

## Union Calendar No. 12

104TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT  
*1st Session* } { 104-29

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### MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS TO PRESERVE AND ENHANCE THE MILITARY READINESS OF THE DEPARTMENT OF DE- FENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1995, AND FOR OTHER PURPOSES

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FEBRUARY 10, 1995.—Committed to the Committee of the Whole House of the State  
of the Union and ordered to be printed

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Mr. LIVINGSTON, from the Committee on Appropriations,  
submitted the following

### REPORT

(To accompany H.R. 889)

The Committee on Appropriations submits the following report in explanation of the accompanying bill making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes.

#### BILL SUMMARY

This emergency supplemental/rescission appropriations bill for the Department of Defense has four titles:

Title I, "Emergency Supplemental Appropriations" provides \$2,538,700,000 in emergency funds to pay for unbudgeted contingency operations in Haiti, Somalia, Southwest Asia, Bosnia, Korea and refugee support in the Caribbean.

Title II, "Rescinding Certain Budget Authority" rescinds \$1,460,200,000 of budget authority provided in prior legislation.

Title III, "Additional Emergency Supplemental Appropriations to Further Enhance Readiness" provides \$669,700,000 in budget authority to enhance readiness of units in each of the services.

Title IV is General Provisions. Section 402 of the general provisions allows certain burdensharing reimbursements received by the

United States to be deposited in the Treasury. This results in a credit of \$360,000,000 in budget authority and outlays because of these anticipated receipts.

A brief overview of the Committee's recommendations follows.

#### INTRODUCTION

Over the past year, the Department of Defense (DoD) has been engaged in a steadily increasing series of unplanned and unbudgeted contingency operations. Since the beginning of the current fiscal year in October 1994 the pace and scope of these missions have grown. Besides continuing operations already underway in the Persian Gulf region, in and around the former Yugoslavia, and in the Caribbean (refugee relief), additional deployments were ordered including the military intervention in Haiti, additional deployments of U.S. troops to the Persian Gulf region in October, force structure enhancements in and around the Korean Peninsula, and the movement of forces off Somalia to assist in the withdrawal of United Nations personnel early this year.

The net result of these actions has been deployments totalling nearly 100,000 troops within the past four months, with nearly 50,000 troops remaining deployed in these operations today. The number and variety of these ongoing operations far exceeds any similar military activities by the United States in recent memory. The exceptional performance of the U.S. military in carrying out these missions, in several instances on extremely short notice, is commended by the Committee which salutes all those in the Department of Defense who have been involved in the planning and execution of these operations. The troop levels associated with these deployments are summarized in the table below.

DEPLOYMENT LEVELS FOR MAJOR UNBUDGETED CONTINGENCY OPERATIONS IN FISCAL YEAR 1995<sup>1</sup>

Location	Jan. 1995	Peak	Date of peak deployment
<b>Persian Gulf:</b>			
Iraq southern no-fly zone and Patriot missiles in Saudi Arabia .....	22,000	22,000	Jan. 1995.
Iraq northern no-fly zone .....	1,400	1,500	Nov. 1994.
Deployment to Kuwait in reaction to Hussein sending troops to border .....	0	11,000	Oct. 1994.
Macedonia .....	550	550	Jan. 1995.
<b>Former Yugoslavia:</b>			
Bosnia no-fly zone .....	8,300	8,700	Jan. 1995.
Bosnia embargo .....	1,100	2,500	Nov. 1994.
Bosnia air drop <sup>2</sup> .....	700	700	Jan. 1995.
<b>Caribbean:</b>			
Haiti .....	5,700	339,000	Oct. 1994.
Guantanamo Bay .....	4,300	7,700	Oct. 1994.
Panama (refugees) .....	3,600	4,700	Jan. 1995.
<b>Total .....</b>	<b>47,650</b>	<b>98,350</b>	

<sup>1</sup> Number rounded. Only major deployments included in list.

<sup>2</sup> Includes personnel operating a hospital facility in Croatia.

<sup>3</sup> Includes 21,000 ashore in Haiti, 9,300 afloat and 8,700 in Joint Operating Area.

#### NEED FOR FISCAL YEAR 1995 EMERGENCY SUPPLEMENTAL APPROPRIATIONS

It has been apparent for several months that the military services would require supplemental appropriations to recover the funds expended to carry out these operations. On December 1,

1994, the President announced his intent to forward such a request for supplemental appropriations to the Congress.

