

**NATIONAL DEFENSE AUTHORIZATION  
ACT FOR FISCAL YEAR 2005**

**REPORT**

[TO ACCOMPANY S. 2400]

ON

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 2005 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

TOGETHER WITH

**ADDITIONAL VIEWS**

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**COMMITTEE ON ARMED SERVICES  
UNITED STATES SENATE**



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# Calendar No. 503

108TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ 108-260

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AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 2005 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

\_\_\_\_\_  
MAY 11, 2004.—Ordered to be printed  
\_\_\_\_\_

Mr. WARNER, from the Committee on Armed Services,  
submitted the following

## R E P O R T

together with

## ADDITIONAL VIEWS

[To accompany S. 2400]

The Committee on Armed Services reports favorably an original bill to authorize appropriations during the fiscal year 2005 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, and recommends that the bill do pass.

## PURPOSE OF THE BILL

This bill would:

- (1) authorize appropriations for (a) procurement, (b) research, development, test and evaluation, (c) operation and maintenance and the revolving and management funds of the Department of Defense for fiscal year 2005;
- (2) authorize the personnel end strengths for each military active duty component of the Armed Forces for fiscal year 2005;
- (3) authorize the personnel end strengths for the Selected Reserve of each of the reserve components of the Armed Forces for fiscal year 2005;
- (4) impose certain reporting requirements;

(5) impose certain limitations with regard to specific procurement and research, development, test and evaluation actions and manpower strengths; provide certain additional legislative authority, and make certain changes to existing law;

(6) authorize appropriations for military construction programs of the Department of Defense for fiscal year 2005; and

(7) authorize appropriations for national security programs of the Department of Energy for fiscal year 2005.

### **Committee overview and recommendations**

The National Defense Authorization Act for Fiscal Year 2005 is being considered at a time when the United States and a coalition of nations are engaged in a war against terrorism on a global scale. Hundreds of thousands of soldiers, sailors, airmen, marines, and coast guardsmen—active, reserve, and National Guard—and, countless civilians who support military, diplomatic, and humanitarian operations, are serving valiantly in Iraq, Afghanistan, and other locations to secure hard-won military successes, to preserve peace and freedom, and to continue the fight against the scourge of terrorism. The U.S. Armed Forces, serving around the world, are truly the first line of defense in the security of the U.S. homeland.

The committee is ever mindful of the risks U.S. Armed Forces face everyday, and of the sacrifices made by the families and communities that support them. The men and women in uniform have been asked to do much in the past year, and they have responded in the finest traditions of the generations of Americans that preceded them. The American people are proud of their Armed Forces for what they have accomplished, and for the manner in which they represent American values and the compassion of America. The security of the United States, its allies, and its interests are in very capable, very professional hands.

While recent successes have been reassuring, there is no room for complacency. A recurring lesson of military operations is that national security threats are ever-changing and persistent. Victory and success must be accompanied by vigilance. The men and women of the Armed Forces are being called upon to perform difficult, dangerous missions today, and they will be called upon again for new, potentially more dangerous missions. They must be ready.

In order to meet the comprehensive defense needs of the 21st Century, the U.S. Armed Forces must be technologically advanced, fully integrated forces that can rapidly and decisively reach the far corners of the world to deter, disrupt, or defeat those who threaten the United States, its interests overseas, and its friends and allies. Winning the global war on terrorism and defending the homeland must be the highest priorities, but the U.S. Armed Forces must simultaneously prepare for the future. The modernization and transformation of America's Armed Forces is achievable and necessary, if the U.S. military is to be prepared for current and future responsibilities. The President's budget request for defense for fiscal year 2005 continues the real increases in defense spending of recent years to sustain readiness, enhance the quality of life of military personnel and their families, and modernize and transform the U.S. Armed Forces to meet current and future threats.

Since the beginning of the second session of the 108th Congress, the Committee on Armed Services of the Senate has conducted 45

hearings and received numerous policy and operational briefings on the President's budget request for fiscal year 2005 and related defense issues. As a result of these deliberations, the committee identified six priorities to guide its work on the National Defense Authorization Act for Fiscal Year 2005:

(1) provide our men and women in uniform with the resources, training, technology, equipment, and authorities they require to combat terrorism and win the global war on terrorism, with particular focus on supporting the conduct of military operations in Iraq and Afghanistan;

(2) enhance the ability of the Department of Defense to fulfill its homeland defense responsibilities by providing the resources and authorities necessary for the Department to assist in protecting our Nation against all current and anticipated forms of attack;

(3) continue the committee's commitment to sustaining and improving the quality of life for the men and women of the Armed Forces—Active, Reserve, National Guard, and retired—and their families, including appropriate recognition for those called to serve in combat zones or other areas of increased danger;

(4) sustain the readiness of our Armed Forces to conduct the full range of military operations against all current and anticipated threats;

(5) support the Department's efforts to develop the innovative, forward-looking capabilities necessary to modernize and transform the Armed Forces to successfully counter future threats, particularly by enhancing our technology in areas such as unmanned systems; and

(6) continue active committee oversight of Department programs and operations, particularly in the areas of acquisition reform and contract management, to ensure proper stewardship of taxpayers' dollars.

In order to fund these priorities, the committee recommends \$422.2 billion for defense programs for fiscal year 2005, an increase of \$20.9 billion above the amount authorized by the Congress for fiscal year 2004. This represents an increase of 3.4 percent in real terms for defense. The committee's recommendations address only normal operations of the Department, and do not include funding for ongoing operations in Iraq and Afghanistan.

The committee's first priority was to provide the Department of Defense with the resources and authorities it needs to combat terrorism and win the global war on terrorism. In these areas, the committee authorizes an increase of almost \$1.2 billion over the budget request. Funding highlights for ground forces include: \$1.2 billion for helicopters to replace aircraft damaged or beyond their service life, in order to get needed lift and attack helicopters to troops in the field; \$272.2 million for aircraft survivability equipment to ensure all aircraft used in combat operations have the best possible protection; \$905 million to continue procuring the Stryker armored vehicles that are already proving valuable in military operations in Iraq; and, almost \$1.1 billion, an increase of \$927.2 million, to accelerate procurement of up-armored HMMWVs, as well as add-on ballistic armor for medium and heavy trucks, to protect our troops on patrol in hostile environments. To improve the ability of

special operations forces, a major component of the war on terror, the committee authorizes an increase of \$65.4 million above the President's budget request to accelerate the availability of important new capabilities.

For naval forces, the committee authorizes an increase of \$150.0 million to accelerate fielding of an amphibious assault ship that will greatly improve the mobility and lethality of the Marine Corps, increased the amount requested for amphibious assault vehicles by \$23.2 million, and added almost \$50 million for personal protection equipment. Overall, the committee added over \$600 million for force protection gear and combat clothing, such as improved body armor, to meet urgent requirements of the armed services. The committee fully supports the budget request of \$2.9 billion for C-17 aircraft to improve the global mobility of U.S. forces.

To enhance the Department's homeland defense capabilities, the committee fully supports the President's budget request and authorizes: an additional \$46.9 million to complete the fielding of 55 Weapons of Mass Destruction-Civil Support Teams that provide defense support to local and regional first responders in every State and territory of the United States; an additional \$33.9 million for innovative technologies to combat terrorism and defeat emerging asymmetric threats; and \$26.5 million for development and fielding of chemical and biological agent detection and protection technologies. To protect America from ballistic missile threats, the committee authorizes \$10.2 billion for missile defense.

The committee continues its commitment to improve the quality of life of the men and women in uniform, and their families, by authorizing a 3.5 percent across-the-board pay raise for all uniformed service personnel, as well as increases in housing allowances that, combined with similar increases over the past 4 years, will, based on surveys of local housing costs, eliminate average out-of-pocket expenses for off-base housing for service members. The committee has authorized a permanent increase in the monthly family separation allowance from \$100 per month to \$250 per month that was implemented in 2003. Similarly, the committee has authorized a permanent increase, from \$150 a month to \$225 a month, for special pay for duty subject to hostile fire or imminent danger. The committee supports the initiatives taken by the Department to increase the pay of troops whose tours of duty have been extended for more than 12 months in Iraq. The committee also includes provisions that build on advances in the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136), by authorizing a new health care option which would make TRICARE coverage available to members of the Selected Reserve and their families.

On February 25, 2004, the Subcommittee on Personnel of the Committee on Armed Services of the Senate conducted a hearing in response to reports of sexual assaults against women in the Armed Forces, at which the Under Secretary of Defense for Personnel and Readiness and the Vice Chiefs of Staff of the military Services testified. As a result of this hearing and other information collected by the committee, the committee included a provision that would require the Secretary of Defense to issue a uniform, comprehensive policy for the prevention of and response to sexual assaults involving members of the Armed Forces no later than January 1, 2005. The committee expects the Department to take the

findings and recommendations of its Task Force on Care for Victims of Sexual Assault and develop programs and policies that will measurably assist in preventing the incidence of sexual assault, improve criminal investigations, medical treatment, legal processing, and timely, easily accessible services for victims of sexual assault. Annual assessments of the implementation of policies and their effectiveness, to include extensive data collection, are mandated as a means to ensure ongoing oversight and zero tolerance of sexual assaults.

The committee approved the establishment of a Commission on the National Guard and Reserve that would carry out a study on the roles and missions of the National Guard and Reserve, and the compensation and benefits provided to members of the reserve components. The committee supports the transformational initiatives being taken by the Department and the military services to integrate the Active and Reserve components, and several provisions approved by the committee are aimed at enhancing the reserve continuum of service and recognition of the operational support provided by the Reserve.

The Administration requested \$9.4 billion for military construction and family housing. Due to pending realignments of overseas basing, the committee recommends adjusting the program to increase investment in installations in the United States, while at the same time sustaining a reduced, but prudent investment in overseas locations that will be of long-term value to the United States. The committee recommends an overall increase of \$342.4 million in military construction. Among the funding adjustments made by the committee are increases of more than \$100 million in critical unfunded projects identified by the military services, and an additional \$172.0 million to fund improvements to the facilities supporting our National Guard and Reserve forces.

Over the past several years, the committee has worked with the Department of Defense to ensure that necessary modernization, transformation, and long-range research are maintained, even in times of high operational tempo. The committee continues its support for these transformational activities, by authorizing \$3.5 billion for the Army's Future Combat System development, including \$497.6 million for the Non-Line-of-Sight Cannon program; \$131.1 million for tactical UAVs that have proven so valuable in recent military operations, an increase of \$30.6 million above the budget request; \$1.5 billion for the next generation DD(X) destroyer, including an increase of \$99.4 million to start detailed design of a second ship; and \$708.0 million for development of Joint Unmanned Air Combat Systems. The committee remains committed to the goals it set for the Department 4 years ago that one-third of deep strike aircraft be unmanned by the year 2010, and one-third of the ground combat vehicles be unmanned by the year 2015.

To ensure the continued development of cutting-edge technologies, the committee authorized more than \$11.0 billion for science and technology programs, an increase of \$445.0 million above the budget request. The committee recognizes that basic research is a force multiplier, and has increased funding in many areas, including force protection equipment and devices, counterterrorism technologies, information assurance, unmanned systems, and training innovations for the future defense force.

Over the past year, the American people have witnessed the extraordinary capabilities of the U.S. Armed Forces to deploy rapidly, fight with precision and professionalism, sustain and rotate the force, which included a movement of personnel and equipment not seen in such magnitude since World War II. The men and women in uniform have done a remarkable job and make the very difficult appear routine. Clearly, such efforts are not routine, and the ability of our forces to sustain their high tempo and accomplish their mission is a tribute to their pride, professionalism, and dedication to this Nation. The committee believes that the National Defense Authorization Act for Fiscal Year 2005 recognizes the service and sacrifice of our men and women in uniform and their families, sustains the advances made in recent years, and provides the necessary investments to prepare for the future.

### **Explanation of funding summary**

The administration's budget request for the national defense function of the federal budget for fiscal year 2005 was \$418.8 billion, of which \$313.7 billion was for programs that require specific funding authorization. According to the estimating procedures used by the Congressional Budget Office (CBO), the amount requested was \$422.2 billion. The funding summary table that follows uses the budget authority as calculated by CBO.

The following table summarizes both the direct authorizations and equivalent budget authority levels for fiscal year 2005 defense programs. The columns relating to the authorization request do not include funding for the following items: pay and benefits for military personnel; military construction authorizations provided in prior years; and other small portions of the defense budget that are not within the jurisdiction of this committee, or that do not require an annual authorization.

Funding for all programs in the national defense function is reflected in the columns related to the budget authority request and the total budget authority implication of the authorizations in this bill.

