one more than the President's request) for three child development centers.



### *Educating the Children of Service Members*

**Education Funding.** The conferees authorized \$1.6 billion (matching the President's request) for DOD Dependent schools, which educate more than 100,000 military children each year.

**Impact Aid.** The Department of Education's Impact Aid program provides supplemental funds to school districts nationwide to support the education of approximately 600,000 military children. The conferees authorized \$35 million for Impact Aid spending, including \$5 million to support local agencies that aid DOD dependents with severe disabilities.



## CONTINUING THE WAR AGAINST TERRORISM

*As the War Against Terrorism continues, the United States must ensure that America's military personnel receive the best training, and that the services develop, purchase, and maintain the best equipment and weapons in the world. Therefore, the conferees invested heavily in critical areas such as maintenance, training and operations, and modernization. In addition, the conferees authorized the military to increase the size of its force as necessary to prepare for upcoming conflicts in the War Against Terrorism.*

### ***Funding the War Against Terrorism***

The conferees supported the President's request for \$10 billion for the War Against Terrorism, but placed the funds into several general categories to allow Congress to oversee the use of the funds. The conferees authorized the funds as follows:

- \$4.3 billion for the operating cost of military operations;
- \$2.5 billion for military personnel and mobilization costs;
- \$1 billion for equipment replacement and enhancement of military capabilities;
- \$2 billion for classified programs; and
- \$200 million for additional munitions.

In addition, the conferees included a number of financial management and contract services reforms in the conference report, which are expected to save as much as \$1 billion (see "Contract Services" and "Financial Management" on page 28 for details). Should these reforms not result in significant savings, the conferees authorized the use of \$1 billion of War Against Terrorism funds to offset any unrealized savings.

### ***Increasing Military Manpower***

**Active Duty End Strengths.** Each of the military services entered the war on terrorism with personnel shortages - a situation that has been aggravated by the operational requirements of the war. The conferees strongly believe that active duty end strength needs to be increased in the long term, and should not be reduced in the near term. To that end, the conferees supported the President's request for active duty end strengths, but also provided the Secretary of Defense with additional authority to increase active end strength up to 41,691 (three percent) above the levels authorized for each service. Within that three percent limit, the conferees also provided each service secretary new authority to increase the service's end strength up to 27,794 (two percent)

#### **READINESS AND MODERNIZATION FACTS:**

In the post-Vietnam War era, active duty military peaked at 2.2 million personnel – today, it has less than 1.5 million personnel.

Over 57,000 Guard and reserve personnel are currently serving on active duty to meet homeland security requirements.

Since 1990, the average age of Air Force planes has increased from 13 to 22 years.

According to the Chairman of the Joint Chiefs, the military needs annual procurement budgets of \$100-110 billion to recapitalize the force.

above the authorized level. Finally, the conferees removed the Secretary of Defense's authority to drop end strength below authorized levels. Tables of all recommended end strength levels are included on pages 31-32.

**Selected Reserve End Strengths.** The conferees supported the President's request for selected reserve end strengths.

**Full-Time Support End Strengths.** The readiness of reserve components depends upon the skills and availability of full-time military and civilian personnel assigned to support National Guard and reserve units. The conferees authorized an increase of full-time support end strength levels of 1,486 (2.2 percent) in Active Guard and Reserve (AGR) personnel and 1,003 (1.6 percent) in military technicians over fiscal year 2002 levels.

**Service Academy End Strengths.** The conferees authorized the service secretaries to increase service academy end strengths beginning in the 2003-2004 academic year from the current limit of 4,000 to 4,400. The increases are limited to 100 cadets or midshipmen per year, and may not exceed the Reserve Officer Training Corps increases of that service during the preceding year.

### ***Readiness and Training***

**Critical Readiness Accounts.** The conferees supported the President's request for \$78.4 billion (\$4.6 billion more than the fiscal year 2002 level) for readiness accounts that are critical to the day to day operations of the U.S. military, including:

- \$31.5 billion for aircraft operations and flying hours (\$1.7 billion more than the fiscal year 2002 level);
- \$25.3 billion for facility maintenance and base support (\$1.7 billion more than the fiscal year 2002 level);
- \$9.1 billion for depot maintenance (\$16 million more than the fiscal year 2002 level);
- \$8.1 billion for training accounts (\$561.7 million more than the fiscal year 2002 level); and
- \$4.4 billion for ground forces operations (\$585.5 million more than the fiscal year 2002 level).

**"Readiness" vs. Operations & Maintenance (O&M) Accounts.** At more than \$150 billion, O&M funding represents more than one-third of the defense budget request for fiscal year 2003. While it is often misconceived as the "readiness" account, a closer look at O&M accounts reveals much more than "readiness" spending – these accounts fund many other items including DOD's administrative functions, environmental restoration, cooperative threat reduction efforts, and the Defense Emergency Response Fund. Once again, the conferees undertook a careful examination of these accounts in an effort to move funds from non-warfighting readiness O&M programs to higher priority defense accounts. This year, reductions in non-readiness O&M programs include:

- \$678 million from the Defense Emergency Response Fund – reflecting relaxed requirements for combat air patrols since submission of the budget request;
- \$494.1 million for savings from service contracts;
- \$208.7 million from foreign currency accounts – reflecting overestimated values of foreign currency in the President’s 2003 budget request and surpluses from previous years;
- \$200.2 million from financial management information technology systems;
- \$160 million from all O&M accounts – reflecting excessive travel costs; and
- \$32.2 million from the Overseas Contingency Fund, which has been funded in the military service accounts starting this year.

**Reserve Component Training and Readiness** The conferees authorized \$701.3 million (\$384.4 million more than the President’s request) for facilities enhancements to improve the training and readiness of the National Guard and reserves, including:

- \$236.2 million for the Army National Guard;
- \$204.2 million for the Air National Guard;
- \$99.4 million for the Army Reserve;
- \$85.7 million for the Air Force Reserve; and
- \$75.8 million for the Navy and Marine Corps Reserves.

### ***Modernizing the Force***

*The United States military’s weapons and equipment were aging and straining from overuse before September 11<sup>th</sup>. Now, the demand for efficient and effective weaponry is greater than ever. The conferees authorized \$73.7 billion (\$5 billion more than the President’s request) to procure weapons, ammunition, and equipment, while careful reprioritization of the budget enabled the conferees to meet approximately \$650 million of the service chiefs’ unfunded requirements. In addition, the conferees authorized \$56.7 billion (\$2.9 billion more than the President’s request), the most significant year-to-year increase in more than 20 years, for research and development programs including funds for ballistic missile defense programs (see “Protecting Americans from Ballistic Missile Attack” on page 4-5).*

#### ***Aircraft***

(Listed Alphabetically)

**AV-8B Harrier.** The conferees authorized \$72 million (\$40 more than the President’s request) for Litening targeting pods to enhance the Harrier’s multi-sensor and precision strike capability, a top unfunded requirement of the Commandant of the Marine Corps.