Throughout the past two months, the Committee has been informed of the need for urgency in approving these supplemental funds. On January 25, 1995, the Subcommittee on National Security heard testimony from the Secretary of Defense and Chairman of the Joint Chiefs of Staff which defined the precise nature of the funding requirements and the implications of failing to approve the necessary funding in a timely fashion.

On February 6, 1995, the Administration submitted a request for emergency DoD supplemental appropriations totalling \$2.56 billion (partially offset by \$703 million in unspecified rescissions of prior year funding), representing the total unfunded requirement resulting from the ongoing contingency operations. Funding requirements, by operation, are as follows:

[Dollars in millions]	
Persian Gulf .....	\$1,040
Haiti .....	\$595
Cuba .....	<sup>1</sup> \$367
Bosnia .....	\$312
Unit Inventory Replenishment .....	\$89
Section 506 Recovery .....	\$59
Korea .....	\$59
Somalia .....	\$17
Rwanda .....	\$17

<sup>1</sup> Includes request for "Military Construction, Navy", which is not funded in this Supplemental.

#### IMPLICATIONS OF FAILING TO PROVIDE NEEDED FUNDING IN A TIMELY FASHION

Under existing statutory authority, the DoD must provide for financing of military operations as they occur. Since none of these contingency operations were budgeted for, the Department has thus far been forced to pay for these deployments from within existing funds in the fiscal year 1995 Operation and Maintenance accounts which were to be used for training, base support operations, and equipment and property maintenance during the last two quarters of fiscal year 1995.

According to the testimony by the Secretary of Defense and Chairman of the Joint Chiefs of Staff, without full funding of the supplemental request and enactment into law by the end of March, the military services will have no choice but to begin scaling back essential training and readiness-related activities beginning this April.

The Committee notes that similar actions had to be taken during the period of July-September 1994, as a funding shortage of \$300 million resulting from the humanitarian activities in Rwanda and the Caribbean was not dealt with through supplemental appropriations until the end of September. As a consequence, the readiness ratings of three Army divisions went to the "C-3"<sup>1</sup> level, the first time Army divisions had fallen to that level in over ten years. Eight Marine Corps aviation squadrons were completely grounded

<sup>1</sup> A C-3 readiness rating is defined as follows: The unit is trained to undertake many but not all wartime missions and has decreased flexibility and increased vulnerability. The unit requires significant resources to offset deficiencies.

for the month of September, and a total of 28 Marine and Navy aviation squadrons had to ground over 50 percent of their aircraft that same month. Scheduled maintenance of ships and aircraft was deferred for lack of funds.

As pointed out by General Shalikashvili in his testimony, the current shortfall of \$2.56 billion dwarfs that of last year and accordingly has far more dire consequences for the military services. According to General Shalikashvili, without receipt of the needed supplemental funding in a timely fashion the services will have to begin taking the following severe actions to accommodate their funding shortfalls:

#### ARMY

All U.S. based units (under Forces Command) will have to stop most major training by May 31;

National Training Center rotations and JCS exercises will be canceled;

Flight hours and spare parts stocks will be cut; and

All active Army divisions will be degraded in readiness.

#### NAVY

Four carrier airwings will be forced to stand down, the first in April;

Over 500 aircraft may be grounded and 30,000 flight hours cut;

Required maintenance on two carriers and seven other ships will be deferred or reduced; and

Ship and aviation spare parts reserves will be drawn down by 30 days worth of requirement.

#### MARINE CORPS

Since unfunded contingency requirements equate to approximately 80 percent of the Marine Corps' operating forces budget, the Corps will see severe readiness impacts starting in July;

Training for Marine Expeditionary Forces in both the Atlantic and Pacific (with the exception of deployed units) will be halted;

All categories of training, as well as maintenance and spare parts, will face deep reductions; and

Marine Air Squadrons will be forced to stand down and suffer reduced readiness.

#### AIR FORCE

Flight hours for fighter, bomber, tanker, and airlift squadrons will have to be reduced by 50 percent over a 12 week period;

Ten JCS and tactical training exercises will be canceled;

Over 24,000 Permanent Change of Station moves will be frozen; and

Aircraft and engine repair, as well as scheduled runway and real property maintenance will be deferred.

The Committee views these potential actions as nothing short of disastrous. Even if only partially implemented, such steps would unquestionably lead to a direct and immediate degradation of military readiness which not only would impact on the Department's ability to conduct ongoing operations but restrict the ability of the

National Command Authority to respond to any other military requirements which may occur. Moreover, the negative impact on the safety, morale, and unit cohesion of U.S. forces cannot be overestimated. The Committee believes this situation can and must be avoided.