The committee recommends funding for national defense programs totaling \$422.2 billion in budget authority. This funding level is consistent with the budget authority level of \$422.2 billion for the national defense function recommended in the Senate Concurrent Resolution on the Budget for Fiscal Year 2005 (S. Con. Res. 23).

## SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2005

(Dollars in Thousands)

	<u>Authorization Request</u>	<u>Senate Change to Request</u>	<u>Senate Authorized</u>	<u>Budget Authority Request</u>	<u>Implication Senate</u>
<b>DIVISION A</b>					
<b>Title I -- PROCUREMENT</b>					
Aircraft Procurement, Army	2,658,240	44,400	2,702,640	2,658,240	2,702,640
Missile Procurement, Army	1,398,321	90,000	1,488,321	1,398,321	1,488,321
Procurement of Weapons and Tracked Combat Vehicles, Army	1,639,695	53,900	1,693,595	1,639,695	1,693,595
Procurement of Ammunition, Army	1,556,902	41,400	1,598,302	1,556,902	1,598,302
Other Procurement, Army	4,240,896	1,143,400	5,384,296	4,240,896	5,384,296
Aircraft Procurement, Navy	8,767,867	102,965	8,870,832	8,767,867	8,870,832
Weapons Procurement, Navy	2,101,529	82,300	2,183,829	2,101,529	2,183,829
Procurement of Ammunition, Navy and Marine Corps	858,640	14,500	873,140	858,640	873,140
Shipbuilding and Conversion, Navy	9,962,027	165,000	10,127,027	9,962,027	10,127,027
Other Procurement, Navy	4,834,278	70,700	4,904,978	4,834,278	4,904,978
Procurement, Marine Corps	1,190,103	113,100	1,303,203	1,190,103	1,303,203
Aircraft Procurement, Air Force	13,163,174	-129,500	13,033,674	13,163,174	13,033,674
Procurement of Ammunition, Air Force	1,396,457		1,396,457	1,396,457	1,396,457
Missile Procurement, Air Force	4,718,313	-82,700	4,635,613	4,718,313	4,635,613
Other Procurement, Air Force	13,283,557	14,700	13,298,257	13,283,557	13,298,257
Procurement, Defense-wide	2,883,302	84,100	2,967,402	2,883,302	2,967,402
National Guard and Reserve Equipment					
Defense Production Act Purchases				9,015	9,015
<b>Total Procurement</b>	<b>74,653,301</b>	<b>1,808,265</b>	<b>76,461,566</b>	<b>74,662,316</b>	<b>76,470,581</b>
<b>Title II -- RESEARCH, DEVELOPMENT, TEST &amp; EVALUATION</b>					
Research, Development, Test & Evaluation, Army	9,266,258	420,700	9,686,958	9,266,258	9,703,958

## SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2005

(Dollars in Thousands)

	<u>Authorization Request</u>	<u>Senate Change to Request</u>	<u>Senate Authorized</u>	<u>Budget Authority Request</u>	<u>Implication Senate</u>
Research, Development, Test & Evaluation, Navy	16,346,391	333,000	16,679,391	16,346,391	16,679,391
Research, Development, Test & Evaluation, Air Force	21,114,667	149,600	21,264,267	21,114,667	21,264,267
Research, Development, Test & Evaluation, Defense-wide	20,739,837	-103,900	20,635,937	20,739,837	20,635,937
Operational Test & Evaluation, Defense	305,135	4,000	309,135	305,135	309,135
<b>Total Research, Development, Test &amp; Evaluation</b>	<b>67,772,288</b>	<b>803,400</b>	<b>68,575,688</b>	<b>67,772,288</b>	<b>68,592,688</b>
 <b>Title III – OPERATION AND MAINTENANCE &amp; OTHER PROGRAMS</b>					
<b>Operation and Maintenance</b>					
Operation and Maintenance, Army	26,133,411	172,200	26,305,611	26,133,411	26,305,611
Operation and Maintenance, Navy	29,789,190	-86,400	29,702,790	29,789,190	29,702,790
Operation and Maintenance, Marine Corps	3,632,115	50,612	3,682,727	3,632,115	3,682,727
Operation and Maintenance, Air Force	28,471,260	-1,047,700	27,423,560	28,471,260	27,423,560
Operation and Maintenance, Defense-wide	17,494,076	-40,500	17,453,576	17,494,076	17,453,576
Operation and Maintenance, Army Reserve	2,008,128	-82,400	1,925,728	2,008,128	1,925,728
Operation and Maintenance, Navy Reserve	1,240,038		1,240,038	1,240,038	1,240,038
Operation and Maintenance, Marine Corps Reserve	188,696	8,800	197,496	188,696	197,496
Operation and Maintenance, Air Force Reserve	2,239,790	-85,000	2,154,790	2,239,790	2,154,790
Operation and Maintenance, Army National Guard	4,440,686	-213,450	4,227,236	4,440,686	4,227,236
Operation and Maintenance, Air National Guard	4,422,838	-56,100	4,366,738	4,422,838	4,366,738
Transfer Accounts	1,305,336	44,650	1,349,986	1,305,336	1,349,986
Miscellaneous Appropriations	509,025	-30,000	479,025	509,025	479,025
<b>Subtotal Operation and Maintenance</b>	<b>121,874,589</b>	<b>-1,365,288</b>	<b>120,509,301</b>	<b>121,874,589</b>	<b>120,509,301</b>
 <b>Other Programs</b>					
Drug Interdiction and Counter-Drug Activities, Defense	852,697		852,697	852,697	852,697

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## SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2005

(Dollars in Thousands)

	<u>Authorization</u> <u>Request</u>	<u>Senate Change</u> <u>to Request</u>	<u>Senate</u> <u>Authorized</u>	<u>Budget Authority Implication</u> <u>Request</u>	<u>Senate</u>
Defense Health Program	17,640,411	351,800	17,992,211	17,640,411	17,992,211
Office of the Inspector General	244,562	-80,000	164,562	244,562	164,562
Chemical Agents and Munitions Destruction, Army	1,371,990	147,000	1,518,990	1,371,990	1,518,990
<b>Subtotal Other Programs</b>	<b>20,109,660</b>	<b>418,800</b>	<b>20,528,460</b>	<b>20,109,660</b>	<b>20,528,460</b>
<b>Revolving and Management Funds</b>					
Defense Working Capital Funds (Army, Navy, Air Force, and Defense-wide)	510,886	-60,200	450,686	510,886	450,686
Defense Working Capital Funds - DeCA	1,175,000		1,175,000	1,175,000	1,175,000
National Defense Sealift Fund	1,269,252		1,269,252	1,269,252	1,269,252
National Defense Stockpile Transaction Fund					
Armed Forces Retirement Home	[61,195]		[61,195]		
<b>Subtotal Revolving and Management Funds</b>	<b>2,955,138</b>	<b>-60,200</b>	<b>2,894,938</b>	<b>2,955,138</b>	<b>2,894,938</b>
<b>Total Operation and Maintenance &amp; Other Programs</b>	<b>144,939,387</b>	<b>-1,006,688</b>	<b>143,932,699</b>	<b>144,939,387</b>	<b>143,932,699</b>
<b>MILITARY PERSONNEL</b>	<b>104,811,558</b>	<b>-276,100</b>	<b>104,535,458</b>	<b>104,811,558</b>	<b>104,535,458</b>
<b>Title X – GENERAL PROVISIONS</b>					
General Transfer Authority (non-additive)	[4,000,000]	[-1,000,000]	[3,000,000]		
Inflation Savings		-1,670,000	-1,670,000		-1,670,000
<b>Subtotal General Provisions</b>		<b>-1,670,000</b>	<b>-1,670,000</b>		<b>-1,670,000</b>
<b>DIVISION B</b>					
<b>MILITARY CONSTRUCTION</b>					
Military Construction, Army	1,771,285	171,600	1,942,885	1,771,285	1,942,885
Military Construction, Navy	1,060,455	-78,490	981,965	1,060,455	981,965

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## SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2005

(Dollars in Thousands)

	<u>Authorization</u>	<u>Senate Change</u>	<u>Senate</u>	<u>Budget Authority Implication</u>	
	<u>Request</u>	<u>to Request</u>	<u>Authorized</u>	<u>Request</u>	<u>Senate</u>
Military Construction, Air Force	663,964	113,005	776,969	663,964	776,969
Military Construction, Defense-wide	699,437	-17,100	682,337	709,337	692,237
Military Construction, Army National Guard	295,657	75,773	371,430	295,657	371,430
Military Construction, Air National Guard	127,368	87,050	214,418	127,368	214,418
Military Construction, Army Reserve	87,070	-24,023	63,047	87,070	63,047
Military Construction, Naval and Marine Corps Reserve	25,285		25,285	25,285	25,285
Military Construction, Air Force Reserve	84,556	14,650	99,206	84,556	99,206
Military Construction, Foreign Currency Fluctuations					63,000
Base Realignment and Closure IV	246,116		246,116	246,116	246,116
NATO Security Investment Program	165,800		165,800	165,800	165,800
Chem Agents and Munitions Destruction	81,886		81,886	81,886	81,886
<b>Subtotal Military Construction</b>	<b>5,308,879</b>	<b>342,465</b>	<b>5,651,344</b>	<b>5,318,779</b>	<b>5,724,244</b>
<b>FAMILY HOUSING</b>					
Family Housing Construction, Army	636,099		636,099	636,099	636,099
Family Housing Support, Army	928,907		928,907	928,907	928,907
Family Housing Construction, Navy and Marine Corps	139,107		139,107	139,107	139,107
Family Housing Support, Navy and Marine Corps	704,504		704,504	704,504	704,504
Family Housing Construction, Air Force	846,959		846,959	846,959	846,959
Family Housing Support, Air Force	863,896		863,896	863,896	863,896
Family Housing Construction, Defense-wide	49		49	49	49
Family Housing Support, Defense-wide	49,575		49,575	49,575	49,575
DoD Family Housing Improvement Fund	2,500		2,500	2,500	2,500
<b>Subtotal Family Housing</b>	<b>4,171,596</b>		<b>4,171,596</b>	<b>4,171,596</b>	<b>4,171,596</b>
<b>Total Military Construction and Family Housing</b>	<b>9,480,475</b>	<b>342,465</b>	<b>9,822,940</b>	<b>9,490,375</b>	<b>9,895,840</b>

## SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2005

(Dollars in Thousands)

	<u>Authorization Request</u>	<u>Senate Change to Request</u>	<u>Senate Authorized</u>	<u>Budget Authority Implication Request</u>	<u>Senate</u>
<b>OTHER DoD MILITARY (Discretionary)</b>					
Receipts from Travel and Purchase Card Refunds					44,000
Armed Forces Retirement Home Fund	[61,195]		[61,195]		
National Security Educational Trust Fund				8,000	8,000
Disposal of DoD Real Property				16,000	15,000
Lease of DoD Real Property				14,770	9,770
Overseas Facility Investment Recovery				1,300	1,300
National Science Center, Army				5	5
<b>Total Other DoD Military Discretionary</b>				<b>40,075</b>	<b>78,075</b>
<b>Subfunction (051) Department of Defense Discretionary</b>	<b>401,657,009</b>	<b>1,342</b>	<b>401,658,351</b>	<b>401,715,999</b>	<b>401,835,341</b>
<b>OTHER DoD MILITARY (Mandatory)</b>					
Concurrent Receipt Accrual Payments to the Military Retirement Fund	1,534,200		1,534,200	1,534,200	1,374,200
Offsetting Receipts and Other	-1,386,000		-1,386,000	-1,386,000	-1,238,000
Revolving, Trust, and Other DoD Mandatory	273,000		273,000	883,010	762,010
National Defense Stockpile Transaction Fund, Public Enterprise Fund					-80,000
Sale of Certain Materials in the National Defense Stockpile Transaction Fund	-115,000		-115,000	-115,000	-100,000
<b>Total Other DoD Military Mandatory</b>	<b>148,200</b>		<b>148,200</b>	<b>148,200</b>	<b>136,200</b>
<b>Subfunction (051) Department of Defense Mandatory</b>	<b>306,200</b>		<b>306,200</b>	<b>916,210</b>	<b>718,210</b>
<b>SUBFUNCTION (051) TOTAL DEPARTMENT OF DEFENSE MILITARY</b>	<b>401,963,209</b>	<b>1,342</b>	<b>401,964,551</b>	<b>402,632,209</b>	<b>402,553,551</b>

## SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2005

(Dollars in Thousands)