**B-2 Spirit.** The conferees believe that the Air Force should continue to upgrade the existing B-2 fleet with the most effective systems and weapons. Accordingly, the conferees authorized \$104.1 million (\$32 million more than the President’s request) for B-2 modifications, including \$35.1 million (\$25.2 million more than the President’s request) to upgrade the remaining B-2

fleet with enhanced satellite communications. In addition, the conferees authorized \$265.3 million (\$10 million less than the President's request, reflecting the Air Force's request to transfer funds to procure (SATCOMs) for B-2 research and development, including \$50 million (matching the President's request) to begin development of a replacement B-2 radar, and \$17 million (the President did not request any funds) to develop low observability maintenance improvements to augment door seals and engine exhaust and tailpipe coatings.

**C-17 Globemaster.** The C-17 is capable of carrying large combat equipment, troops, and other cargo across international distances. The conferees authorized a total of \$3.7 billion (matching the President's request) for 12 C-17 aircraft, long-lead procurement for fiscal year 2003 aircraft, and contractor support. In addition, the conferees authorized \$11.3 million (the President did not request any funds) for C-17 aircraft engine maintenance training devices and corresponding software enhancements.

**C-130 Hercules.** The conferees authorized \$169.5 million (\$31 million more than the President's request) for C-130 modifications for the Air Force. In addition, the conferees authorized \$334 million (matching the President's request) for four KC-130J refueling aircraft for the Marine Corps, authorized the Air Force and Marine Corps to procure both CC-130Js and KC-130Js under a six-year multiyear contract. Finally, the conferees authorized \$87 million (the President did not request any funds) for one EC-130J, a communications jamming aircraft.

**E-2 Hawkeye.** The E-2 provides fleet commanders with long-range radar surveillance, command and control of fighter aircraft, communications relay, and tactical data exchange. The conferees authorized \$295.5 million (matching the President's request) for five E-2C Hawkeye aircraft and \$17.2 million (matching the President's request) for E-2 modifications.

**EA-6B Prowler.** The EA-6B protects surface units and aircraft by jamming hostile radars and communications. The conferees authorized \$267.5 million (\$44 million more than the President's request) for EA-6B modifications. Specific increases include \$20 million to improve radar jamming capabilities, \$15 million to improve communications jamming capabilities, and \$9 million for wing structural enhancements. Each increase is a top unfunded requirement of both the Chief of Naval Operations and the Commandant of the Marine Corps.

**E-8C Joint Surveillance and Target Attack Radar System (JSTARS).** The E-8C JSTARS is an aircraft equipped with a long-range, air-to-ground surveillance system designed to locate, classify, and track ground targets in all weather conditions. The conferees authorized \$279.3 million (matching the President's request) for procurement of one E-8C JSTARS aircraft.

**F-15 Eagle.** The F-15A, B, C and D models are the Air Force's all-weather, supersonic, air superiority attack aircraft until replaced by the F-22. The conferees authorized \$272.5 million (\$40 million more than the President's request) for F-15 modifications for active-duty and the Air National Guard. Included in the increase is \$20 million for the ALQ-135, an electronic self-protection jamming system. (see "National Guard and Reserve Equipment" on page 20 for details about additional procurement funds for F-15 modifications).

**F-16 Falcon.** The F-16 is a maneuverable, multi-role fighter aircraft. The conferees authorized \$284 million (\$33.4 million more than the President's request) for F-16 modifications (see "National Guard and Reserve Equipment" on page 20 for details about additional procurement funds for F-16 modifications).

**F/A-18 Hornet.** The F/A-18A, B, C, and D fleets are the primary fighter and attack aircraft for both the Navy and the Marine Corps. The newest model, the F/A-18E/F Superhornet, began production five years ago and is currently on its first operational deployment at sea. To provide the Navy with the improved capabilities of the Superhornet, the conferees authorized \$3.4 billion (\$225 million and four more planes than the President's request) for procurement of 48 F/A-18E/Fs. In addition, the conferees authorized \$446.7 million (\$25 million more than the President's request) for modifications to the existing F/A-18 fleet. The \$25 million increase is for radar and improved weapons delivery capability in the Marine Corps' F/A-18A fleet. Finally, the conferees authorized \$204 million (matching the President's request) for F/A-18 research and development.

**F-22 Raptor.** The F-22 Raptor is the Air Force's next-generation air dominance fighter. The conferees supported the President's requests for \$627.3 million for F-22 research and development, \$4.1 billion for 23 low-rate initial production (LRIP) F-22s, and \$530.6 million for advance procurement of 27 LRIP Raptors in fiscal year 2004.

**F-35 Joint Strike Fighter (JSF).** The JSF will be a high technology, affordable, multi-role, combat aircraft based on a common airframe and components that will be used by the Air Force, Navy, and Marine Corps. The conferees supported the President's requests for \$1.7 billion for Navy JSF development and \$1.7 billion for Air Force JSF development.

**Joint Primary Air Training System (JPATS).** JPATS, consisting of T-6A Navy aircraft and ground-based training systems, provides safe and effective training for Navy and Air Force pilots. Although the Navy had not planned to procure additional JPATS until fiscal year 2007, purchasing JPATS units in fiscal year 2003 will reduce operations, maintenance, and procurement costs. Therefore, the conferees authorized \$42.5 million (the President did not request any funds) for six T-6A aircraft and ground based training systems, an unfunded requirement of the Chief of Naval Operations. In addition, the conferees authorized \$211.8 million (matching the President's request) for 35 JPATS for the Air Force.

**P-3 Orion Antisubmarine Aircraft.** The conferees authorized \$140 million (\$37 million more than the President's request) for P-3 modifications for the Navy. Specific increases include \$26 million for two additional anti-surface warfare improvement program (AIP) kits, an unfunded requirement of the Chief of Naval Operations (CNO) that will improve the targeting capabilities of the Navy's P-3 Orion antisubmarine aircraft, \$6 million for communications upgrades, also one of the CNO's unfunded requirements, and \$5 million for the advanced multiband optical surveillance system to improve the P-3's sensor capabilities.

**V-22 Osprey.** The V-22 is a tilt-rotor vertical takeoff and landing aircraft that is being developed for the Marine Corps, Air Force, and Navy. The conferees authorized \$1.1 billion (\$19.3 million less than the President's request) for 11 Marine Corps V-22s and advance

procurement of nine Marine Corps V-22s, \$420.1 million (matching the President's request) for Navy V-22 research and development, and \$10.1 million (matching the President's request) for advance procurement of two Air Force V-22s.