#### OTHER READINESS AND FUNDING SHORTFALLS STILL EXIST

Even if the required supplemental funds are made available in a timely fashion, the Committee notes this will not totally alleviate the readiness and funding problems confronting the DoD this fiscal year. The fiscal year 1995 Defense Appropriations Act, while increasing funds for readiness beyond those requested by the Administration, did not fully fund a number of personnel-related programs which under current law must be carried out this year. This includes military and civilian pay raises, unemployment compensation, retirement funds, and overseas station allowances.

In addition, the military services have identified other fiscal year 1995 shortfalls in key readiness programs, including flying hours, depot and real property maintenance, unit training, and spare parts acquisition and distribution. All told, the Committee estimates these personnel and readiness-related funding shortfalls total over \$2 billion for the remainder of this fiscal year.

In the past the DoD would address such problems through internal transfers and reprogramming of funds. However, the Committee does not believe the Department can meet these requirements this year solely through such actions. This is due to the size of the fiscal year 1995 shortfall, coupled with the diversion of operating forces' funding to support the ongoing contingency operations. In addition, whatever flexibility the Department may have had in accommodating these unfunded requirements will now be further reduced due to the Administration's decision to partially offset its emergency supplemental request with a rescission of prior year appropriations totalling \$703 million.

#### COMMITTEE RECOMMENDATION

Faced with this multi-faceted problem—a significant unfunded requirement resulting from the ongoing contingency operations; the need to provide funding for these requirements not later than the end of March, 1995; and other large unfunded requirements in the Department's personnel and readiness accounts—the Committee recommends the following:

(a) Emergency supplemental appropriations totalling \$2.54 billion, to meet the funding requirements identified by the Administration resulting from the ongoing contingency operations;

(b) Additional emergency supplemental appropriations totalling \$670 million, to fully finance the military pay raise agreed to by the Congress last year and to meet a portion of the remaining fiscal year 1995 unfunded readiness requirements identified by the military services; and

(c) Rescissions of prior year appropriations totalling \$1.46 billion.

The Committee observes this represents the first time it has reported an emergency supplemental for the Department of Defense which includes rescissions to help offset the cost of the supple-

mental. While the Committee continues to believe the funds recommended in this bill do not require offsets, consistent with previous Committee action in financing unbudgeted military operations, it has recommended rescissions in view of the need to hold down total spending wherever possible.

The Committee also notes that this bill, in total, provides for significantly more funding for military readiness than does the Administration's request. Even so, the total amount recommended is over \$100 million less than the Administration's proposal. The following table compares the Administration's request to the Committee's recommendations:

[Dollars in billions]

	Administration request	Committee recommendations
Ongoing contingency operations .....	\$2.56	<sup>1</sup> \$2.54
Additional readiness funding .....		+ .67
Subtotal, readiness funding .....	2.56	3.21
Burdensharing contribution .....	-.36	-.36
Subtotal .....	2.20	2.85
Rescissions .....	-.70	-1.46
Bill total .....	\$1.50	\$1.39

<sup>1</sup> The Committee recommendation does not include the requested amount for "Military Construction, Navy".

#### TIMELY ACTION BY THE COMMITTEE

The Committee recognizes it began action on this measure prior to receipt of the formal budget request from the Administration. The Committee does not apologize for doing so, nor does this action reflect a departure from past Committee practice when confronted with urgent national needs.

The Committee was and remains disturbed by the Administration's self-imposed delay in submitting its formal request for the funds needed to pay for the ongoing DoD contingency operations. The implications of failing to provide these funds in a timely fashion are both clear and compelling. In addition, the Committee observes Administration officials were quick to blame the Congress for failing to act quickly last year when readiness problems related to funding shortfalls arose; yet when faced with a much more serious situation requiring prompt action the Administration declined to do the obvious and transmit its request as soon as possible.

The Committee takes its responsibilities seriously and began action to move this emergency legislation before receipt of a formal budget submission by the Administration. It was in this fashion that the Committee acted when it responded to the devastating effects of Hurricane Hugo and the Loma Prieta earthquake in 1989, as well as the 1992 emergency assistance it provided to respond to the tragedies which occurred in Los Angeles and Chicago. Last year, the Committee demonstrated similar dispatch when it provided funding under the Foreign Operations Appropriations Act for Jordan (in connection with the Israel-Jordan peace accords) and Rwanda. The Committee views the situation confronting our military forces today with similar gravity and has acted accordingly.