	<u>Authorization Request</u>	<u>Senate Change to Request</u>	<u>Senate Authorized</u>	<u>Budget Authority Request</u>	<u>Implication Senate</u>
<b>DIVISION C</b>					
<b>ATOMIC ENERGY DEFENSE ACTIVITIES (053)</b>					
Energy Supply					
Weapons Activities	6,568,453	106,445	6,674,898	6,568,453	6,674,898
Defense Nuclear Nonproliferation	1,348,647		1,348,647	1,348,647	1,348,647
Naval Reactors	797,900		797,900	797,900	797,900
Office of the Administrator	333,700	10,000	343,700	333,700	343,700
<b>Subtotal National Nuclear Security Administration</b>	<b>9,048,700</b>	<b>116,445</b>	<b>9,165,145</b>	<b>9,048,700</b>	<b>9,165,145</b>
Defense Site Acceleration Completion	5,970,837	1,095	5,971,932	5,970,837	5,971,932
Defense Environmental Services	982,470		982,470	982,470	982,470
Other Defense Activities	663,636	-95,540	568,096	663,636	568,096
Defense Nuclear Waste Disposal	131,000	-23,000	108,000	131,000	108,000
<b>Subtotal Environmental &amp; Other Defense Activities</b>	<b>7,747,943</b>	<b>-117,445</b>	<b>7,630,498</b>	<b>7,747,943</b>	<b>7,630,498</b>
Defense EM privatization (rescission)					
<b>Subtotal Atomic Energy Defense Activities</b>	<b>16,796,643</b>	<b>-1,000</b>	<b>16,795,643</b>	<b>16,796,643</b>	<b>16,795,643</b>
<b>OTHER ATOMIC ENERGY DEFENSE ACTIVITIES (Discretionary)</b>					
Defense Nuclear Facilities Safety Board	20,268	1,000	21,268	20,268	21,268
Corps of Engineers - Civil Works				140,000	140,000
<b>Total Other Atomic Energy Defense Activities Discretionary</b>	<b>20,268</b>	<b>1,000</b>	<b>21,268</b>	<b>160,268</b>	<b>161,268</b>
<b>Subfunction (053) Atomic Energy Defense Activities Discretionary</b>	<b>16,816,911</b>		<b>16,816,911</b>	<b>16,956,911</b>	<b>16,956,911</b>

## SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2005

(Dollars in Thousands)

	<u>Authorization Request</u>	<u>Senate Change to Request</u>	<u>Senate Authorized</u>	<u>Budget Authority Implication</u>	
				<u>Request</u>	<u>Senate</u>
<b>OTHER ATOMIC ENERGY DEFENSE ACTIVITIES (Mandatory)</b>					
Energy Employees Occupational Illness Compensation Program				262,000	341,000
Subfunction (053) Other Atomic Energy Defense Activities Mandatory				262,000	341,000
<b>SUBFUNCTION (053) TOTAL ATOMIC ENERGY DEFENSE ACTIVITI</b>	<b>16,816,911</b>		<b>16,816,911</b>	<b>17,218,911</b>	<b>17,297,911</b>
<b>DEFENSE RELATED ACTIVITIES (054)</b>					
Department of Homeland Security				937,000	937,000
Department of Justice				530,000	530,000
Department of Transportation - MARAD Maritime Security Program				99,000	99,000
Intelligence Community Management Account				269,000	269,000
National Science Foundation - Antarctic Research Activities				68,000	68,000
Radiation Exposure Compensation Trust Fund Transferred to Mandatory				72,000	72,000
Selective Service System - Salaries and Expenses				26,000	26,000
Subfunction (054) Defense Related Activities Discretionary				<b>2,001,000</b>	<b>2,001,000</b>

## SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2005

(Dollars in Thousands)

	<u>Authorization Request</u>	<u>Senate Change to Request</u>	<u>Senate Authorized</u>	<u>Budget Authority Request</u>	<u>Implication Senate</u>
<b>OTHER DEFENSE RELATED ACTIVITIES (Mandatory)</b>					
CIA Retirement & Disability				239,000	239,000
Radiation Exposure Compensation Trust Fund				65,000	65,000
Proposed Legislation (outside DoD's Jurisdiction)				940,000	
<b>Subfunction (054) Defense Related Activities Mandatory</b>				<b>1,244,000</b>	<b>304,000</b>
<b>SUBFUNCTION (054) TOTAL DEFENSE-RELATED ACTIVITIES</b>				<b>3,245,000</b>	<b>2,305,000</b>
<b>Total National Defense Function (050) Discretionary</b>	<b>418,473,920</b>	<b>1,342</b>	<b>418,475,262</b>	<b>420,673,910</b>	<b>420,793,252</b>
<b>Total National Defense Function (050) Mandatory</b>	<b>306,200</b>		<b>306,200</b>	<b>2,422,210</b>	<b>1,363,210</b>
<b>TOTAL NATIONAL DEFENSE FUNCTION (050)</b>	<b>418,780,120</b>	<b>1,342</b>	<b>418,781,462</b>	<b>423,096,120</b>	<b>422,156,462</b>

**Full-time dedication of airlift support for homeland defense operations (sec. 1042)**

The committee recommends a provision that would require the Secretary of Defense to provide a report to the Committees on Armed Services of the Senate and the House of Representatives no later than April 1, 2005 on the feasibility and advisability of establishing full-time, dedicated airlift support for homeland defense operations, including operations to transport Weapons of Mass Destruction-Civil Support Teams (WMD-CST), the Air Force Expeditionary Medical (EMEDS) teams dedicated to homeland defense, and the Department of Energy Emergency Response Teams (DOE-ERT), in response to natural and man-made disasters.

The committee expects that report would be produced in consultation with all relevant stakeholders, including U.S. Northern Command (NORTHCOM) and U.S. Transportation Command (TRANSCOM). The report shall include information on the adequacy of existing plans and capabilities for meeting the transportation requirements of the WMD-CSTs, the homeland defense EMEDS, and the DOE ERTs, and a plan for addressing any shortfalls identified by this report. If the report recommends that dedicated airlift capability for homeland defense operations be established, the committee encourages the Secretary of the Air Force to exercise his existing authority to do so.

Time is of the utmost importance in responding to any disaster. The real value of a WMD-CST is its ability to rapidly provide unique reconnaissance and diagnostic capabilities to the on-site commander during the initial stages of an incident. Without airlift capability, WMD-CSTs may not be able to reach a particular location in a timely manner due to destroyed infrastructure, such as bridges, or traffic jams. In addition, the ability to airlift additional WMD-CSTs to a disaster scene could provide the incident commander with multiple teams to respond to a single incident, as well as back-up and relief for the first responding WMD-CST.

**Survivability of critical systems exposed to chemical or biological contamination (sec. 1043)**

The committee recommends a provision that would direct the Secretary of Defense to submit a plan to the congressional defense committees that describes the Department of Defense's systematic approach for ensuring the survivability of defense critical systems exposed to chemical or biological contamination. At a minimum, the plan should include: (1) policies for ensuring that the survivability of defense critical systems in the event of chemical or biological agent contamination is adequately addressed throughout the Department; (2) a systematic mechanism for identifying those systems that are defense critical systems; (3) specific testing procedures to be used during the design and development of new defense critical systems; and (4) an up-to-date central database that contains comprehensive information on the effects of chemical and biological agents and decontaminates on materials used in defense critical systems and is easily accessible to personnel who have duties to ensure the survivability of defense critical systems upon contamination of such systems by chemical and biological agents.

**DIVISION C—DEPARTMENT OF ENERGY  
AUTHORIZATIONS AND OTHER AUTHORIZATIONS**

**TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL  
SECURITY PROGRAMS**

**Overview**

Title XXXI authorizes appropriations for atomic energy defense activities of the Department of Energy (DOE) for fiscal year 2005, including: the purchase, construction, and acquisition of plant and capital equipment; research and development; nuclear weapons; naval nuclear propulsion; environmental restoration and waste management; operating expenses; and other expenses necessary to carry out the purposes of the Department of Energy Organization Act (Public Law 95–91). This title authorizes appropriations in four categories, which include National Nuclear Security Administration (NNSA); defense environmental management; other defense activities; and defense nuclear waste disposal.

The budget request for atomic energy defense activities at DOE totaled \$16.8 billion, a three percent increase above the fiscal year 2004 appropriated level. Of the total amount requested, \$9.0 billion is for NNSA, of which \$6.6 billion is for weapons activities, \$1.3 billion is for defense nuclear nonproliferation activities, \$797.9 million is for naval reactors, and \$333.7 million is for the Office of the Administrator; \$7.0 billion is for defense environmental management, of which \$6.0 billion is for defense site acceleration completion; \$982.5 million is for defense environmental services; \$663.6 million is for other defense activities; and \$131.0 million is for defense nuclear waste disposal.

The committee recommends \$16.8 billion for atomic energy defense activities at DOE, the amount of the budget request. Of the amounts authorized for the NNSA, \$6.7 billion is for weapons activities, an increase of \$106.4 million above the budget request; \$1.3 billion is for defense nuclear nonproliferation activities, the amount of the budget request; \$797.9 million is for naval reactors, the amount of the budget request; and \$343.7 million is for the Office of the Administrator, an increase of \$10.0 million above the budget request. The committee recommends \$7.0 billion for the defense environmental management activities, an increase of \$1.1 million above the budget request. Of the amounts authorized for defense environmental management, \$6.0 billion is for defense site acceleration completion, an increase of \$1.1 million above the budget request; and \$982.5 million is for defense environmental services, the amount of the budget request. The committee recommends \$568.1 million for other defense activities, a reduction of \$96.0 million below the budget request. The committee recommends \$108.0 million for defense nuclear waste disposal, a reduction of \$23.0 million below the budget request.

The following table summarizes the budget request and the authorizations:

**Department of Energy National Security Programs**  
(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
<b>Atomic Energy Defense Activities (053)</b>			
<b>Discretionary Summary By Appropriation</b>			
Energy And Water Development Appropriation Summary:			
Energy supply			
<b>Atomic Energy Defense Activities</b>			
National nuclear security administration:			
Weapons activities	6,568,453	106,445	6,674,898
Defense nuclear nonproliferation	1,348,647		1,348,647
Naval reactors	797,900		797,900
Office of the administrator	333,700	10,000	343,700
<b>Total, National nuclear security administration</b>	<b>9,048,700</b>	<b>116,445</b>	<b>9,165,145</b>
Environmental and other defense activities:			
Defense site acceleration completion	5,970,837	1,095	5,971,932
Defense environmental services	982,470		982,470
Other defense activities	663,636	-95,540	568,096
Defense nuclear waste disposal	131,000	-23,000	108,000
Total, Environmental & other defense activities	<b>7,747,943</b>	<b>-117,445</b>	<b>7,630,498</b>
<b>Total, Atomic Energy Defense Activities</b>	<b>16,796,643</b>	<b>-1,000</b>	<b>16,795,643</b>
Defense EM privatization (rescission)			
<b>Total, Energy And Water Development Appropriation</b>	<b>16,796,643</b>	<b>-1,000</b>	<b>16,795,643</b>
<b>Total, Discretionary Funding</b>	<b>16,796,643</b>	<b>-1,000</b>	<b>16,795,643</b>

## Department of Energy National Security Programs

(Dollars in Thousands)

FY2005 Request    Senate Change    Senate Authorized

**Energy Supply**

  Nuclear Energy

    Infrastructure

      Idaho facilities management

      INEEL infrastructure O&M

    Idaho sitewide safeguards and security (050)

      Program direction

**Subtotal, Energy Supply**

  Adjustments:

    Less security charge for reimbursable work (NE) (050)

    Funding from other defense activities

**Total, Adjustments**

**Total, Energy Supply**

**Weapons Activities**

  Directed stockpile work (DSW)

1,406,435

1,406,435

    Directed stockpile work

      Stockpile research and development

      Stockpile maintenance

      Stockpile evaluation

      Dismantlement/disposal

## Department of Energy National Security Programs

(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Production support			
Field engineering, training and manuals			
<b>Total, Directed stockpile work</b>	<b>1,406,435</b>		<b>1,406,435</b>
Science campaign	300,962		300,962
Science campaign			
Primary certification			
Dynamic materials properties			
Advanced radiography			
Operations and maintenance			
Secondary certification and nuclear systems margins			
<b>Total, Science campaign</b>	<b>300,962</b>		<b>300,962</b>
Engineering campaigns			
Operations and maintenance	194,330		194,330
Construction:			
01-D-108 Microsystem and engineering science applications (MESA), SNL, Albuquerque, NM	48,654		48,654
<b>Total, Engineering campaign</b>	<b>242,984</b>		<b>242,984</b>
Enhanced surety			
Weapons system engineering assessment technology			
Nuclear survivability			