### ***Helicopters*** (Listed Alphabetically)

**AH-64 Apache Longbow.** The Apache Longbow is the Army's upgraded heavy attack helicopter designed to destroy tanks and support infantry ground offensives. The conferees authorized \$865.8 million (matching the President's request) for 74 Apache Longbow upgrades and recapitalization.

**CH-47 Chinook Modifications.** The Chinook's primary mission is to transport artillery, ammunition, personnel, and supplies to the battlefield. The conferees authorized \$383 million (\$1 million more than the President's request) for modifications to seven CH-47 cargo helicopters.

**MH-60S.** The MH-60S will replace the Navy's aging H-46D helicopter fleet, and will provide airborne mine countermeasures and conduct vertical replenishment and search and rescue missions. The conferees authorized \$284.2 million (matching the President's request) for procurement of 15 MH-60S helicopters and \$88 million (matching the President's request) for advance procurement of five additional helicopters in fiscal year 2004. The conferees also authorized \$23 million (matching the President's request) for MH-60 research and development.

**RAH-66 Comanche.** The Comanche is the Army's next-generation, stealthy, armed reconnaissance helicopter. The conferees authorized \$910 million (matching the President's request) for Comanche engineering and manufacturing development.

**TH-67 Creek.** The Army's Flight School XXI initiative includes updating the service's inventory of basic and instrument flight training aircraft. In order to meet this need, the conferees authorized \$9.6 million (the President did not request any funds) for six TH-67 Creek training helicopters.

**UH-60 Blackhawk.** The conferees authorized \$249.7 million (\$96.3 million and eight Blackhawks more than the President's request) for 20 Blackhawks, including 18 UH-60L utility aircraft and two HH-60L medevac aircraft.

### ***Ground Weapons and Vehicles*** (Listed Alphabetically)

**Communications Systems.** In order to improve communications for joint military deployments, the conferees authorized \$4.5 million (the President did not request any funds) for Tactical Hand Held Radios (THHR), a secure voice and data radio that is interoperable with numerous DOD communications radios, and \$3 million (\$2 million more than the President's request) to begin procurement of Lightweight Multiband Satellite Terminals (LMST), a tri-band satellite terminal



that provides long-distance communications. Both the THHR and the LMST are unfunded requirements of the Commandant of the Marine Corps.

**Family of Medium Tactical Vehicles (FMTV).** The FMTV, consisting of 15 different truck variants capable of carrying 2.5 or five tons, is the Army's primary medium tactical vehicle for combat support and combat service support forces. The FMTV will also support the Stryker Brigade Combat Teams as the Army transforms its forces to a quick deploying, combat-ready configuration. The conferees authorized \$681.4 million (matching the President's request) for 3,574 FMTVs for the Army.

**Future Combat System (FCS).** The Army is partnering with the Defense Advanced Research Projects Agency (DARPA) to incorporate high-risk, high-gain technologies into a family of future combat systems, including combat vehicles with advanced automotive technology. The conferees authorized \$759 million (\$105 million more than the President's request) for Army FCS research and development and \$122 million (matching the President's request) in DARPA for the FCS.

**High Mobility Multipurpose Wheeled Vehicle (HMMWV).** The conferees authorized \$346.3 million (\$31.1 million more than the President's request) for 3,731 Army and Marine Corps HMMWVs, a light tactical, four-wheel drive utility and combat support vehicle. The additional funds will procure 180 Up-Armored HMMWVs for deployed Army and Army Reserve units, an unfunded requirement of the Army Chief of Staff. These vehicles better protect U.S. soldiers from anti-tank and anti-personnel mines, and armor-piercing munitions.

**Indirect Fire Systems.** In early 2002, the Secretary of Defense announced plans to terminate the Crusader artillery system, changing the future of the Army's indirect fire programs. The conferees supported the Administration's decision to terminate the Crusader, and granted the Secretary of Defense's request to transfer Crusader funds to a variety of indirect fire programs. Accordingly, the conferees authorized \$673.6 million (\$198 million more than the President's request) for indirect fire programs to ensure that future American soldiers and Marines have the fire support they need, including:

- \$368.5 million (\$173 million more than the President's request) to develop a non-line-of-sight cannon for the Future Combat System;
- \$114.5 million (matching the President's request) to develop NetFires, an advanced, easily deployable, long-range precision guided rocket system;
- \$48.3 million (matching the President's request) for Excalibur, a 155mm precision guided munition;
- \$45 million (matching the President's request) to start development of a new Guided Multiple Launcher Rocket System;

- \$15 million in addition to the President's request to accelerate microelectronic mechanical systems (MEMS) technology, an advanced suite of inexpensive and compact inertial and global positioning system (GPS) electronics suitable for indirect fire weapons; and
- \$10 million (the President did not request any funds) to complete the Future Scout and Cavalry System (FSCS) program, an effort to develop a lightweight vehicle with hybrid propulsion and sensors that could be used in future combat vehicles.

**Interim Armored Vehicles.** The conferees authorized \$788 million (\$23.8 million less than the President's request, reflecting a transfer of funds to develop the medium gun system – a bunker busting and anti-materiel weapon for the Army's medium brigade) for the procurement of 332 medium armored vehicles for the third interim brigade combat team. In addition, the conferees authorized \$150.9 million (\$26.8 million more than the President's request) for research and development of medium armored vehicles.

**M1A2 Abrams Tank and M2A3 Bradley Fighting Vehicle.** To complete the final year of multiyear procurement contracts for two types of heavy armored vehicles for the Army's heavy counter-attack corps, the conferees authorized \$376.3 million (matching the President's request) for 103 M1A2 Abrams System Enhancement Program tanks, and \$397.1 million (matching the President's request) for 138 M2A3 Bradley Fighting Vehicles, both key components of the Army's heavy counter-attack corps through at least 2020 (see "National Guard and Reserve Equipment" on page 20 for details about additional procurement funds for Bradley modifications).

**M249 Squad Automatic Weapons (SAW).** The SAW is a lightweight machine gun capable of delivering accurate, automatic fire up to 800 meters. As an integral weapon system for the infantry that has proven critical for units deployed in support of Operation Enduring Freedom, the conferees authorized \$6 million (the President did not request any funds) for procurement of additional SAWs, an unfunded requirement of the Army Chief of Staff.

### ***Munitions***

**Ammunition.** The conferees authorized \$1.2 billion (\$70 million more than the President's request) for Army ammunition programs and \$286 million (\$10 million more than the President's request) for ammunition for the Marine Corps, top unfunded requirements of both the Army Chief of Staff and the Commandant of the Marine Corps.