The world remains a dangerous and volatile place as evidenced by the fact that almost 1,000 Purple Hearts have been awarded to U.S. servicemen and servicewomen since the end of the Cold War. The Committee believes it is essential that the greatly downsized force structure of our military retains an optimal readiness posture. Providing the funds in this legislation is an essential contribution toward that goal.

#### SUMMARY

In summary, this supplemental/rescission bill:

Provides \$2,538,700,000 to cover the expenses of unbudgeted contingency operations;

Provides \$669,700,000 in new budget authority to redress the decline in readiness in many units whose training and maintenance funds were used to fund unbudgeted contingent operations;

Offsets this increase with rescissions of lower priority programs totaling \$1,460,200,000;

Burdensharing contributions provide an additional offset of \$360,000,000; and

Is below the President's budget request.

Details of the Committee's recommendations in each Title of the bill follow.

**TITLE I**

**EMERGENCY SUPPLEMENTAL APPROPRIATIONS**

**DEPARTMENT OF DEFENSE—MILITARY**

The Committee recommends the appropriation of \$2,538,700,000 to finance unfunded costs of contingency operations and to replace equipment and material that was drawn down as a result of these contingency operations.

The following table provides details of the emergency supplemental appropriation:

DOD FISCAL YEAR 1995 SUPPLEMENTAL

(In thousands of dollars)

Appropriations	Southwest Asia				Haiti		Cuba	Sec. 506 recovery	Readiness re-instate	Grand total											
	Somalia	Rwanda	Bosnia	CIS Pro-wide Hope	Provide Comfort	Vigilant Warrior					Enhanced Southern Watch	Korea	FY94 food and for-age	Uphold Democracy	Sea Signal						
<b>Military personnel:</b>																					
Military personnel, Army	0	0	2,500	0	400	2,900	2,300	500	3,300	53,900	0	3,500	0	0	69,300						
Military personnel, Navy	0	0	300	0	0	3,100	18,600	0	0	900	200	26,400	0	0	49,500						
Military personnel, Marine Corps	1,500	0	0	0	0	600	2,500	0	0	300	500	5,000	0	0	10,400						
Military personnel, Air Force	0	0	10,700	0	6,400	12,800	28,000	0	0	3,000	700	10,100	0	0	71,700						
Reserve personnel, Navy	0	0	1,700	0	0	0	0	1,000	0	0	100	1,800	0	0	4,600						
<b>Total, military personnel</b>	<b>1,500</b>	<b>0</b>	<b>15,200</b>	<b>0</b>	<b>6,800</b>	<b>19,400</b>	<b>51,400</b>	<b>1,500</b>	<b>3,300</b>	<b>58,100</b>	<b>1,500</b>	<b>46,800</b>	<b>0</b>	<b>0</b>	<b>205,500</b>						
<b>Operation and maintenance:</b>																					
Operation and maintenance, Army	5,100	3,000	38,900	1,000	3,300	216,400	39,700	0	123,000	330,100	1,100	77,500	30,500	89,000	958,600						
Operation and maintenance, Navy	5,000	0	46,900	0	0	17,400	39,700	28,600	0	0	22,200	187,800	0	0	347,600						
Operation and maintenance, Marine Corps	5,700	0	0	0	0	16,100	0	0	0	600	0	15,600	0	0	38,000						
Operation and maintenance, Air Force	0	14,200	200,100	0	104,600	191,200	317,000	25,000	0	8,100	5,800	22,700	0	0	888,700						
Operation and maintenance, Defense-wide:																					
U.S. Special Operations Command	0	0	5,300	0	6,800	0	0	2,900	0	13,800	0	10,800	0	0	39,600						
Defense Intelligence Agency	0	0	2,000	0	0	0	1,200	0	0	400	0	0	0	0	3,600						
Operation and maintenance, Navy Reserve	0	0	1,000	0	0	0	0	1,000	0	0	4,400	0	0	0	6,400						
<b>Total, operation and maintenance</b>	<b>15,800</b>	<b>17,200</b>	<b>294,200</b>	<b>1,000</b>	<b>114,700</b>	<b>441,100</b>	<b>397,600</b>	<b>57,500</b>	<b>123,000</b>	<b>353,000</b>	<b>33,500</b>	<b>314,400</b>	<b>30,500</b>	<b>89,000</b>	<b>2,282,500</b>						

DOD FISCAL YEAR 1995 SUPPLEMENTAL—Continued

[In thousands of dollars]