**Department of Energy National Security Programs**  
(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Enhanced surveillance			
Advanced design and production technologies			
Engineering campaigns construction activities			
Operations and maintenance			
Construction:			
01-D-108 Microsystem and engineering science applications (MESA), SNL, Albuquerque, NM			
<b>Total, Engineering campaigns construction activities</b>			
<b>Total, Engineering campaigns</b>			
Inertial confinement fusion and high yield campaign campaign			
Operations and maintenance	362,034		362,034
Construction:			
96-D-111 National ignition facility (NIF), LLNL, Livermore, CA	130,000		130,000
<b>Total, Inertial confinement fusion and high yield campaign</b>	<b>492,034</b>		<b>492,034</b>
Advanced simulation and computing campaign			
Operations and maintenance	738,032		738,032
Construction:			
01-D-101 Distributed information systems laboratory, SNL, Livermore, CA			
00-D-103, Terascale simulation facility, LLNL, Livermore, CA	3,228		3,228

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## Department of Energy National Security Programs

(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
<b>Total, Construction</b>	3,228		3,228
<b>Total, Adv simulation and computing campaign</b>	741,260		741,260
Pit manufacturing and certification campaign	336,473		336,473
Readiness campaigns			
Operations and maintenance	259,127		259,127
Construction:			
98-D-125 Tritium extraction facility, Savannah River Site, Aiken, SC	21,000		21,000
<b>Total, Readiness campaign</b>	<b>280,127</b>		<b>280,127</b>
Readiness Campaign			
Stockpile readiness			
High explosive readiness/assembly campaign			
Non-nuclear readiness			
Tritium readiness			
Operations and maintenance			
Construction:			
98-D-125 Tritium extraction facility, Savannah River site, Aiken, SC			
<b>Total, Construction</b>			
<b>Total, Tritium readiness</b>			
<b>Total, Readiness campaigns</b>			

## Department of Energy National Security Programs

(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Readiness in technical base and facilities (RTBF)			
Operations and maintenance	1,268,152		1,268,152
Operations of facilities			
Operations of facilities, RTBF, Kansas City Plant		20,600	20,600
Operations of facilities, RTBF, Pantex Plant		19,100	19,100
Operations of facilities, RTBF		11,745	11,745
Program readiness			
Special projects			
Material recycle and recovery			
Containers			
Storage			
Nuclear weapons incident response			
<b>Subtotal, Readiness in technical base and facilities</b>	<b>1,268,152</b>	<b>51,445</b>	<b>1,319,597</b>
Construction:			
05-D-140 Project engineering design various locations	11,600		11,600
05-D-401 Building 12-64 production bays upgrades Pantex Plant, Amarillo, TX	25,100		25,100
05-D-402 Beryllium capability (BEC) project, Y-12 National Security Complex, Oakridge, TN	3,627		3,627
04-D-101 Test capabilities revitalization, Sandia National Laboratories, Albuquerque, NM			

## Department of Energy National Security Programs

(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
04-D-102 Exterior communications infrastructure modernization Sandia National Laboratories, Albuquerque, NM			
04-D-103 Project engineering and design, (PED) various locations	1,500		1,500
04-D-104 National security sciences building Los Alamos National Laboratory, Los Alamos, NM			
04-D-125 Chemistry and metallurgy facility replacement project, Los Alamos National Laboratory, Los Alamos, NM	24,000		24,000
04-D-126 Building 12-44 production cells upgrade, Pantex plant, Amarillo, TX	2,600		2,600
04-D-127 Cleaning and loading modifications Savannah River site, Aiken, SC			
04-D-128 TA-18 Mission relocation project Los Alamos National Laboratory, Los Alamos, NM			
03-D-102 National security sciences building Los Alamos National Laboratory, Los Alamos, NM	37,348		37,348

## Department of Energy National Security Programs

(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
03-D-103 Project engineering and design (PED) various locations	15,275		15,275
03-D-121 Gas transfer capacity expansion, Kansas City Plant, Kansas City, MO			
03-D-123 Special nuclear materials component requalification facility, Pantex plant, Amarillo, TX	4,602		4,602
02-D-103 Project engineering and design, various locations	5,250		5,250
02-D-105 Engineering technology complex upgrade (ETCU), LLNL, Livermore, CA	5,400		5,400
02-D-107 Electrical power systems safety communications and bus upgrades Nevada Test Site, NV			
01-D-103 Project engineering and design (PED) various locations	6,000		6,000
01-D-124 HEU materials facility, Y-12 plant, Oak Ridge, TN	64,000		64,000
01-D-126 Weapons evaluation test laboratory			

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## Department of Energy National Security Programs

(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Pantex Plant, Amarillo, TX			
99-D-104 Protection of real property (roof reconstruction-Phase II), LLNL, Livermore, CA			
99-D-127 Stockpile management restructuring initiative, Kansas City plant, Kansas City, MO			
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations			
<b>Total, Construction</b>	<b>206,302</b>		<b>206,302</b>
<b>Total, Readiness in technical base and facilities</b>	<b>1,474,454</b>	<b>51,445</b>	<b>1,525,899</b>
Secure transportation asset			
Operations and equipment	143,873		143,873
Program direction	57,427		57,427
<b>Total, Secure transportation asset</b>	<b>201,300</b>		<b>201,300</b>
Use of prior year balances			
<b>Total, Secure transportation asset</b>	<b>201,300</b>		<b>201,300</b>
Nuclear weapons incident response	99,209		99,209
Facilities and infrastructure recapitalization program			
Operation and maintenance	291,543	20,000	311,543

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## Department of Energy National Security Programs

(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Construction			
05-D-160 Facilities and infrastructure recapitalization program (FIRP), project engineering design (PED), various locations	8,700		8,700
05-D-601 Compressed air upgrades project (CAUP), Y-12, National security complex, Oakridge, TN	4,400		4,400
05-D-602 Power grid infrastructure upgrade (PGIU), Los Alamos National Laboratory, Los Alamos, NM	10,000		10,000
05-D-603 New master substation (NMSU) SNL	600		600
04-D-203 Facilities and infrastructure recapitalization program (FIRP), project engineering design (PED), various locations	981		981
<b>Total, Construction</b>	<b>24,681</b>		<b>24,681</b>
<b>Total, Facilities and infrastructure recapitalization program</b>	<b>316,224</b>	<b>20,000</b>	<b>336,224</b>
Safeguards and security			
Operations and maintenance	669,991	10,000	679,991
Operations and maintenance, Y-12		25,000	25,000

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**Department of Energy National Security Programs**  
(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Construction:			
05-D-170 Project engineering and design, various locations	17,000		17,000
05-D-701 Security perimeter project, Los Alamos, National Laboratory, Los Alamos, NM	20,000		20,000
99-D-132 Nuclear material safeguards and security upgrade project, LANL, Los Alamos, NM			
<b>Total, Construction</b>	<b>37,000</b>		<b>37,000</b>
<b>Total, Safeguards and security</b>	<b>706,991</b>	<b>35,000</b>	<b>741,991</b>
<b>Subtotal, Weapons Activities</b>	<b>6,598,453</b>	<b>106,445</b>	<b>6,704,898</b>
Adjustments			
Use of prior year balances			
Less security charge for reimbursable work	-30,000		-30,000
<b>Total, Adjustments</b>	<b>-30,000</b>		<b>-30,000</b>
<b>Total, Weapons Activities</b>	<b>6,568,453</b>	<b>106,445</b>	<b>6,674,898</b>
<b>Defense Nuclear Nonproliferation</b>			
Nonproliferation and verification R&D			
Operation and maintenance	220,000	25,000	245,000
Nonproliferation and international security	124,000		124,000

**Department of Energy National Security Programs**  
(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Nonproliferation programs with Russia			
International materials protection, control and cooperation	238,000		238,000
Russian transition initiative	41,000		41,000
HEU transparency implementation	20,950		20,950
International nuclear safety and cooperation			
Elimination of weapons-grade plutonium production program	50,097		50,097
Fissile materials disposition			
U S surplus materials disposition	184,700		184,700
Russian surplus materials disposition	64,000		64,000
Construction:			
99-D-141 Pit disassembly and conversion facility, Savannah River, SC	32,300		32,300
99-D-143 Mixed oxide fuel fabrication facility, Savannah River, SC	368,000		368,000
<b>Total, Construction</b>	<b>400,300</b>		<b>400,300</b>
Reduction due to delay in program		-25,000	-25,000
<b>Total, Fissile materials disposition</b>	<b>649,000</b>	<b>-25,000</b>	<b>624,000</b>
<b>Total, Nonproliferation programs with Russia</b>	<b>999,047</b>	<b>-25,000</b>	<b>974,047</b>
Offsite source recovery project	5,600		5,600
<b>Subtotal, Defense Nuclear Nonproliferation</b>	<b>1,348,647</b>		<b>1,348,647</b>

**Department of Energy National Security Programs**  
(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Adjustments:			
Use of prior year balances			
<b>Total, Defense Nuclear Nonproliferation</b>	<b>1,348,647</b>		<b>1,348,647</b>
 <b>Naval Reactors</b>			
Naval reactors development			
Operation and maintenance	761,211		761,211
Construction:			
05-N-900 Materials development facility building, Schenectady, NY	6,200		6,200
03-D-201 Cleanroom technology facility			
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	989		989
<b>Total, Construction</b>	<b>7,189</b>		<b>7,189</b>
<b>Total, Naval reactors development</b>	<b>768,400</b>		<b>768,400</b>
Program direction	29,500		29,500
<b>Subtotal, Naval Reactors</b>	<b>797,900</b>		<b>797,900</b>
Use of prior year balances (Naval reactors)			
<b>Total, Naval Reactors</b>	<b>797,900</b>		<b>797,900</b>

**Department of Energy National Security Programs**  
(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
<b>Office Of The Administrator</b>			
Office of the administrator	333,700		333,700
Defense nuclear nonproliferation			
Pajarito Plateau Homesteaders		10,000	10,000
<b>Total, Office Of The Administrator</b>	<b>333,700</b>	<b>10,000</b>	<b>343,700</b>
<b>Defense Site Acceleration Completion</b>			
<i>(was Defense Facilities Closure Projects)</i>			
2006 Accelerated completions			
Operation and maintenance	1,251,799	1,095	1,252,894
2012 Accelerated Completions			
Operation and maintenance	1,437,001		1,437,001
Construction:			
04-D-414 Project engineering and design, various locations	3,000		3,000
04-D-423 3013 container surveillance capability in 235-F, SR	20,640		20,640
02-D-402 Cathodic protection system expansion, ID			

**Department of Energy National Security Programs**  
(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
01-D-416 Waste treatment and immobilization plant, RL	690,000		690,000
<b>Total, Construction</b>	<b>713,640</b>		<b>713,640</b>
<b>Total, 2012 Accelerated Completions</b>	<b>2,150,641</b>		<b>2,150,641</b>
 2035 Accelerated Completions			
Operation and maintenance	1,849,512		1,849,512
Construction:			
04-D-408 Glass waste storage building #2, SR	43,827		43,827
 03-D-403 Immobilized HLW interim storage facility, RL			
 03-D-414 Project engineering and design, various locations			
<b>Total, Construction</b>	<b>43,827</b>		<b>43,827</b>
<b>Total, 2035 Accelerated Completions</b>	<b>1,893,339</b>		<b>1,893,339</b>
 Safeguards and security	265,059		265,059
 High level waste legislative proposal			
Operation and maintenance	249,442		249,442
Construction			
05-D-405 Salt waste processing facility, Savannah River	52,000		52,000

**Department of Energy National Security Programs**  
(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
04-D-414 04-02 PED: Sodium bearing waste treatment, Idaho	24,900		24,900
03-D-414 PED: salt waste processing facility alternative, Savannah River	23,658		23,658
<b>Total, Construction</b>	<b>100,558</b>		<b>100,558</b>
<b>Total, High level waste legislative proposal</b>	<b>350,000</b>		<b>350,000</b>
Technology development and deployment	60,142		60,142
<b>Subtotal, Defense Site Acceleration Completion</b>	<b>5,970,980</b>	<b>1,095</b>	<b>5,972,075</b>
Use of prior year balances			
Less security charge for reimbursable work	-143		-143
<b>Total, Defense Site Acceleration Completion</b>	<b>5,970,837</b>	<b>1,095</b>	<b>5,971,932</b>
 <b>Defense Environmental Services</b> <i>(was Defense Environmental Management Privatization)</i>			
Community and regulatory support	60,547		60,547
Federal contribution to the uranium enrichment	463,000		463,000
Non-closure environmental activities			
Operation and maintenance	187,864		187,864