**Missiles and Precision-Guided Munitions (PGMs)** In operations since the Persian Gulf War, and most recently in Operation Enduring Freedom, the services have greatly increased the use of PGMs to strike targets more precisely and reduce risk to U.S. military personnel. The conferees authorized:

- \$764.9 million (matching the President's request) to procure Joint Direct Attack Munitions, including \$484.9 million for 23,129 bomb kits for the Air Force and \$280 million for 12,280 bomb kits for the Navy;



- \$438.3 million (matching the President's request) for additional laser guided bomb kits, including \$133.6 million for the Air Force and \$304.7 million for the Navy and Marine Corps;
- \$250.5 million (matching the President's request) for 1,725 Javelin anti-tank missiles for the Army;
- \$167.8 million (\$22 million more than the President's request) for 106 block IV tactical Tomahawk (TACTOM) cruise missiles for the Navy. The increase will purchase equipment necessary to increase production from 450 to 600 missiles per year. In addition, the conferees authorized \$495 million (\$103 million less than the President's request) for conversion of older Tomahawk missiles to a more accurate and reliable configuration and an additional 95 TACTOMs;
- \$140.5 (matching the President's request) for 161 Advanced Medium-Range Air-to-Air Missiles (AMRAAMs) for the Air Force and 100 AMRAAMs for the Navy;
- \$140 million (matching the President's request) for 363 Joint Standoff Weapons for the Navy;
- \$110.2 million (matching the President's request) for 295 AIM-9X Sidewinder air-to-air missiles for the Navy and 286 missiles for the Air Force;
- \$83.8 million (matching the President's request) for 120 Standoff Land Attack Missile-Expanded Response missiles for the Navy; and
- \$54.2 million (matching the President's request) for 100 Joint Air to Surface Standoff Missiles for the Air Force.

### *National Guard and Reserve Equipment*

**Bradley Fighting Vehicle Modifications.** The Army National Guard (ARNG) relies upon the Bradley Fighting Vehicle as their primary infantry support vehicle. The conferees authorized \$60 million (the President did not request any funds) to upgrade 45 ARNG Bradley A0 Fighting Vehicles to A2 Operation Desert Storm combat-capable specifications. (See "Ground Weapons and Vehicles" on page 19 for details about additional procurement funds for the Bradley Fighting Vehicle.)

**F-15 Eagle.** The conferees authorized \$272.5 million (\$40 million more than the President's request) for F-15 modifications for active-duty and the Air National Guard. Included in the increase is \$20 million to upgrade engines in Air National Guard (ANG) F-15 aircraft to a newer configuration. (see "Aircraft" on page 15 for details about additional procurement funds for the F-15)

**F-16 Falcon.** The conferees authorized \$284 million (\$33.4 million more than the President's request) for active-duty, ANG, and Air Force Reserve F-16 modifications. Included in this increase is \$15 million to improve engine thrust in its F-16 Block 42 aircraft, \$14.4 million to upgrade the Air Force Reserve's F-16 Litening pods, and \$4 million for the ANG's Theater Airborne Reconnaissance System, a sensor package that improves F-16 operational capability, and reduces the support cost of surveillance efforts. (see "Aircraft" on page 16 for details about additional procurement funds for the F-16)

**Improved High Frequency Radio (IHFR).** Army Reserve maneuver battalions and combat service support units rely upon IHFRs for short- and long-range communications. The conferees authorized \$27.1 million (\$5 million more than the President's request) to procure IHFRs for the Army Reserve, an unfunded requirement of the Chief of the Army Reserve.

*Naval Programs*  
(Listed Alphabetically)

**Acoustic Rapid Commercial-Off-The-Shelf Technology Insertion (ARCI).** The Navy plans to complete the update of its current submarine sonar systems by fiscal year 2008 with ARCI, a computer technology which allows the continual upgrade of technology. To accelerate implementation, the conferees authorized \$87.1 million (\$22.5 million more than the President's request) for ARCI research and development.

**Aircraft Carriers.** The conferees authorized \$91.7 million (matching the President's request) for research and development for the CVN-77 aircraft carrier, \$268 million (matching the President's request) for CVN(X) research and development and \$472.7 million (\$229 million more than the President's request) to accelerate the delivery of the CVN(X)-1 by one year.

**Anti-Submarine Warfare, Mine Countermeasures, and Ship Self-Defense.** Anti-submarine warfare, ship self-defense, and mine countermeasures capabilities are keys to the Navy's ability to operate in the littoral regions of the world. The conferees supported the President's request for these defenses and authorized an additional \$203 million to improve U.S. naval sensors, command and control, weapons, and training. Specific increases include \$82.5 million in research and development and \$31 million in procurement for the Navy's antisubmarine warfare program, \$62.7 million in research and development and \$19.8 million for procurement for ship self-defense, and \$7 million for research and development for mine countermeasures.

**Completion of Prior Year Shipbuilding Programs.** In order to pay for unexpected increases in the Navy's shipbuilding costs for prior years, the conferees authorized \$1.1 billion (\$488 million more than the President's request) for completion of prior year shipbuilding programs. The increase included \$213 million for the *Virginia*-class SSN, \$150 million for the LPD-17, and \$125 million for the DDG-51.

**DDG-51.** The DDG-51 class of Navy AEGIS destroyers provides improved radar, fleet defense, missile defense, and land attack capabilities to the Navy's surface fleet. The conferees authorized \$2.4 billion (matching the President's request) for procurement of two *Arleigh Burke*-class destroyers.

**Experimental Naval Technologies.** The conferees authorized \$13 million (the President did not request any funds) to develop and demonstrate the Experimental Littoral Support Craft (LSC-X) and \$10 million (the President did not request any funds) to develop and demonstrate the Affordable Weapon System. The LSC-X is a fast (above 40 knots), high performance, low cost experimental craft that will allow the Navy to evaluate the use of such a craft for naval operations in shallow water regions of the world, and serve as a test bed for technologies that

might be employed on other ships. The Affordable Weapon program is an effort to design, develop, and build a 600-mile range, 200 lbs. payload, precision strike missile using a modified commercial-off-the-shelf approach that promises to sharply reduce the production costs of such weapon systems.

**Future Navy Surface Combatants.** The conferees support the Navy's program for development of the next-generation surface combatant, the DD(X) land attack destroyer, and authorized a total of \$969 million (\$9 million more than the President's request) for the program. In addition, the conferees authorized:

- \$204 million (matching the President's request) for the Navy's Cooperative Engagement Capability (\$89 million in research and development and \$115 million in procurement);
- \$109 million (matching the President's request) for the Navy's land attack technology program;
- \$60 million (\$20 million more than the President's request) for development and integration of combat systems for naval combatants; and
- \$4 million (the President did not request any funds) for development of requirements for the Littoral Combat Ship.