Appropriations	Southwest Asia				Haiti			Sec. 506 recovery	Cuba	Sea Sig- nal	FY94 food and for- age	Uphold De- mocracy	Readi- ness re- instate	Grand total
	Somalia	Rwanda	Bosnia	CIS Pro- vide Hope	Provide Comfort	Vigilant Warrior	Enhanced Southern Watch							
Procurement:														
Other procurement, Army .....	0	0	0	0	0	0	0	0	0	0	0	0	0	28,600
Other procurement, Air Force .....	0	0	900	0	0	0	5,400	0	0	1,300	0	0	0	8,100
Total, procurement .....	0	0	900	0	0	0	5,400	0	0	1,300	0	0	0	36,700
Other Department of Defense programs:														
Defense health program: Operation and maintenance .....	0	0	1,600	0	1,000	1,100	2,000	0	0	4,400	0	3,900	0	14,000
Total, Other Department of Defense programs .....	0	0	1,600	0	1,000	1,100	2,000	0	0	4,400	0	3,900	0	14,000
Grand total .....	17,300	17,200	311,900	1,000	122,500	461,600	456,400	59,000	126,300	416,000	36,300	365,100	59,100	2,538,700

## SOMALIA

The Committee's recommendation of \$17,300,000 provides for sealift of equipment left in Somalia during fiscal year 1994; reconstituting air assets used in Somalia; supporting United Nations withdrawal operations; and imminent danger pay.

## RWANDA

The Committee's recommendation of \$17,200,000 provides for retrieving and refurbishing equipment that had been provided to the United Nations forces.

## BOSNIA

The Committee's recommendation of \$311,900,000 provides for twelve months of humanitarian airdrop/airland missions; incremental flying hours to enforce the no-fly zone; incremental ship steaming days and flying hours to enforce the arms embargo against the former Yugoslavia; hospital operations; pay and allowances of deployed personnel; intelligence support; rotational travel; miscellaneous contractual services; and vehicle and other equipment maintenance, repair, and transportation costs.

## SOUTHWEST ASIA

The Committee's recommendation of \$1,040,500,000 provides for three operations in Southwest Asia—Provide Comfort, Vigilant Warrior, and Enhanced Southern Watch. This includes funds for airlift and sealift of personnel and equipment to Kuwait and prepositioned ships; incremental flying hours and additional steaming days to enforce the no-fly zone over Southern Iraq; personnel and equipment support costs for a Patriot Battalion; pay and allowances of deployed personnel; intelligence support; rotational travel; and vehicle and other equipment maintenance, repair, and transportation costs.

## KOREA

The Committee's recommendation of \$59,000,000 provides for incremental OPTEMPO for a carrier battle group including incremental flying hours, incremental ship steaming days, ship maintenance costs, airlift, and equipment maintenance; civil engineering requirements to bring bases out of warm storage and make them operational; rotational travel; and pay and allowances of deployed personnel.

## HAITI

The Committee's recommendation of \$578,600,000 provides for liquidating fiscal year 1994 incremental costs incurred during preparation to deploy into Haiti and for fiscal year 1995 costs to continue operations. These costs include aviation and combat vehicle supplies; air and sea transport costs; logistical contract costs; incremental OPTEMPO in-country; loading costs; rations; intelligence support; ground and air equipment reconstitution; pay and allow-

ances of deployed personnel; and care and feeding of Haitian migrants at the U.S. Naval Station, Guantanamo Bay, Cuba.

#### CUBA

The Committee's recommendation of \$365,100,000 provides for migrant holding sites in Guantanamo Bay, Cuba and Panama and for maintaining a site in caretaker status in Suriname. The costs include supplies and equipment; incremental OPTEMPO in-country; airlift costs; food and food service contracts; gas, electric, and sanitation; clothing and related supplies; medical and dental services; deployment of additional troops to handle riots; pay and allowances of deployed personnel; and temporary migrant camp improvements including upgrade of tents and roads.

#### SECTION 506 RECOVERY

The Committee's recommendation of \$59,100,000 provides for replacement of stocks drawn down under the authority of section 506(a)(1) of the Foreign Assistance Act to provide goods and services to countries involved in the multi-national coalition deployments in Haiti. These costs include such items as fuel; clothing and related equipment; transportation of supplies; and replacement costs of equipment.

#### READINESS REINSTATEMENT

The Committee's recommendation of \$89,000,000 provides for restoration of unit stock items to levels required to meet operational requirements.