## Department of Energy National Security Programs

(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Program direction	271,059		271,059
<b>Subtotal, Defense Environmental Services</b>	<b>982,470</b>		<b>982,470</b>
Use of prior year balances			
<b>Total, Defense Environmental Services</b>	<b>982,470</b>		<b>982,470</b>
 <b>Other Defense Activities</b>			
Energy security and assurance			
Energy security	6,100	-6,100	
Program direction	4,500	-4,500	
<b>Total, Energy security and assurance</b>	<b>10,600</b>	<b>-10,600</b>	
Office of Security			
Nuclear safeguards and security	143,197		143,197
Security investigations	53,554		53,554
International nuclear analysis		1,500	1,500
Program direction	58,350		58,350
<b>Total, Office of Security</b>	<b>255,101</b>	<b>1,500</b>	<b>256,601</b>
Independent oversight and performance assurance	24,669		24,669
Civilian radioactive waste management			
Spent nuclear fuel management	21,190		21,190
Program direction	1,060		1,060
<b>Total, Civilian radioactive waste management</b>	<b>22,250</b>		<b>22,250</b>

## Department of Energy National Security Programs

(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Environment, safety & health			
Environment, safety and health (defense)	99,105		99,105
Program direction	20,414		20,414
<b>Total, Environment, safety and health</b>	<b>119,519</b>		<b>119,519</b>
Office of Legacy Management			
Legacy management	19,194	500	19,694
Worker and community transition	2,500	3,500	6,000
Program direction	13,201		13,201
<b>Total, Office of Legacy Management</b>	<b>34,895</b>	<b>4,000</b>	<b>38,895</b>
Worker and community transition			
Worker and community transition			
Program direction			
<b>Total, Worker and community transition</b>			
Office of Legacy Management			
Nuclear energy			
Infrastructure			
Idaho facilities management			
INEEL infrastructure O&M	20,886		20,886
Idaho sitewide safeguards and security	58,103		58,103
<b>Total, Infrastructure</b>	<b>78,989</b>		<b>78,989</b>
Program direction	33,858		33,858
<b>Total, Nuclear energy</b>	<b>112,847</b>		<b>112,847</b>

**Department of Energy National Security Programs**  
(Dollars in Thousands)

	<u>FY2005 Request</u>	<u>Senate Change</u>	<u>Senate Authorized</u>
Defense related administrative support	92,440	-92,440	
Office of hearings and appeals	4,318		4,318
Office of Future Liabilities			
Future liabilities	5,000	-5,000	
Office of engineering and construction management		7,000	7,000
<b>Subtotal, Other defense activities</b>	<b>681,639</b>	<b>-95,540</b>	<b>586,099</b>
Adjustments:			
Use of prior year balances	-15,000		-15,000
Less security charge for reimbursable work (SO)			
Less security charge for reimbursable work (NE)	-3,003		-3,003
<b>Total, Adjustments</b>	<b>-18,003</b>		<b>-18,003</b>
<b>Total, Other Defense Activities</b>	<b>663,636</b>	<b>-95,540</b>	<b>568,096</b>
<b>Defense Nuclear Waste Disposal</b>			
Defense nuclear waste disposal	131,000	-23,000	108,000
<b>Defense Environmental Management Privatization (resc)</b>			
Use of prior year balances (rescission)			

## **Subtitle A—National Security Programs Authorizations**

### **National Nuclear Security Administration (sec. 3101)**

The committee recommends a provision that would authorize a total of \$9.2 billion for the Department of Energy (DOE) in fiscal year 2005 for the National Nuclear Security Administration (NNSA) to carry out programs necessary to national security.

#### **Weapons activities**

The committee recommends \$6.7 billion for weapons activities, a \$106.4 million increase above the amount requested in fiscal year 2005. The committee authorizes the following activities: \$1.4 billion for directed stockpile work; \$2.4 billion for campaigns; \$1.5 billion for readiness in the technical base; \$201.3 million for secure transportation assets; \$742.0 million for safeguards and security; and \$336.2 million for facilities and infrastructure.

#### **Directed stockpile work**

The committee recommends \$1.4 billion for directed stockpile work, the amount of the budget request. The directed stockpile account supports work directly related to weapons in the stockpile, including day-to-day maintenance as well as research, development, engineering, and certification activities to support planned life extension programs. This account also includes fabrication and assembly of weapons components, advanced concepts, weapons dismantlement and disposal, training, and support equipment.

#### **Campaigns**

The committee recommends \$2.4 billion for campaigns, the amount of the budget request. The campaigns focus on science and engineering efforts involving the three weapons laboratories, the Nevada Test Site, and the weapons plants. Each campaign is focused on a specific activity to support and maintain the nuclear stockpile without underground nuclear weapons testing. These efforts maintain and enhance the safety, security, and reliability of the existing stockpile. The campaigns are divided into three major categories: science campaigns, readiness campaigns, and engineering campaigns.

#### **Readiness in the technical base**

The committee recommends \$1.5 billion in readiness in the technical base and facilities (RTBF), a \$51.4 million increase above the budget request. This account funds facilities and infrastructure in the weapons complex to ensure the operational readiness of the complex and includes construction funding for new facilities.

The \$51.4 million increase in RTBF should be used to limit any additional deferred maintenance. This amount includes \$20.6 million for infrastructure upgrades, production space reclamation, safety systems, production capital equipment upgrades, and a computing storage system at the Kansas City Plant. Additionally, this amount includes \$19.1 million for operations of facilities for maintenance projects and equipment replacements at the Pantex Plant.

## **Secure transportation asset**

The committee recommends \$201.3 million for the secure transportation asset (STA), the amount of the budget request. The secure transportation asset is responsible for transportation of nuclear weapons, weapons materials and components, and other materials requiring safe and secure transport.

The committee notes that the demand for secure transportation assets is anticipated to increase to meet both expanding work within the stockpile life extension program and the accelerated cleanup work in the environmental management program. With both of these efforts placing an increased demand on existing assets and the attached security force, the committee is concerned about the adequacy of the planned funding to meet the increased demand in the future. While the fiscal year 2005 budget request included a \$39.8 million increase over the amount appropriated in fiscal year 2004, the future years nuclear security program (FYNSP) for STA drops \$15.3 million below the fiscal year 2005 request in fiscal year 2006 and remains below the fiscal year 2005 request through fiscal year 2009. The committee recommends that DOE increase the amount of funding for STA in fiscal years 2006 through 2009 to meet the increased demand.

## **Safeguards and security**

The committee recommends \$742.0 million for weapons safeguards and security, a \$35.0 million increase above the budget request, and \$160.0 million above the amount appropriated in fiscal year 2004. This amount includes \$25.0 million in security upgrades at the Y-12 National Security Complex in Tennessee, including the consolidation and minimization of material storage and long-term vault solutions.

The weapons safeguards and security account provides funding for safeguards and security at all of the NNSA complex sites. After the attacks of September 11, 2001, the Secretary of Energy developed and issued a new design basis threat (DBT), which added security requirements across the nuclear weapons complex and defense environmental management sites. With increased security requirements, there will be increased budget needs. While the committee is encouraged that DOE included a relatively large increase for safeguards and security in the budget request to meet the new DBT requirements, the future years nuclear security program (FYNSP) for safeguards and security drops \$100.0 million below the fiscal year 2005 request in fiscal year 2006 and only increases at a rate below the cost of inflation through fiscal year 2009. The committee expects DOE to take necessary actions to be in full compliance with the new DBT by the end of fiscal year 2006, as required in the DBT plan, and to remain in compliance thereafter.

The committee recommends that DOE increase the amount of funding for safeguards and security in fiscal years 2006 through 2009 to meet the increased requirements. The committee also encourages DOE to invest in force multiplying construction and technologies to help increase security capabilities and reduce the need to increase security forces, which is much more costly over the life of a facility.

## **Facilities and infrastructure**

The committee recommends \$336.2 million for the facilities and infrastructure recapitalization program (FIRP), a \$20.0 million increase above the budget request. This amount includes \$20.0 million for the purchase of capital items in bulk, such as heating ventilation and air conditioning (HVAC) systems. By making capital purchases in bulk, FIRP will be able to reduce its costs and accelerate the completion of this program. For these bulk capital purchases, the committee expects FIRP to continue to follow its strict, disciplined plan in choosing high priority projects.

The committee has been impressed with the management of FIRP and encourages NNSA to continue to maintain this high level of organization and discipline to revitalize the nation's nuclear weapons complex.

## **Defense Nuclear Nonproliferation Program**

The committee recommends \$1.3 billion for the Defense Nuclear Nonproliferation Program, the amount of the budget request. The National Nuclear Security Administration (NNSA) has management and oversight responsibilities for the nonproliferation programs of the Defense Nuclear Nonproliferation Program. The committee recommends funding for these programs, as follows: \$245.0 million for nonproliferation and verification research and development, an increase of \$25.0 million above the budget request; \$124.0 million for nonproliferation and international security; \$238.0 million for international nuclear materials protection, control and cooperation; \$41.0 million for Russian transition initiatives; \$20.9 million for highly-enriched uranium transparency implementation; \$50.0 million for elimination of weapons-grade plutonium production; \$624.0 million for fissile materials disposition, a decrease of \$25.0 million below the budget request; and \$5.6 million for the off-site source recovery project. The committee notes that continued delays in the commencement of construction activities under the fissile materials disposition program make it unlikely that the Department will be able to fully obligate the budget request for that program in fiscal year 2005. The committee believes that the nonproliferation and verification research and development program is doing valuable work on proliferation detection that would benefit from the additional resources the committee recommends authorizing for this program.

The committee is concerned by the delays in the fissile materials disposition program, as well as in several other cooperative nonproliferation programs with Russia, as a result of a dispute between the United States and Russia over what liability standards should apply to the work under the programs. Continued delays in the fissile materials disposition program will have significant domestic, as well as international, ramifications because work at the U.S. MOX Fuel Fabrication Facility is being delayed to ensure parallelism with the analogous program in Russia. The committee fully supports the goals of the MOX program and urges the Administration to give this matter sustained high level attention with the aim of resolving the dispute as quickly as possible so that reasonable liability standards are established that will be protective of U.S. interests and will allow the program to proceed.

## **Naval Reactors**

The committee recommends \$797.9 million for Naval Reactors, the amount of the budget request.

## **Office of Administrator**

The committee recommends \$343.7 million for program direction for the National Nuclear Security Administration (NNSA), an increase of \$10.0 million above the budget request to settle claims of Pajarito homesteaders. This account includes program direction funding for all elements of NNSA, with the exception of the Naval Reactors Program and the Secure Transportation Asset.

The committee notes the success of the Administrator in re-engineering the NNSA federal workforce, including reducing the workforce by 15 percent by the end of fiscal year 2004. The Administrator announced this bold plan with the goal of operating a more efficient and agile program, and removing a layer of federal bureaucracy. The total number of the federal workforce has been reduced from 2,003 workers in fiscal year 2002 to 1,705 workers by the end of fiscal year 2004. The reengineering was not a headquarters directive that only mandated reductions in the field. In fact, NNSA headquarters is leading the reengineering effort with a disproportionately large workforce reduction. In fiscal year 2002, headquarters made up 23 percent of the federal workforce, or 458 federal workers; and by the end of fiscal year 2004 headquarters will make up only 18 percent of the federal workforce, or 315 federal workers. To meet this sharp reduction, NNSA headquarters will make up 47 percent of the total workforce reductions.

## **Defense environmental management (sec. 3102)**

The committee recommends a provision that would authorize a total of \$7.0 billion for the Department of Energy (DOE) in fiscal year 2005 for environmental management (EM) activities, a \$1.1 million increase above the budget request.

## **Defense site acceleration completion**

The budget request included funding for the following activities: \$1.3 billion for 2006 accelerated completions; \$2.2 billion for 2012 accelerated completions; \$1.9 billion for 2035 accelerated completions; \$265.1 million for safeguards and security; and \$60.1 million for technology development and deployment. The committee recommends \$6.0 billion for Defense site acceleration completion, an increase of \$1.1 million above the budget request.

The committee recommends an additional \$1.1 million for the 2006 accelerated completions in the Office of Environmental Management (EM) for the Lynchburg Technology Center (LTC) to inspect and repackage the spent nuclear fuel (SNF) stored in aluminum canisters, including 2.2 kilograms of highly enriched uranium (HEU) from Atomic Energy Commission (AEC) Contract AT (30-1)-3809 and the High Burn-up Program irradiated in the AEC Test Reactor. Additionally, the committee encourages the Department of Energy (DOE) to set forth and implement a plan to inspect and repackage any other DOE legacy materials at the LTC, particularly if it is cost-effective to take care of all of the DOE legacy materials at one time. Finally, the committee encourages DOE to

set forth a plan to transport the DOE legacy materials to other facilities for processing and final disposition.