**Guided Missile Submarine Conversion.** Through the guided missile submarine conversion program, the Navy will refuel ballistic missile submarines and replace their nuclear missiles with long-range conventional Tomahawk cruise missiles. The conferees authorized \$404.3 million (matching the President's request) to complete conversion of the first two submarines and \$421 million (matching the President's request) for advance procurement of long-lead components to convert the remaining two submarines in fiscal year 2004.

**LHD-8.** LHD-8 will be the eighth ship in the Navy's latest amphibious assault ship class, improving the Navy and Marine Corps' ability to operate helicopters, AV-8B attack aircraft, and amphibious assault and landing craft during assault combat missions. The conferees authorized \$243 million (matching the President's request) to continue to build LHD-8.

**LPD-17** The *San Antonio*-class LPD-17 ships will improve the Marine Corps' ability to embark, transport, and land its forces. The conferees authorized \$596.5 million (matching the President's request) for one LPD-17 and \$8 million (matching the President's request) for advance procurement of future LPD-17s.

**New Attack Submarine (NSSN).** The NSSN will replace retiring *Los Angeles*-class submarines and constitute the bulk of the future attack submarine force. The conferees authorized \$2.2 billion (matching the President's request) for procurement of the fifth boat in the *Virginia*-class of submarines, and for advanced procurement for a sixth boat in fiscal year 2004.

**Nuclear Attack Submarine (SSN) Refueling and Overhaul.** The SSN engineered refueling overhaul (ERO) program refuels, modernizes, and upgrades SSNs for extended service in the fleet. The conferees authorized \$471.3 million (\$200 million and one ERO more than the President's request) for two SSN EROs and \$88.3 million (matching the President's request) for advance procurement of components for the two SSN EROs planned for fiscal year 2004.

**T-AKE.** The conferees authorized \$388.8 million (matching the President's request) for procurement of the third T-AKE, a ship that replenishes battlegroups at sea with ammunition, spare parts, and provisions.

### *Technology and Testing Programs*

**Science and Technology (S&T) Programs.** Continued development of (S&T) programs is critical to maintaining U.S. technological superiority on the battlefields of the future. DOD's progress toward allotting three percent of their total budget to S&T programs is commendable, but continuing reductions in the services' S&T funding levels is of concern. DOD *must* continue to make the necessary investments for a strong and stable S&T program. To that end, the conferees authorized \$10.4 billion (\$376 million more than the President's request) for S&T programs, including:

- \$5.1 billion (\$100 million more than the President's request) for Defense-wide science and technology programs;
- \$1.9 billion (\$212 million more than the President's request) for the Army;
- \$1.8 billion (\$144 million more than the President's request) for the Navy; and
- \$1.6 billion (\$95 million less than the President's request, reflecting the transfer of an S&T program into an advanced development phase) for the Air Force.

**Testing and Evaluation Programs.** The December 2002 Defense Science Board review of DOD's major ranges and test facilities identified a number of issues regarding inadequate funding, management, and support of these facilities. To address these issues, the conferees:

- required the Secretary of Defense to establish a DOD Test Resources Management Center directed by a three star general or flag officer. This general or flag officer would be responsible for oversight and annual certification of the adequacy of funding for the DOD's major ranges and test facilities and report directly to the Under Secretary of Defense for Acquisition, Technology, and Logistics;
- required the Secretary of Defense to establish the goal that by fiscal year 2006 the costs of major range and test facilities are fully funded through the major test and evaluation budget accounts and that range and facility users pay only the direct cost of conducting tests; and
- authorized \$201 million (\$78 million more than the President's request) for the Central Test and Evaluation Investment Program and \$10 million (\$4 million more than the President's request) for the test and evaluation science and technology program.

### *Unmanned Aerial Vehicles (UAVs )*

UAVs have repeatedly provided U.S. forces with improved intelligence, surveillance and reconnaissance capabilities. The conferees supported UAV procurement and research and development programs, including:

- **Joint Operational Test Bed System (JOTBS).** The conferees supported the President's request for programs to enhance the joint operability of UAVs, and specifically authorized an additional \$7 million for JOTBS, a system to develop interoperability between the services to fly, operate, and receive data from all UAVs.
- **Global Hawk UAV.** The conferees authorized \$664.9 million (matching the President's request) for Global Hawk procurement and development for the Air Force and the Navy.
- **Predator UAV.** The conferees authorized \$108 million (\$26 million more than the President's request) for 22 Predator Systems. The increase is for six Predator B UAV systems, a turbo prop variant of the Predator that is faster and able to carry a larger payload. In addition, the conferees authorized \$10 million (matching the President's request) to develop better Predator B engineering.
- **Shadow Tactical UAV (TUAV).** The Shadow TUAV provides tactical intelligence information for the Army and the Marine Corps. The conferees authorized \$110.3 million (matching the President's request for \$95.3 million for the Army and \$15 million for the Marine Corps) for ten Shadow TUAV systems, initial spare parts, and additional ground station equipment.

## OTHER INITIATIVES

(Listed Alphabetically)

**Counter-Drug Activities.** The conferees supported the President's request for DOD efforts to stop the flow of drugs into the U.S. and authorized \$1.1 billion (\$11 million more than the President's request) for counter-drug programs, including \$149.8 in the operating budgets of the services and \$859.9 million for counter-drug activities.

**Defense Prisoner of War/Missing in Action Office (DPMO).** DPMO carries out the important mission of accounting for and recovering military personnel lost during the nation's past conflicts, and preparing to locate and recover those who may be lost in future conflicts. Despite congressional concerns about declining funding and personnel levels at DPMO, the Secretary of Defense appears poised to cut 15 percent of DPMO staff in FY 2003 as part of his plans to reduce the number of headquarters staff. The conferees prohibited the Secretary of Defense from reducing personnel and funding in FY 2003 below levels requested in the budget, and required the Secretary of Defense to increase DPMO's personnel and funding levels in FY 2004 and beyond.

**Disposal of Retired Ships.** The conferees authorized \$20 million (\$8.9 million more than the President's request) to scrap obsolete ships in the National Reserve Fleet or sink them as part of an artificial reef program. Although the Maritime Administration currently has an artificial reef program, it is not widely utilized because states are reluctant to absorb the costs of moving, cleaning, and sinking the ships. Therefore, the conferees authorized the Secretary of Transportation to use ship disposal funds to pay for the costs of environmental remediation, towing, and sinking. The conferees also required the Secretary of Transportation and the Administrator of the EPA to jointly develop procedures that will ensure that vessels used as artificial reefs do not harm the environment. Finally, the conferees established a pilot program to allow the Maritime Administrator, in cooperation with the Secretary of Transportation, the Administrator of the EPA, and the Secretary of State, to dispose of up to four vessels overseas.