**TITLE II****RESCINDING CERTAIN BUDGET AUTHORITY****DEPARTMENT OF DEFENSE—MILITARY****RESCISSIONS**

To offset costs of the recommended programs for enhancing readiness, the Committee has included rescissions totaling \$1,460,200,000.

The recommended rescissions are in two categories:

(1) Programs that are either recommended for termination or have excess funds (\$418,300,000).

(2) Programs that the Committee has identified as lower priority within the defense budget (\$1,041,900,000).

The Committee anticipates that when it acts on the fiscal year 1996 DoD budget request, the Committee will also emphasize enhancing readiness and will reduce or terminate programs that are of lower priority.

**PROGRAM RESCISSIONS**

The Committee recommends \$1,460,200,000 for the rescission of certain fiscal year 1993, fiscal year 1994, and fiscal year 1995 appropriations as contained in the following table:

*Rescissions By Program*

National security education trust fund:	
Total funding available .....	(\$161,287,000)
Appropriations from trust fund currently unobligated .....	14,500,000
TSSAM .....	319,500,000
F-15 SEAD .....	38,000,000
Advanced cruise missile (ACM) .....	33,000,000
EF-111 SIP .....	27,800,000
Technology Reinvestment Program .....	502,000,000
Other conversion initiatives .....	35,400,000
Environmental restoration .....	150,000,000
NATO research and development .....	35,000,000
High definition systems .....	15,000,000
Defense Production Act .....	100,000,000
Former Soviet Union threat reduction .....	80,000,000
Guard and Reserve equipment .....	30,000,000
SR-71 .....	80,000,000
Total .....	1,460,200,000

**NATIONAL SECURITY EDUCATION TRUST FUND**

The National Security Education Trust Fund was established by Congress in 1991 to provide scholarships and grants to college students studying abroad in hopes they would be potential applicants for positions in the national security arena. In light of declining budgets and a shrinking federal work force, the Committee believes that the potential benefits derived from the program do not merit the cost. Therefore, the Committee recommends that the trust fund be terminated, directs all prior year unobligated funds to be rescinded, and directs that all monies available in the trust fund be rescinded.

## PROGRAM TERMINATIONS/CLOSE-OUTS

The Committee recommends rescinding prior year funding for the following programs due to recent Defense Department decisions to terminate or close them out: Tri-service Standoff Attack Missile (TSSAM), F-15 SEAD, Advanced Cruise Missile (ACM), and the EF-111 System Improvement Program.

## TECHNOLOGY REINVESTMENT PROGRAM (TRP)

The Committee recommends rescinding \$77,000,000 of fiscal year 1994 appropriations and \$425,000,000 of fiscal year 1995 appropriations for the Technology Reinvestment Program (TRP). The Committee also recommends rescinding an additional \$35,400,000 for other related conversion grant projects. The Committee directs the recommended rescissions be applied only against the TRP competitive grant program and not the following programs, which are also funded in the overall TRP budget request: Advanced Material Partnerships, Agile Manufacturing, U.S. Japan Management Training, and MARITECH. DD Form 1414 shall show these programs as items of special Congressional interest, a funding decrease which requires prior Congressional approval.

The TRP grant program's stated objective is to ensure military security through the promotion of a strong economic and industrial base. However, it is not apparent this program, which funds technology projects of a primarily commercial nature whose military utility is tenuous at best, is an effective means of doing so. Since its inception in fiscal year 1993, over \$1.2 billion has been appropriated for so-called "dual-use," TRP technology grant competitions. Despite this significant level of funding, the Defense Department has yet to identify any military benefits from pursuing this program.

It is troubling to the Committee that the TRP does not have parameters by which to define a successful defense conversion project. The Advanced Research Project Agency (ARPA) contends that it will take several years to determine how successfully the TRP meets its stated objectives. In the meantime, under the TRP grant program Congress is expected to approve what is essentially an open-ended funding commitment to programs which receive grant awards since no "exit criteria" exist which defines when a defense-related firm or other entity has successfully converted its defense technology to commercial applications.

The Committee is concerned that military participation in the TRP is severely limited although the Defense Department provides all the funding for the program. Largely at the insistence of Congress, and against vigorous opposition from the administration, Defense Department involvement in the TRP process has grown somewhat since its inception. However, problems remain. The Defense Department is just one of many voices on the multi-agency Defense Technology Conversion Council which oversees the execution of the TRP. According to information provided to the Committee, only 25 percent of TRP proposal evaluators are Defense Department personnel. Until the announcement of the fiscal year 1995 TRP competition, defense relevance was not a driving factor in the TRP selection process.