The committee notes that the fiscal year 2005 budget request for Environmental Management (EM) will be the last full fiscal year authorization and appropriation for cleanup at the Rocky Flats Environmental Technology Site (Rocky Flats), the Fernald Environmental Management Project (Fernald), and the Miamisburg Environmental Management Project Mound Site (Mound). The committee applauds the level of priority and focus DOE and management within the Environmental Management Program have placed on cleaning up these three EM sites decades ahead of the original baseline schedule and at a savings of tens of billions of dollars.

The committee encourages DOE to reach out to the communities at the 2006 closure sites and determine what lessons can be learned to help accelerate cleanup and thereby reduce the safety and health risks at the remaining major EM sites. In 1995, when a few individuals at Rocky Flats, Fernald, and Mound first began discussing closure of these sites as much as 60 years ahead of schedule, there were many more skeptics than believers in the accelerated closure approach. At that time, the contractors were required to merely meet compliance milestones, not to do cleanup. These three sites have proven that by reducing the highest risks first, the risk of exposure to the workers, environment, and communities was reduced, and accelerated cleanup has significantly reduced the life cycle cost.

### **Defense environmental services**

The budget request included funding for the following activities: \$187.9 million for non-closure environmental activities; \$60.5 million for community and regulatory support; \$463.0 million for the federal contribution to the uranium enrichment decontamination and decommissioning fund; and \$271.1 million for program direction. The committee recommends \$982.5 million for Defense environmental services, the amount of the budget request.

The committee encourages EM to continue to look for ways to reduce as much funding as possible and practical on defense environmental services so that these resources can, instead, be focused on the defense site accelerated completion activities.

### **Other defense activities (sec. 3103)**

The committee recommends a provision that would authorize \$568.1 million for the Department of Energy (DOE) for other defense activities, \$95.5 million below the budget request.

### **Energy security and assistance**

The budget request included \$10.6 million for energy security and assistance. The committee recommends no funds for these activities. The operational component for this office was transferred to the Department of Homeland Security (DHS) in fiscal year 2003. The committee does not support using Atomic Energy Act funds for nondefense activities.

**Office of Security**

The committee recommends \$256.6 million for the Office of Security, an increase of \$1.5 million above the budget request for International Nuclear Analysis.

**Office of Independent Oversight and Performance Assurance**

The committee recommends \$24.7 million for the Office of Independent Oversight and Performance Assurance. The committee notes that DOE has combined the management of the Office of Security with the Office of Independent Oversight and Performance Assurance into the new Office of Security and Safety Performance (SSP). The committee is concerned that combining these two offices may lead to conflicts of interest between the two formerly separate offices. The committee strongly encourages the Secretary of Energy to work to ensure SSP works to keep its two individual missions separate. The committee is concerned that the administration's request for SSP is being sought separately under the Office of Security and the Office of Independent Oversight and Performance Assurance which adds further confusion to whether the two former offices are in fact being combined.

**Office of Civilian Radioactive Waste Management**

The committee recommends \$22.3 million for the Office of Civilian Radioactive Waste Management, the amount of the budget request.

**Environment safety and health**

The committee recommends \$119.5 million for environment, safety and health, the amount of the budget request. The committee notes that \$43.0 million was included in the budget request to maintain the accelerated schedule for the Energy Employee Occupational Illness Compensation Program Act (EEOICPA) activities. The total amount authorized for EEOICPA, including fiscal years 2003 and 2004 reprogrammings, should enable DOE to significantly expedite and complete all of the EEOICPA applications on file with DOE up to the physicians panel by fiscal year 2005, and through the physicians panel by fiscal year 2006.

**Office of Legacy Management**

The committee recommends \$38.9 million for the Office of Legacy Management (LM), a \$4.0 million increase above the budget request. This increase provides for an additional \$3.5 million for section 3161 of the National Defense Authorization Act for Fiscal Year 1993, worker and community transition program, and this increase also includes \$500,000 for local stakeholders organizations (LSOs), which are established in another section of this bill.

**Nuclear energy**

The committee recommends \$112.8 million for nuclear energy, the amount of the budget request.

**Defense related administrative support**

The budget request included \$92.4 million for national security programs administrative support. The committee recommends no funds for these activities. The committee views these administrative support activities as inherently nondefense activities. The committee does not support the use of Atomic Energy Defense funds for nondefense activities.

**Office of Hearings and Appeals**

The committee recommends \$4.3 million for the Office of Hearings and Appeals, the amount of the budget request.

**Office of Future Liabilities**

The budget request included \$5.0 million for the Office of Future Liabilities. The committee recommends no funds for the activities of this office. The committee is concerned that DOE is creating this new office to conduct essentially the same type of work being conducted by Environmental Management (EM). The committee strongly encourages DOE to include this function in EM program to avoid the cost and inefficiency of creating a new office.

**Office of Engineering and Construction Management**

The committee recommends \$7.0 million for the Office of Engineering and Construction Management (OECM), an increase of \$7.0 million above the budget request. The committee notes that major DOE construction projects should receive an independent assessment and cost evaluation to validate the life cycle baseline of major construction projects. In a 2003 assessment entitled "Progress in Improving Project Management at the Department of Energy," by the National Research Council (NRC) of the National Academies, the NRC asserted that "it is critical to the continued improvement of project management in the department to have a project management champion with the authority to assure that the project management viewpoint is expressed in all decisions as well as to guide, support, and develop a professional project management staff across the department, with the ultimate goal of achieving and sustaining excellence in DOE project management." The committee believes OECM should continue to fulfill its role to oversee project management. The committee directs that the Office of Engineering and Construction Management (OECM) activities approved with this authorization will focus only on Atomic Energy Defense funded construction projects.

**Defense nuclear waste disposal (sec. 3104)**

The committee recommends a provision that would authorize \$108.0 million for defense nuclear waste disposal, a decrease of \$23.0 million below the budget request. The committee does not believe that the combined civilian and defense nuclear waste disposal program can expend the combined budget request level of \$880.0 million in fiscal year 2005, which is a \$110.0 million increase over the combined fiscal year 2004 appropriated level.

## **Subtitle B—Program Authorizations, Restrictions, and Limitations**

### **Limitation on availability of funds for the modern pit facility (sec. 3111)**

The budget request included \$29.8 million for the National Nuclear Security Administration (NNSA) for the Modern Pit Facility. The committee recommends a provision that would prohibit the Secretary of Energy from obligating or expending more than half of the funds available for the Modern Pit Facility until 30 days after the Administrator of the National Nuclear Security Administration submits a report on the requirement for pit production capabilities for the Modern Pit Facility, and one additional report on the stockpile required by the Energy and Water Development Appropriations Act, 2004. The requirement for pit production capabilities shall be developed in consultation with the Department of Defense.

### **Limitation on availability of funds for spending plan for advanced nuclear weapons concepts initiative (sec. 3112)**

The budget request for the Department of Energy for fiscal year 2005 included \$9.0 million for advanced nuclear weapons concepts initiative. The committee recommends a provision that would require the Administrator of the National Nuclear Security Administration to submit to the congressional defense committees a report on the planned activities for fiscal year 2005 under this initiative, 30 days prior to initiating such activities. This requirement is virtually identical to the requirement included in the Energy and Water Development Appropriations Act, 2004, to cover funds available in fiscal year 2004.

### **Limitation authority to carry out new projects under facilities and infrastructure recapitalization program after project selection deadline (sec. 3113)**

The committee recommends a provision that would amend section 3114 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136) to permit, on a limited basis, the Administrator of the National Nuclear Security Administration (NNSA) to make modifications to the Facilities and Infrastructure Recapitalization Program (FIRP) baseline, which is to be completed by December 31, 2004. The provision allows the Administrator to make no more than five modifications per fiscal year, and each modification is limited to a specific building, facility, or other improvement at an NNSA site. The provision also prohibits any modifications until 60 days after the congressional defense committees receive both the report required in section 3114(c) setting forth the guidelines on the conduct of the readiness in technical base and facilities (RTBF) program and a list of projects selected for inclusion in the FIRP program as required by section 3114(a). The provision states that nothing should delay the completion of the section 3114(c) report or the completion of the section 3114(a) project selection required by the Act.

While the committee notes that the FIRP program appears to be managed well and the deferred maintenance problems of the past

are being addressed appropriately, the committee remains concerned that the NNSA still has not placed a high enough priority on current and future maintenance and repair requirements under the RTBF program. Funding for the operations of facilities program within RTBF, which focuses on maintenance and repair for the nuclear weapons complex, was reduced in the budget request compared to the fiscal year 2004 appropriated level. When funding for FIRP was first authorized and appropriated, NNSA gave assurances to the committee that it would maintain the infrastructure of the facilities in a responsible manner by keeping up with maintenance and repair requirements annually. The committee expects NNSA to follow through on these assurances by requesting additional funding for the operations of facilities program within RTBF, and by not using that account as a source of funds for reprogrammings or transfers to other accounts.

The committee notes that several of the contracts for nuclear weapons complex facilities are being opened for competitive bids during the next couple of years. The committee encourages Department of Energy to include the issue of future maintenance and repair requirements in the bid, selection, and negotiations process; and to include innovative contract incentives, where possible, which can be included to help ensure a long-term and cost-effective plan for maintaining a robust NNSA infrastructure.

#### **Modification of milestone and report requirements for National Ignition Facility (sec. 3114)**

The committee recommends a provision that would modify and extend the current reporting requirement for the National Ignition Facility (NIF), section 3137 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107), to review all program elements necessary for both achieving ignition and enabling NIF to be a fully functioning facility.

The committee is encouraged by the recent progress in constructing NIF, and the initiation of experiments on NIF in support of science-based stockpile stewardship program (SSP). The results of experiments utilizing the first four beams of NIF are evidence of the value of NIF to the national effort to maintain the nation's nuclear deterrent. These four beams alone constitute the most powerful laser in the world today and a valuable tool for the nation's stockpile stewardship program. NIF's value will only increase as more beams are added over the next several years. The committee notes that without returning to underground nuclear testing, NIF provides a critically important experimental environment, which is necessary to study and adequately understand the reliability, safety, and security of nuclear weapons.

The current reporting requirement requires the Secretary of Energy to report to the congressional defense committees in the event that NIF does not meet any of the construction project major milestones. The NIF reporting requirement does not, however, include information on all of the funding and milestones to make NIF fully operational, including the funds and milestones to design and build the actual target that will hold the experiments on which the 192 laser beams will focus.

The provision recommended by the committee would require the Secretary to identify all milestones necessary to achieve ignition, and report on the progress toward meeting those milestones. The provision would further direct the Secretary to submit a funding schedule to support the full complement of milestones. Given the importance of NIF and ignition to the stockpile stewardship program, the committee directs the Secretary to ensure that NNSA provides adequate funding and support to keep all aspects of NIF on a schedule to be fully operational by 2011.

The committee also notes that the cryogenic target that the Lawrence Livermore National Lab (LLNL) will develop for NIF is based on a new design. The committee directs the NNSA and LLNL to ensure that the new target design is fully peer reviewed before committing to the new design.

### **Modification of submittal date of annual plan for stewardship, management, and certification of warheads in the nuclear weapons stockpile (sec. 3115)**

The committee recommends a provision that would change the due date of the annual reporting requirement for the stockpile stewardship program from March 15 to May 1. The first annual report was submitted in 1998. It came about as a result of the need to consolidate, in one place, information relevant to the stockpile stewardship program and to eliminate several overlapping annual reporting requirements. Nine different recurring reports were eliminated, and necessary information consolidated into one annual report. The committee finds the annual report to be a useful document to present the details of the stockpile stewardship program in a classified format. The committee is concerned that with the passage of time the requirements for the annual report may again need to be updated. As a result, the committee urges the Department of Energy to review the various other reporting requirements and to recommend repealing, modifying, or consolidating the other reports and the annual report, as appropriate. The committee does not require reports that overlap or provide duplicate information.