**Funeral Honors Duty Compensation.** In continued support for ensuring the presence of a military honor guard at veterans' funerals, the conferees authorized the Secretary of Defense to establish a daily stipend for military retirees, non-service members, and non-governmental employees who participate in funeral honor detail duties.

**Korea Defense Service Medal.** The Korean Peninsula continues to be a dangerous region, even since the end of the Korean War in 1954. Therefore, the conferees authorized a Korean service medal to be issued to military personnel who served in this area between July 28, 1954 and an undetermined date in the future.

**National Guard Reforms.** Following a House Armed Service Committee investigation into National Guard unit strength accounting, management, and other issues, the conferees required the Comptroller General and the Secretary of Defense to report to Congress on DOD's efforts to improve unit strength management, the effectiveness of the federal process for evaluating National Guard officers serving in specific federal grades or ranks, the systems for administrative and judicial actions in misconduct cases, and the adequacy of federal whistleblower protections.



Additionally, in order to promote a consistent and updated military justice system for guardsmen under state control, the conferees required the Secretary of Defense to develop a model Uniform Code of Military Justice and Manual for Courts-Martial for all states and territories to consider for adoption.

**Reorganizing DOD Leadership.** The responsibility for DOD's intelligence, homeland security, and war on terrorism efforts is presently scattered throughout the Department. The conferees authorized the following changes to DOD's organization to address this concern:

- **Undersecretary of Defense for Intelligence (USD(I)).** Appointed by the President and confirmed by the Senate, the USD(I) will integrate U.S. defense intelligence programs to enhance intelligence sharing among DOD, FBI, and the CIA, ensure that U.S. forces have real-time intelligence updates, identify and track terrorists, and defend against external threats. The existing authority of the Secretary of Defense and the Director of the CIA will not be changed or superseded by the USD(I).
- **Under Secretary of Defense For Policy (USD(P)).** The USD(P) will be charged with developing and carrying out DOD's policy, program planning, and funding for the war on terrorism.
- **Assistant Secretary of Defense for Homeland Defense(ASD-HD).** The ASD-HD will be responsible for overseeing all of DOD's homeland defense activities.

**Title XI Loan Guarantee Program.** The conferees authorized \$54.1 million (\$50 million more than the President's request) for this vessel construction loan guarantee program administered by the U.S. Maritime Administration.

### ***Responsible Environment Management***

From programs to protect endangered species to efforts to reduce the emission of pollutants from military equipment, the U.S. military has demonstrated a strong commitment to the environment. The conferees remain dedicated to ensuring that DOD and DOE remain responsible environmental stewards, and authorized the following funding levels and initiatives:

**DOD Environmental Programs.** The conferees authorized \$4 billion (matching the President's request) for DOD environmental programs and \$252.1 million (\$40 million more than the President's request) for the Formerly Used Defense Sites program. In addition, the conferees authorized a responsible set of initiatives intended to restore a balance between protecting the environment and military readiness:

- **Establishing Buffer Zones.** The conferees authorized two provisions to allow DOD to cooperate with private entities and state and local governments to set aside land near military installations to reduce the impact of urban encroachment on military facilities and better protect America's natural resources. Specifically, one provision will allow the Secretary of Defense to enter into agreements with private conservation organizations to acquire land near military installations to limit commercial development. The second provision will permit the service secretaries to convey DOD

land to state or local governments or nonprofit conservation organizations, who will permanently maintain the land for the conservation of natural resources.

- **Migratory Birds.** The Migratory Bird Treaty Act (MBTA) allows federal agencies to obtain permits to remove migratory birds for economic or safety reasons, such as clearing geese from a golf course or runway. However, a federal court ruled in March 2002 that Navy activities at a training range near Guam violated the MBTA because the court felt that the law does not allow for permits for the accidental taking of birds during military readiness activities. As a result, the court temporarily shut down military training at the facility. In order to ensure that DOD can operate all of its facilities without further interruptions of this nature, the conferees provided the DOD with authority under which the MBTA would not apply to the incidental taking of a migratory bird by DOD during an authorized military readiness activity. In addition, the conferees directed the Secretary of the Interior, with the concurrence of DOD, to exercise its authority within one year to initiate regulations that would exempt DOD from the MBTA for incidental takings of migratory birds during authorized military readiness activities.

**Department of Energy (DOE) Defense Environmental Management Programs.** The conferees authorized \$6.8 billion (\$151.8 million more than the President's request) for DOE environmental management programs and clean up including:

- \$2.6 billion (matching the President's request) for construction and project work at facilities with complex and extensive environmental problems that will be closed after 2006;
- \$1.1 billion (\$18 million more than the President's request) for the Defense Facilities Closure Projects at sites where the DOE envisions no mission beyond 2006;
- \$982 million (\$182 million more than the President's request) to establish a new DOE-wide environmental management cleanup reform program, based upon positive results achieved at Rocky Flats, Colorado, which is now scheduled to complete cleanup 50 years ahead of schedule and cost \$30 billion less than originally anticipated;
- \$788 million (matching the President's request) for construction and clean up completion at sites that will retain DOE missions after 2006;
- \$158 million (matching the President's request) for Defense Environmental Management Privatization projects where private contractors assume the risk for clean up projects; and
- \$92 million (matching the President's request) for the Defense Environmental Restoration and Waste Management Science and Technology program to develop new technologies for site cleanup and long-term environmental stewardship.

### ***Reforming DOD's Organization and Business Practices***

**Defense Acquisition Challenge Program.** In an effort to accelerate the introduction of innovative technologies into defense acquisition programs, the conferees established a Defense Acquisition Challenge Program that complements the Technology Transition Initiative. The program will enable individuals and organizations both within and outside DOD to make



challenge proposals to use unique and innovative technologies to improve performance, affordability, or manufacturability of existing defense programs. Under the program, challenge proposals would be reviewed by panels of scientists and engineers, who would then refer meritorious proposals to program offices and prime contractors for more detailed consideration for adoption in acquisition programs.

**Technology Transition Initiative.** The rapid development of new technologies to enhance war fighting capabilities is important to the continued modernization of U.S. forces. As such, the conferees established a Technology Transition Initiative to accelerate the introduction of new technologies from DOD science and technology (S&T) programs into acquisition programs, demonstrate them under realistic conditions, and ensure their readiness for production. Under the program, a senior DOD official will be designated as the Initiative Manager to work with the S&T and acquisition communities to identify, implement, and jointly fund promising technologies. The conferees also established a high-level, DOD-wide Technology Transition Council to advise the Initiative Manager on technology transition issues.