The record of defense conversion has not been a good one. As one industry official succinctly stated, the record of defense industry conversion to civilian applications is "unblemished by success." According to some estimates, past attempts by defense contractors to enter commercial markets resulted in economic failures of 80 percent. Further, a 1990 report released by the Arms Control and Disarmament Agency concluded that "Detailed research has not identified a successful product in our economy today which was developed through a military to civilian approach." The Committee believes the long term security and vitality of the defense industrial base can be accomplished in other ways not involving the expenditure of defense appropriations for initiation of "dual-use" projects without clear benefits for the nation's defense effort. Through downsizing, consolidation, lean production methods and innovative design technologies defense companies from large to small are already taking the necessary steps to preserve the industrial base. The Committee believes a more appropriate role for the Federal government is in the area of regulatory reform allowing sensible business practices to more freely shape the downsized defense industry of the future. Changes in Federal policies, not new spending programs are needed to encourage these actions of the free market.

The rescission of funds for the TRP will not put an end to the Defense Department's development of dual-use technologies. Much of the technology the Department develops can already be considered dual use. ARPA estimates that 60 percent of its program already supports the development of these technologies. The Committee has supported such programs in the past when their military utility has been demonstrated and when they appear to represent a cost-effective solution to issues confronting the DoD. For example, the Administration's high-performance supercomputing initiative, championed by Vice President Gore, clearly has military utility and received nearly \$400 million in last year's Defense Appropriations Act. Funds for this program are not being recommended for rescission. Funds for the TRP grant program, which fails to meet the test of military utility, are being proposed for rescission.

Given the severe readiness situation addressed by this emergency supplemental appropriations bill and the Department's other pressing financial requirements in the future, it is the Committee's judgment that funding for the competitive grants under the TRP can no longer be accommodated in the Defense Department's budget request.

#### NATIONAL GUARD AND RESERVE EQUIPMENT

The Committee recommends a rescission of \$30,000,000 to the National Guard and Reserve miscellaneous equipment account. These funds will be used to offset critical and immediate readiness requirements.

#### DEFENSE PRODUCTION ACT PURCHASES

In fiscal year 1994, Congress appropriated \$200,000,000 for Defense Production Act Purchases. The Department of Defense is unable to identify more than \$100,000,000 of specific requirements for these funds through the end of fiscal year 1996. The Committee

therefore recommends that the remaining \$100,000,000 be rescinded, in order to fund higher priority and more immediate readiness programs.

#### HIGH DEFINITION SYSTEMS

In fiscal year 1995, Congress appropriated \$82,950,000 to the Advanced Research Projects Agency for research and development of high definition systems technology. After the Committee's hearings were concluded, the Administration embarked on a new initiative which greatly expanded and accelerated the program. The Committee believes that this initiative should be subjected to additional Congressional oversight through the formal hearing process. The Committee therefore recommends a rescission of \$15,000,000 of ARPA's fiscal year 1995 Research, Development, Test and Evaluation funds in order to moderate the growth in high definition systems development until the requisite hearings have been held and the Committee addresses this program as part of the fiscal year 1996 budget process.

#### NATO RESEARCH AND DEVELOPMENT

The NATO Research and Development program is a good example of a well intentioned federal program which, once begun, never ends. This program provides initial U.S. funding for international cooperative research and development projects. Funding was first appropriated in fiscal year 1986 at the height of the defense build-up, when U.S. defense industry jobs were not as much at risk as they are today, and prior to the collapse of the Warsaw Pact threat. Since that time, over \$800,000,000 has been spent to start NATO R&D projects, very few of which have actually resulted in systems being fielded to U.S. troops, and all of which require the military departments to find ways to finance the outyear costs of the projects. In today's defense environment, where the services are being required to stretch out key core programs such as Comanche and F-22, it no longer is affordable to perpetually start new NATO R&D projects. The Committee therefore recommends that this program be terminated and the \$35,000,000 of funds appropriated in the fiscal year 1995 "Research, Development, Test and Evaluation, Defense-wide" appropriation be rescinded.

#### SR-71

The Committee has included a total rescission of \$80,000,000 (\$15,000,000 from "Operation and Maintenance, Air Force" and \$65,000,000 from "Aircraft Procurement, Air Force") for the SR-71 based upon the lack of outyear funding, deficiencies in the industrial base to support SR-71 operations, and the minimal increase in collection capability that would result from the current limited deployment plan.