### **Defense site acceleration completion (sec. 3116)**

The committee recommends a provision that would authorize the Secretary of Energy to exclude from treatment as high-level radioactive waste stored at the Savannah River Site, South Carolina radioactive material resulting from the reprocessing of spent nuclear fuel. This exclusion would be authorized if the Secretary of Energy determines (a) the radioactive material does not require permanent isolation in a deep geologic repository for spent fuel or highly radioactive waste pursuant to criteria prescribed by the Secretary in consultation with the Nuclear Regulatory Commission (NRC); (b) to the maximum extent practical, that the highly radioactive radionuclides were removed; and (c) that materials from storage tanks are disposed of in a facility pursuant to a State-approved closure plan, or a permit is issued by the State. The provision would authorize the Secretary to carry out any action at Department of Energy sites with respect to radioactive material resulting from the reprocessing of spent nuclear fuel that is authorized by a closure plan approved by the State, or through a permit

issued by the State. The provision would limit this authority for waste that is transported from the State.

This provision would clarify the authority of the Secretary of Energy to proceed with the accelerated cleanup plan which is important for reducing risk to the workers, the environment, and the community, and is significantly more cost-effective.

#### **Annual report on expenditures for safeguards and security (sec. 3117)**

The committee recommends a provision that would require the Secretary of Energy to submit an annual report describing the activities and costs of the safeguards and security program at the defense nuclear facilities across the Department of Energy (DOE). The report should include details of the amounts expended annually for safeguards and security by site and program. The committee wants to ensure that there is adequate transparency on how much funding is requested, authorized, and appropriated for safeguards and security, to ensure congressional oversight into this important area.

The report should include current policy, including any modifications adopted during the previous fiscal year, as well as any new initiatives or technologies implemented by the safeguards and security program. In addition, the report should describe the budget, including details by program and by facility.

#### **Authority to consolidate counterintelligence offices of Department of Energy and National Nuclear Security Administration within the National Nuclear Security Administration (sec. 3118)**

The committee recommends a provision that would authorize the Secretary of Energy to consolidate the counterintelligence offices of the Department of Energy (DOE) and the National Nuclear Security Administration (NNSA) within NNSA. The committee is aware of the Secretary's goals of streamlining the counterintelligence activities at DOE and NNSA, and clarifying and filling any gaps in authority. The committee believes that this provision will allow the Secretary to accomplish that goal.

When the NNSA was created, in large part due to counterintelligence failures at the Department of Energy, careful consideration was given to the best way to protect our nation's nuclear secrets. In the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65), Congress decided that, with regards to nuclear weapons activities, the NNSA counterintelligence office should report directly to the NNSA Administrator, the same person who is responsible for the nuclear weapons programs and all of its sensitive information. In fact, it was one of the foundations of the NNSA Act to keep counterintelligence implementation within NNSA. The NNSA was set up to be a semi-autonomous agency to ensure that there would be adequate focus and priority placed on counterintelligence activities.

**Treatment of disposition waste from reprocessing of low-level or transuranic waste (sec. 3119)**

The committee recommends a provision that would authorize \$350.0 million, out of the defense site acceleration completion and defense environmental services, to be expended for activities at the Hanford Site in Washington, the Idaho National Engineering and Environmental Laboratory in Idaho, and the Savannah River Site in South Carolina, to stabilize, treat, or process reprocessed low-level or transuranic waste for disposition. These funds would be authorized only if the Secretary of Energy certifies to the President and Congress that there is adequate certainty of the legality of the disposition pathway at an individual site. The provision would stipulate that funds for activities which the Secretary of Energy does not certify will cease to be available after June 1, 2005.

**Local stakeholder organizations for Department of Energy Environmental Management 2006 closure sites (sec. 3120)**

The committee recommends a provision which would direct the Secretary of Energy to establish local stakeholder organizations (LSOs) to operate in consultation with local elected officials at Department of Energy Environmental Management 2006 closure sites. The committee expects LSOs to be set up to assist with closure of major EM sites only. Of the 2006 closure sites, this would include the Rocky Flats Environmental Technology Site, the Fernald Environmental Management Project, and the Miamisburg Environmental Management Project Mound Site.

The committee is concerned that an effective communication mechanism has not been established between the Department of Energy and local communities to address concerns related to post closure. LSOs will serve as a liaison between local communities and the Department of Energy (DOE), and will be responsible for soliciting public participation and disseminating information to State and local governments, stakeholders, and tribal nations.

The committee believes that community reuse organizations (CROs) have greatly assisted in the communication of information between DOE and local communities during the cleanup of former nuclear weapons complex sites. The committee notes that DOE plans to complete the cleanup of these three former nuclear weapons complex sites by December 15, 2006.

The committee expects the Office of Legacy Management (LM) to serve as the primary point of contact at DOE for the LSOs. When setting up the LSOs, the committee expects LM to include a plan which identifies the anticipated length of duration and funding source for each LSO.

**Report on maintenance of retirement benefits for certain workers at 2006 closure sites after closure of sites (sec. 3121)**

The committee recommends a provision that requires the Assistant Secretary of Energy for Environmental Management to submit a report to the Secretary of Energy on the maintenance of retirement benefits for workers at 2006 closure sites shortly before closure of those sites. The report should include the number of work-

ers at the closure sites which would not receive retirement benefits if the site where they work is closed early; the cost to provide benefits to these workers; and the impact on collective bargaining agreements due to the workers' loss of benefits. The Secretary of Energy would be required to send the report to the congressional defense committees.

The committee is concerned that some workers at 2006 closure sites may not receive pension and health benefits agreed to in the closure contracts if the accelerated closure comes earlier than the December 2006 scheduled closure date. The committee supports the Department of Energy's (DOE) Office of Environmental Management's (EM) effort to accelerate closure at its cleanup sites. Accelerating closure even earlier than the December 2006 closure date could result in savings to the American taxpayer of hundreds of millions of dollars. The committee commends the workers at these sites for their contribution and dedication to accelerated cleanup which will most likely result in the early closure of several cleanup sites.

### **Subtitle C—Proliferation Matters**

#### **Modification of authority to use international nuclear materials protection and cooperation program funds outside the former Soviet Union (sec. 3131)**

The committee recommends a provision that would amend section 3124 of the National Defense Authorization Act for Fiscal Year 2004 to remove the \$50.0 million limitation on the authority to use international nuclear materials protection and cooperation program funds for projects and activities outside of the former Soviet Union (FSU) to meet emerging proliferation threats. The provision would also clarify that this authority applies only to projects or activities that have not previously been authorized by Congress. This clarification is intended to resolve the concern raised by the National Nuclear Security Administration (NNSA) that the original provision could be interpreted as limiting the total amount of funds that NNSA could spend on projects outside of the FSU. The intent of the original provision was to provide funding flexibility for emerging proliferation threats outside of the FSU, not to limit the funds available for such activities that had previously been authorized through prior budget requests.

### **Subtitle D—Other Matters**

#### **Indemnification of Department of Energy contractors (sec. 3141)**

The committee recommends a provision that would amend section 170d(1)(A) of the Atomic Energy Act of 1954 to allow the Department of Energy to continue to enter into contracts for indemnification for an additional two years, through December 31, 2006.

**Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel (sec. 3142)**

The committee recommends a provision that would amend section 3161(c)(1) of the National Defense Authorization Act for Fiscal Year 1995 to extend excepted service authority for an additional two years, until September 30, 2006. The committee notes that the current excepted service authority has given the Department of Energy (DOE) hiring flexibility in appointing scientific, engineering, and technical personnel. Since this authority was first created, DOE has been successful in significantly enhancing its technical capabilities. By extending excepted service authority, DOE will have an important tool to acquire and retain a highly talented and motivated workforce.

The committee directs the Secretary of Energy to submit a report to the congressional defense committees, with the budget justification materials for fiscal year 2005, identifying all special hiring authority at DOE and to what extent these hiring authorities have been used.

**Enhancement of Energy Employee Occupational Illness Compensation Program Authorities (sec. 3143)**

The committee recommends a provision that would amend section 3661 of the National Defense Authorization Act for Fiscal Year 2001, Part D of the Energy Employees Occupational Illness Program Act (EEOICPA). The provision would eliminate the following three restrictions: (1) the pay cap on physicians serving on Part D physicians panels; (2) the requirement that the Part D physicians work only on a temporary or intermittent basis; and (3) the requirement for agreements between DOE and States.

The committee notes that there is a backlog of over 20,000 Part D applications. One of the major impediments to reducing this backlog is an inadequate number of physicians willing to review Part D applications. The existing pay cap only provides about half the payment per hour that these physicians can receive elsewhere. Also, retaining the Part D physicians as temporary or intermittent experts often reduces their willingness to review Part D applications since they are unable to incorporate the Part D work into their regular work schedules. The provision would allow DOE to hire doctors as permanent screeners for as long as the Part D application backlog exists, which is estimated to be about three years.

**Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico (sec. 3144)**

The committee recommends a provision that would require the Department of Energy (DOE) to modify the management and operating contract for the Los Alamos National Laboratory (LANL), and to provide up to \$8.0 million per year to the Los Alamos Public School District. In the event of termination of the current management and operating contract for LANL, DOE would be required to include similar language in the new contract. The committee recognizes that due to the extraordinary importance of public education to the ability of the Los Alamos National Laboratory to recruit and

retain highly trained personnel, DOE should address this matter in the LANL contract.

The committee notes that in February 2004, the National Nuclear Security Administration submitted a report to Congress in Support for Public Education in the vicinity of Los Alamos National Laboratory, New Mexico. The report, which was required by section 3172 of the National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314), was to have DOE study options to provide funding for the Los Alamos public schools. The report notes that federal funding of Los Alamos public schools has been provided since World War II. The primary rationale for the supplemental support has been “to attract and retain the excellent professional staff required to carry out the national security mission of the Laboratory.”

#### **Review of Waste Isolation Pilot Plant, New Mexico, pursuant to competitive contract (sec. 3145)**

The committee recommends a provision that would direct the Secretary of Energy to use competitive procedures to enter into a contract to conduct independent reviews and evaluations of the design, construction, and operations of the Waste Isolation Pilot Plant (WIPP). The contractor will provide an evaluation with regards to public health and safety and the environment. The contract will be for a period of one year and renewable for four additional years. The provision would require the use of competitive procedures to help ensure the best and most cost-effective contractor be awarded the contract. The competitive process raises the level of innovation and effort for this important health and safety review.

#### **Compensation of Pajarito Plateau, New Mexico, homesteaders for acquisition of lands for Manhattan Project in World War II (sec. 3146)**

The committee recommends a provision that would establish a fund to settle outstanding claims derived from the acquisition of land for the Manhattan Project. In creating the Manhattan Engineering District, the U.S. Army Corps of Engineers condemned land in New Mexico. The provision would authorize \$10.0 million to settle claims for compensation by Pajarito Plateau homesteaders. The committee notes that the courts, not the Administrator of the National Nuclear Security Administration, may be better equipped to determine the level of compensation for these claims.

### **Items of Special Interest**

#### **Department of Energy recognized**

The committee notes that the Department of Energy (DOE) was ranked first among cabinet-level agencies by the Office of Management and Budget (OMB) in implementing the President's Management Agenda. The OMB assessment rated agency performance in management practices, including human resources, financial management, and budget and performance integration. The committee applauds DOE for this achievement. Strong leadership and sound management are fundamental to DOE achieving its mission: “[t]o advance the national, economic and energy security of the United

States; to promote scientific and technological innovation in support of that mission; and to ensure the environmental cleanup of the national nuclear weapons complex.” The committee commends DOE and the hard working people at DOE for making this recognition possible.

### **Protecting sensitive technology at the national laboratories**

The committee is concerned with the potential security risks highlighted by the Department of Energy (DOE) Inspector General’s (IG) audit report entitled: “Safeguards Over Sensitive Technology.” Sensitive technologies include those technologies that have national security importance or can enhance weapons of mass destruction capabilities.

The committee notes that while the DOE IG did not find any direct evidence of sensitive technologies involved in a security lapse, the DOE IG did conclude that “the Department needs to take immediate steps to ensure that its procedures to protect sensitive technology are operating as intended.” Specifically, the DOE IG recommends that DOE establish and implement policies, procedures, and training and performance measures to deal with sensitive technologies. The committee directs the Secretary of Energy to implement the Inspector General’s recommendations to protect sensitive technology.

### **Rocky Flats Cold War Museum**

The committee notes that the Department of Energy (DOE) is required by section 3181(d) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) to provide Congress a report on the costs associated with the construction of the Rocky Flats Cold War Museum, and any other issues relating to the development and construction of the museum at the Rocky Flats environmental test site by December 2004. The committee also notes that the museum board of directors has published a feasibility study on alternatives for development and construction of a museum at Rocky Flats. Pending the outcome of the DOE report on the museum and consideration of the museum board of directors feasibility study, the committee strongly encourages the Secretary of Energy to include funding for the museum in the President’s fiscal year 2006 budget request for DOE.