**Rapid Acquisition and Deployment Procedures.** The commanders of unified combatant commands, such as U.S. Central Command and U.S. Pacific Command, must have the ability to react to developing threats in their regions by quickly obtaining the most advanced technology available in the research and development community. As such, the conferees required the Secretary of Defense to develop procedures to accelerate the delivery of items urgently needed by combatant commanders.

**Contract Services.** DOD has increasingly used contracted services to meet various requirements. The conferees believe that more efficient use of contract services holds the potential to save even more money, and included provisions to set new statutory goals for the increased use of performance-based service contracts and competitive purchases of services under multiple award contracts. As a result of these reforms, the conferees were saved \$600 million in DOD's contract services accounts.

**Financial Management.** Although DOD plans to spend approximately \$1 billion dollars on financial management reforms over the next six to seven years, the Department has not yet provided to the Congress the financial architecture necessary to properly implement its plans. Consequently, the conferees required the Secretary of Defense to provide to the Congress a comprehensive architecture for the modernization of all budgetary, accounting, finance, and data systems. The conferees also required the DOD Comptroller to approve intended financial system hardware and software expenditures by the military services and defense agencies greater than \$1 million to ensure compliance and compatibility with the new architecture. In addition, the conferees required the Secretary of Defense to implement a single financial management and accounting system for test and evaluation programs by September 30, 2006. As a result of these reforms, the conferees projected savings of \$400 million for the fiscal year in DOD's financial management accounts.

**Purchase Cards.** Although DOD has recently taken steps to reduce the abuse of purchase cards by its employees, additional steps are necessary to correct the problem. As such, the conferees authorized the Secretary of Defense to hold financially responsible and punish any DOD official

who submits illegal or incorrect information that will be used to pay a purchase card voucher. In addition, the conferees directed DOD to review its purchase card policies, and train its personnel about the proper use of purchase cards.

**Report Reforms.** The National Defense Authorization Act for Fiscal Year 2002 (*P.L. 107-107*) required DOD to provide, upon request, electronic versions of unclassified documents submitted to Congress. In order to improve this effort, and make electronic reporting a standard practice, the conferees required DOD to submit electronic versions of all unclassified reports to Congress. In addition, the conferees repealed or modified 22 obsolete reports currently required of DOD by law.

### *Shaping the U.S. Nuclear Deterrent for the 21<sup>st</sup> Century*

**National Nuclear Security Administration (NNSA).** The conferees authorized \$8 billion (matching the President's request) for NNSA, a semi-autonomous agency within DOE with responsibility for managing the nation's nuclear weapons, nuclear nonproliferation, and naval reactor programs.

- **Weapons Activities.** The conferees authorized \$5.9 billion (\$32.3 million more than the President's request) to support maintenance of a safe, reliable, and secure nuclear weapons stockpile, and to continue the recapitalization of the defense nuclear complex infrastructure.
- **Defense Nuclear Nonproliferation.** The conferees authorized \$1.1 billion (\$9.5 million less than the President's request) to address the threat of proliferation of weapons of mass destruction, assist with safeguarding weapons and weapons grade materials in Russia, and dispose of nuclear materials excess to defense needs.
- **Naval Reactors.** The conferees authorized \$706.8 million (matching the President's request) for the naval reactors program, which supports operation, maintenance, and continuing development of Navy nuclear propulsion systems.
- **Office of the Administrator for Nuclear Security.** The conferees authorized \$325.9 million (\$21.8 million less than the President's request) for the Office of the Administrator for Nuclear Security, which provides federal management and oversight of the activities of the defense nuclear complex.

**Nuclear Test Readiness.** Although the United States continues to observe a moratorium on nuclear testing, it is essential to the viability and safety of the nation's nuclear deterrent to maintain an ability to resume underground nuclear testing. Current policy is to be able to resume testing within two to three years, but such a long lead time does not make testing a realistic option. Therefore, the conferees required the Secretary of Energy, in consultation with the NNSA Administrator, to provide Congress with plans and cost estimates for achieving and maintaining test readiness postures of six, 12, 18, and 24 months.

**Strategic Force Structure.** In January 2002, DOD submitted the Nuclear Posture Review to Congress. While a valuable document, it does not contain a nuclear force structure plan, and does not specify the numbers and types of warheads, weapons systems, or infrastructure that the United States needs to maintain. Therefore, the conferees required the Secretaries of Defense and Energy to report to Congress with a plan and a budget that is consistent with the President's Nuclear Posture Review to reduce the level of operational warheads to 3,800 weapons by 2007, and a range of 1,700 to 2,200 weapons by 2012. In addition, the conferees required the service secretaries to assess an option of reducing the level of operational warheads to between 1,700 and 2,200 as early as 2007.

## APPENDIX

### *Military Manpower*

#### FISCAL YEAR 2003 END STRENGTH – ACTIVE FORCES

<i>Service</i>	<i>FY 2002 Level</i>	<b>Fiscal Year 2003</b>		<b>Change</b>		<b>Flexibility*</b>	
		<i>President's Request</i>	<i>Conference Agreement</i>	<i>2003 Request</i>	<i>2002 Level</i>	<i>Services (2%)</i>	<i>Secretary of Defense (3%)</i>
<b>Army</b>	480,000	480,000	480,000	0	0	9,600	14,400
<b>Navy</b>	376,000	375,700	375,700	0	-300	7,514	11,271
<b>USMC</b>	172,600	175,000	175,000	0	2,400	3,500	5,250
<b>USAF</b>	358,800	359,000	359,000	0	200	7,180	10,770
<b>Total</b>	1,387,400	1,389,700	1,389,700	0	2,300	27,794	41,691

Reflecting concerns about the adequacy of manpower in the active duty forces, the conferees provided the Secretary of Defense with additional authority to increase active end strength by up to three percent above the levels authorized for each service. Within that three percent limit, the conferees also provided each service secretary new authority to increase the service's end strength up to two percent above the authorized level. In addition, the conferees removed the Secretary of Defense's authority to drop end strength below authorized levels.