The committee believes that DOE should obtain input from local stakeholders, local governments, and the United States Fish and Wildlife Service for the section 3181(d) report to Congress on the development and construction of the Cold War Museum at Rocky Flats.

### **Seamless transition from environmental management to legacy management**

The committee notes that as cleanup of the first major environmental management (EM) sites are completed and the sites are closed, new challenges for the Department of Energy (DOE) are emerging. When EM no longer has a presence in the community, DOE will still need to be actively involved. If the nation wants workers, communities, and stakeholders to embrace the accelerated closure concept at other EM sites, then DOE must ensure that

there is a smooth transition at the three major sites scheduled for closure by 2006. These include: the Rocky Flats Environmental Technology Site, the Fernald Environmental Management Project, and the Miamisburg Environmental Management Project Mound Site. DOE has assigned this responsibility to the Office of Legacy Management (LM).

The committee believes it is important for each of the two States with closure sites to have a central clearinghouse to serve as a worker and community response center. The people working at these worker and community response centers need to be prepared to answer questions that the workers will have about such things as their pension and health benefits, and to ensure that there is a continuity of services. There also must be someone who is accountable to the community regarding ongoing environmental stewardship. The committee acknowledges that the personnel at these centers could be federal workers or contractors as long as they are fully responsive to the needs of the local communities.

### **Special exposure cohorts**

The committee notes that the National Institute for Occupational Safety and Health (NIOSH) is late in publishing its guidelines for designating special exposure cohorts (SEC). Many Department of Energy (DOE) employees, who work at DOE nuclear weapons complex sites, claim that insufficient records exist for NIOSH to conduct dose reconstructions as required by the Energy Employee Occupational Illness Compensation Program Act (EEOICPA). NIOSH officials have indicated that they share this concern in some cases. NIOSH has thus drafted guidelines for the designation of SEC, but has not yet published them. The committee directs NIOSH to publish its guidelines for designating SEC at the earliest possible date.

### **University Research Program in Robotics**

The committee supports the Department of Energy's University Research Program in Robotics (URPR), carried out by the National Nuclear Security Administration (NNSA). The URPR is a long-standing consortium of universities working on the science of remote systems technologies performing physical tasks in hazardous environments. One of the primary objectives of the URPR is to develop robotics, simulation, and sensing capabilities to ensure the security of the nuclear stockpile. In 2002 the National Research Council of the National Academy of Sciences determined in its report, "Making the Nation Safer," that robotics is one of the most critically needed technologies in the United States. The committee supports NNSA's plan to use \$4.4 million in fiscal year 2005 for the URPR.

**TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD**

**Defense Nuclear Facilities Safety Board (sec. 3201)**

The committee recommends a provision that would authorize \$21.3 million, an increase of \$1.0 million above the fiscal year 2005 budget request, for the Defense Nuclear Facilities Safety Board (DNFSB). The \$1.0 million increase is to assist with increased costs to ensure the Board can retain and hire the technical expertise necessary to protect and enhance safety across the Department of Energy's nuclear weapons facilities.



## **TITLE XXXIII—NATIONAL DEFENSE STOCKPILE**

### **Disposal of ferromanganese (sec. 3301)**

The committee recommends a provision that would revise the limitation on the disposal of high carbon manganese ferro contained in section 3306(a)(3) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107). The committee notes that high carbon manganese ferro is one of several materials critical to the steelmaking process. Economic conditions have resulted in a steady increase in the demand for steel and steelmaking materials. Therefore, the committee recommends a process to increase the amount of high carbon manganese ferro available for disposal from the National Defense Stockpile.

### **Revisions to required receipt objectives for certain previously authorized disposals from the National Defense Stockpile (sec. 3302)**

The committee recommends a provision that would authorize disposal of excess and obsolete material contained in the National Defense Stockpile.

## **LEGISLATIVE REQUIREMENTS**

### **Departmental Recommendations**

By letter dated March 11, 2004, the General Counsel of the Department of Defense forwarded to the President of the Senate proposed legislation “To authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2005, and for other purposes.” The transmittal letter and proposed legislation were officially referred as Executive Communication 6710 to the Committee on Armed Services on March 24, 2004. Executive Communication 6710 is available for review at the committee. Senators Warner and Levin introduced this legislative proposal as S. 2229, by request, on March 24, 2004.

### **Committee Action**

The Committee ordered reported a comprehensive original bill and a series of original bills for the Department of Defense, military construction and Department of Energy authorizations by a recorded vote of 25 yeas to 0 nays.

The roll call votes on amendments to the bill which were considered during the course of the markup have been made public and are available at the committee.

### **Congressional Budget Office Cost Estimate**

It was not possible to include the Congressional Budget Office cost estimate on this legislation because it was not available at the time the report was filed. It will be included in material presented during floor debate on the legislation.

### **Regulatory Impact**

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that a report on the regulatory impact of the bill be included in the report on the bill. The committee finds that there is no regulatory impact in the case of the National Defense Authorization Bill for Fiscal Year 2005.

### **Changes in Existing Law**

Pursuant to the provisions of paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by certain portions of the bill have not been shown in this section of the report because, in the opinion of the committee, it is necessary to dispense with showing such changes in order to expedite the business of the Senate and reduce the expenditure of funds.

ADDITIONAL VIEWS OF SENATORS CHAMBLISS, INHOFE,  
COLLINS, GRAHAM (SC), CORNYN, NELSON (NE)

The Committee's bill includes a reduction of two F/A-22s and \$280,200,000 from the fiscal year 2005 President's proposed budget request of 24 aircraft. The President's proposed budget request represents an increase of only 2 aircraft from the 22 aircraft authorized and appropriated in FY04. The Committee's report language states, "To ease production backlog, while maintaining the production rate at that established for the FY04 contract, the Committee recommends a decrease of \$280.2M." The Committee has further stated that the rationale for the cut is to allow delivery of aircraft to catch up with program funding.

The Committee's central argument is that since the F/A-22 program is behind schedule that the program should be funded at the rate the contractor is delivering aircraft, rather than at the rate currently programmed. Although this may make sense on the surface, it does not take into account the facts of how this weapon system, and every weapon system our nation has made, is built and funded.

The Lot 2 aircraft that are behind schedule were authorized and appropriated in FY02 and will start delivering this summer. The Lot 5 aircraft to be funded this year are scheduled to deliver in 2007. Reducing the funding for Lot 5 aircraft in FY05 has no relevance to the current schedule delays and will do nothing to help the contractor recover to schedule.

It is true that, in this bill, the Congress is authorizing a production rate for this program that exceeds the contractor's current capability to produce aircraft. However, that is true of any production program that is in Low Rate Initial Production and is ramping up to Full Rate Production. The Committee is authorizing an annual production rate for deliveries in 2007 in this bill and, of course, the contractor is not currently at that rate today in 2004. That is not a problem and the Committee should not expect that to be the case. What the Committee should expect, and what the contractor continues to demonstrate is an increasing production rate, steadily reduced costs, as well as consistently improving performance by the weapon system.

Some Members of this Committee have stated that a cut of this size to a large program like the F/A-22 will not have any real or long-term affect on the program. Much to the contrary, a cut of two aircraft this year will result in a net reduction of six aircraft over the life of the program. With this cut, the Committee is tripling the damage to the program rather than what the FY05 bill actually states. Cuts like these are not innocent. They cause significant damage to the program and raise costs significantly. The Committee cannot make an adjustment to a program of this size without causing perturbations throughout the production cycle down to

the level of the subcontractor. It is the subcontractor who is paying the price for this cut.

The Committee has also heard the argument that, since the program is behind schedule, that the Air Force cannot spend all the money they are authorized and appropriated. This is incorrect. Funds appropriated in fiscal year 2005 will be obligated within a year of this bill becoming law. The funds will then be available for expenditure through 2009. The program would need to be much further behind schedule to have any chance of these funds not being available for expenditure before expiring. Even if the contractor does not catch up to schedule as projected but remains 8 planes behind for the foreseeable future, the Air Force is at absolutely no risk of being unable to expend these funds before they expire in 2009.

An amendment accepted by the Committee includes bill language which would authorize the procurement of up to 24 F/A-22's if the Air Force and contractor can identify efficiencies in the program, recover to the original contract schedule, and ensure that logistics and spare parts accounts will not be sacrificed to buy additional aircraft.

The F/A-22 entered formal Initial Operational Test and Evaluation last week at Edwards Air Force Base. The F/A-22 will prove to be the most impressive example of American technology ever to take to the skies. But far more importantly, it will dominate the airspace over battlefields, protecting military forces for the next 40 years. We, the undersigned, support full funding, in accordance with the fiscal year 2005 President's proposed budget request, for this program.

SAXBY CHAMBLISS.  
E. BENJAMIN NELSON.  
SUSAN M. COLLINS.  
JOHN CORNYN.  
JIM INHOFE.  
LINDSEY GRAHAM.

## ADDITIONAL VIEWS OF SENATOR AKAKA

While I support every action that helps support our brave men and women in the armed forces, who are making so many sacrifices as they fight for our freedoms, I am concerned and disappointed by some of the actions we have taken in the Armed Services Committee on the Fiscal Year 2005 National Defense Authorization Act we are reporting to the Senate. My greatest concern lies, as it did last year, in the drastic reductions we have made in the working capital funds of the military services and defense agencies. The National Defense Authorization Act for Fiscal Year 2005 contains reductions of over \$1.6 billion in the working capital funds, cuts that I believe are misguided, harm readiness, and send the wrong message to our troops.

The rationale for these cuts was that the working capital funds have been generating excess cash due to higher-than-projected business to meet wartime demands. This much is true. But at the same time that the funds are generating additional revenue, they are incurring additional expenses. It is somewhat like a department store after a huge sale—the racks are empty and the cash registers are full, but the store has ordered new inventory to refill the shelves. Until the trucks arrive with the goods, cash levels are high. This is the cash that we have cut so drastically in this bill. And the goods we are talking about are not suits or skirts, they are helicopter rotor blades, tank tracks, repair parts for aircraft engines, fuel for military equipment, food, and other items that are crucial to mission success.

The Army estimates, for example, that the Army Working Capital Fund will have approximately \$750 million in cash on hand at the end of May 2004. At the same time, as we report this bill, the Fund has ordered over \$5.5 billion in spare parts and other goods from vendors that have not yet been delivered. Obviously, these bills must be paid, and they will be. But we have compounded the challenge that the Fund managers face.

Some argue that the bills can wait until the Department of Defense receives the supplemental appropriations it has already acknowledged it will need in the next fiscal year. And perhaps they will. But this argument can just as easily be extended to all other elements of the defense budget; instead of deferring known expenses further into the future, I would have preferred instead that we face up to the difficult choices the other decisions reflected in our bill presented. I believe we should have cut programs that were behind schedule or lacked sufficient definition to pay for the higher priorities that were added in this bill instead of choosing to reduce funding for some of the programs in the readiness accounts that have the most direct impact on our forces and their ability to continue to fight in Iraq, Afghanistan, and to protect us here at home. They deserve armored vehicles to protect them in Iraq, but they

also deserve the spare parts they need to keep those vehicles running. When our troops come home, they deserve to have those vehicles repaired, rather than awaiting maintenance from a depot until parts arrive that could have been ordered earlier if the working capital funds had had sufficient cash. We owe them the courage to make tough decisions to ensure that those needs are met now, not when future funds not yet requested may or may not become available.

As ranking member of the Readiness Subcommittee, I have mixed feelings about the actions we have taken in this bill. We have increased funding for some key programs, but at the expense of others whose benefits may be less obvious. Our experience with the Air Force over the last few years has shown that there is a direct correlation between increased spare parts and mission capable rates for aircraft; those spare parts are provided through the Air Force Working Capital Fund. The Navy expects to have only a few days of cash on hand at the end of this fiscal year, and may be forced to bill customers before they actually receive their orders. And the Army faces the situation described above, where its orders exceed its cash on hand by more than 700 percent. Wartime, when we see a great expansion of customer needs for readiness and large fluctuations in required support, is not the time to take on more readiness risk by decreasing cash balances in the working capital funds. It hurts readiness, and it hurts the men and women who serve in uniform.

I am also concerned that the Committee took no action to authorize any of the supplemental funding that we have long argued and that the Department of Defense has acknowledged is needed for fiscal year 2005 to cover the cost of the ongoing military operations in Iraq and Afghanistan. The President has finally recognized the need for additional funding, as the Senate-passed budget resolution has already done, by announcing his intention to submit a budget amendment. By reducing funding for the readiness accounts and failing to provide any supplemental funding for 2005, this bill does not do enough to meet the most pressing needs of our men and women in uniform.

DANIEL K. AKAKA.