#### FISCAL YEAR 2003 END STRENGTH – SELECTED RESERVE

<i>Service</i>	<i>FY 2002 Level</i>	<b>Fiscal Year 2003</b>		<b>Change from Fiscal Year</b>	
		<i>President's Request</i>	<i>Conference Agreement</i>	<i>2003 Request</i>	<i>2002 Level</i>
<b>ARNG</b>	350,000	350,000	350,000	0	0
<b>USAR</b>	205,000	205,000	205,000	0	0
<b>USNR</b>	87,000	87,800	87,800	0	800
<b>USMCR</b>	39,558	39,558	39,558	0	0
<b>ANG</b>	108,400	106,600	106,600	0	-1,800
<b>AFR</b>	74,700	75,600	75,600	0	900
<b>Total</b>	864,658	864,558	864,558	0	-100
<b>USCGR</b>	8,000	9,000	9,000	0	1,000

**FISCAL YEAR 2003 END STRENGTH – Active Guard and Reserve**

<i>Service</i>	<i>FY 2002 Level</i>	<b>Fiscal Year 2003</b>		<b>Change from Fiscal Year</b>	
		<i>President's Request</i>	<i>Conference Agreement</i>	<i>2003 Request</i>	<i>2002 Level</i>
<b>ARNG</b>	23,698	23,768	24,562	794	864
<b>USAR</b>	13,406	13,588	14,070	482	664
<b>USNR</b>	14,811	14,572	14,572	0	-239
<b>USMCR</b>	2,261	2,261	2,261	0	0
<b>ANG</b>	11,591	11,697	11,727	0	136
<b>AFR</b>	1,437	1,498	1,498	0	61
<b>Total</b>	67,204	67,384	68,690	1,276	1,486

**FISCAL YEAR 2003 END STRENGTH – Dual Status Military Technicians**

<i>Service</i>	<i>FY 2002 Level</i>	<b>Fiscal Year 2003</b>		<b>Change from Fiscal Year</b>	
		<i>President's Request</i>	<i>Conference Agreement</i>	<i>2003 Request</i>	<i>2002 Level</i>
<b>ARNG</b>	23,615	23,615	24,102	487	487
<b>USAR</b>	6,249	6,349	6,599	250	350
<b>ANG</b>	22,422	22,495	22,495	0	73
<b>AFR</b>	9,818	9,911	9,911	0	93
<b>Total</b>	62,104	62,370	63,107	737	1003

# Actions on Major Programs in the Fiscal Year 2003 Defense Authorization Act

(dollars in millions)

Major Army Programs						
	FY 2003 Budget Request			Conference Agreement		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
RAH-66 Comanche	\$910.0	-	-	\$914.9	-	-
UH-60 Blackhawk	-	12	\$153.4	-	20	\$249.7
CH-47 Upgrades	-	7	\$382.1	-	7	\$383.1
TH-67 Creek Training Helicopters	-	-	-	-	6	\$9.6
AH-64D Apache Longbow	-	74	\$865.8	-	74	\$865.8
Bradley A2ODS Upgrades	-	-	-	-	45	\$60.0
Future Combat System	\$704.0	-	-	\$759.0	-	-
Interim Armored Vehicle	-	332	\$811.8	-	332	\$788.0
Javelin Missiles	-	1,725	\$250.5	-	1,725	\$250.5
Hellfire Missiles	-	1,797	\$184.4	-	1,797	\$184.4
HMMWV	-	2,064	\$196.8	-	2,244	\$227.9
FMTV	-	3,574	\$681.4	-	3,574	\$681.4
Army Science & Technology	\$1,659.1	-	-	\$1,871.2	-	-

Major Navy and Marine Corps Programs						
	FY 2003 Budget Request			Conference Agreement		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
V-22 Osprey	\$420.1	11	\$1,106.0	\$420.1	11	\$1,086.7
Joint Strike Fighter	\$1,727.5	-	-	\$1,727.5	-	-
F/A-18E/F	\$107.8	44	\$3,159.5	\$117.8	48	\$3,384.5
JPATS	-	-	-	-	6	\$42.5
E-2C Hawkeye	\$113.7	5	\$295.5	\$113.7	5	\$295.5
T-45	-	8	\$221.4	-	8	\$221.4
VA Class Submarine	\$238.3	1	\$2,219.0	\$238.3	1	\$2,219.0
CVN-77	\$91.7	-	-	\$91.7	-	-
CVN(X)	\$268.0	-	\$243.7	\$268.0	-	\$472.7
DDG-51*	\$300.7	2	\$2,369.5	\$305.7	2	\$2,369.5
LPD-17	\$10.1	1	\$604.5	\$10.1	1	\$604.5
T-AKE	-	1	\$388.8	-	1	\$388.8
DD (X)	\$960.4	-	-	\$969.4	-	-
Cooperative Engagement Capability	\$86.1	-	\$66.7	\$86.1	-	\$66.7
MH-60S	\$23.3	15	\$372.2	\$23.3	15	\$372.2
Tomahawk	\$94.3	106	\$743.8	\$99.3	201	\$662.8
MTVR	\$1.0	1,405	\$347.6	\$1.0	1,405	\$347.6
Navy Science & Technology	\$1,657.6	-	-	\$1,802.1	-	-
MH-60R	\$89.0	-	\$116.2	\$89.0	-	\$121.1
ASW-MCH-SSDS-Initiative	-	-	-	\$152.2	-	\$50.8
EA-6B Prowler	\$66.9	-	\$223.5	\$66.9	-	\$267.5

Major Air Force Programs						
	FY 2003 Budget Request			Conference Agreement		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
F-22	\$627.3	23	\$4,621.0	\$627.3	23	\$4,621.0
E-8C Joint STARS	\$55.5	1	\$279.3	\$62.5	1	\$279.3
Multi-Sensor C&C Aircraft	\$191.1	-	-	\$378.0	-	-
F-16C/D Fighting Falcon mods.	\$66.8	-	\$265.0	\$66.8	-	\$284.0
JPATS	-	35	\$211.8	-	35	\$211.8
C-17 Globemaster	\$157.2	12	\$3,086.0	\$157.2	12	\$3,097.3
Predator UAV	-	-	\$105.1	-	-	\$131.1
Joint Strike Fighter	\$1,743.7	-	-	\$1,743.7	-	-
JASSM	\$42.1	100	\$54.2	\$57.1	100	\$54.2
B-1B Bomber	\$160.7	-	\$98.0	\$160.7	-	\$98.0
B-2 Stealth Bomber	\$275.3	-	\$72.1	\$265.3	-	\$104.1
Air Force Science & Technology	\$1,717.6	-	-	\$1,622.4	-	-
F-15 Eagle mods.	\$81.7	-	\$232.5	\$81.7	-	\$272.5

Major Defense-Wide Programs						
	FY 2003 Budget Request			Conference Agreement		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
Ammunition (all services)	-	-	\$3,674.3	-	-	\$3,779.3
BMD Technology	\$121.8	-	-	\$136.8	-	-
BMD System Segment	\$1,066.0	-	-	\$1,071.6	-	-
Terminal Defense Segment	\$170.0	-	-	\$247.7	-	-
Mid-Course Defense Segment	\$3,192.6	-	-	\$3,200.1	-	-
Boost Defense Segment	\$769.9	-	-	\$755.6	-	-
BMD Sensors	\$373.4	-	-	\$393.4	-	-
BMD Procurement PAC-3	-	-	\$471.7	-	-	\$507.3
Defense Agency Science & Technology	\$4,974.9	-	-	\$5,089.0	-	-

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