#### FORMER SOVIET UNION THREAT REDUCTION

The Committee believes that control and elimination of weapons of mass destruction is a high priority. However, the Department of Defense currently plans to divert funds appropriated for this criti-

cal purpose to the construction of housing and economic aid for conversion projects in the former Soviet Union. Consequently, the Committee has included a rescission of \$80,000,000 from the fiscal year 1995 appropriation—\$30,000,000 for the construction of housing and \$50,000,000 for the Defense Demilitarization Enterprise Fund. The Committee specifically stipulates that no funds available to the Department of Defense may be used for the construction of housing, economic conversion projects, the Defense Demilitarization Enterprise Fund, or any similar endeavors. Funds for any such project should properly be considered as a part of the foreign aid appropriations process. Within 15 days of enactment of this bill, the Secretary of Defense is directed to report to the Committee on the specifics of how the Department proposes to obligate the remaining \$320,000,000 for fiscal year 1995.

#### ENVIRONMENTAL RESTORATION

The Committee recommends rescinding \$150,000,000 of fiscal year 1995 appropriations for environmental restoration activities. In making this recommendation the Committee notes that over \$1.6 billion will remain in the fiscal year 1995 defense budget for environmental clean-up activities, an amount consistent with future annual levels of funding planned by the Defense Department. In the department's original fiscal year 1995 budget request for these activities \$1.4 billion was designated for actual site remediation as opposed to site investigation, study and analysis. Thus, the Committee's action will allow physical clean-up of Defense Department sites to continue on schedule.

**TITLE III****ADDITIONAL EMERGENCY SUPPLEMENTAL  
APPROPRIATIONS TO FURTHER ENHANCE READINESS****DEPARTMENT OF DEFENSE—MILITARY**

The Committee recommends an additional \$248,700,000 for the services' military personnel accounts to cover the cost of fully funding the fiscal year 1995, 2.6 percent pay raise.

The Committee also recommends an additional \$421,000,000 in operation and maintenance accounts for other critical shortfalls such as base operations, real property maintenance, unit level readiness, training support, flying hours, depot maintenance, and depot level repairables. Of this amount, \$9,000,000 provides for repainting and re-bonding of AWACS radomes to keep the fleet operational.

The Committee reluctantly reduced the Guard and Reserve miscellaneous equipment appropriation by \$30,000,000 in the previous title. However, in this title the total amount recommended to enhance the Reserve components' readiness is \$86,200,000, for a net increase in this bill of \$56,200,000 for Guard and Reserve accounts.

The Committee believes the funding recommended in this Title is essential to improving readiness, which has been a major concern to the Committee in recent years.



**TITLE IV****GENERAL PROVISIONS****BURDENSARING CONTRIBUTIONS**

Section 402 directs that all funds received by the United States as reimbursement for expenses funded in this Act shall be deposited as miscellaneous receipts in the Treasury.

The Administration has informed the Committee it has already received firm commitments of \$208 million from Persian Gulf nations to help offset the costs of the Persian Gulf deployments last fall. These receipts enabled the DoD to reduce the unfunded requirements dealt with in this emergency supplemental by a like amount. The Committee is advised additional burdensharing contributions from Gulf nations are expected and Section 402 provides authority for these to be deposited directly in the U.S. Treasury. Regarding reimbursements from the United Nations, it is estimated that \$67 million will be received by the end of fiscal year 1995. These funds will also go directly to the Treasury.

The Committee expects these commitments to be lived up to and fully expects the Administration to pursue prompt and full payment of all burdensharing contributions and U.N. reimbursements.

## HOUSE OF REPRESENTATIVES REPORTING REQUIREMENTS

## CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which directly or indirectly change the application of existing law.

Language is included in the bill to increase funding for ongoing activities which could require additional authorization or legislation which to date has not been enacted.

Language is included in each paragraph in Titles I and III of the bill which designates the appropriations to be an emergency requirement.

Language is included in Title II of the bill which rescinds budget authority from various appropriation accounts.

Language is included under Title II—National Security Education Trust Fund which rescinds all the budget authority in the Fund and appropriated out of the Fund as of the date of enactment of this Act.

Language is included under Title IV—General Provisions (section 402) which allows reimbursements received by the United States to be deposited in the Treasury.

## APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law:

*Appropriations, not authorized by law*

Military Personnel, Army  
 Military Personnel, Navy  
 Military Personnel, Marine Corps  
 Military Personnel, Air Force  
 Reserve Personnel, Army  
 Reserve Personnel, Navy  
 Reserve Personnel, Marine Corps  
 Reserve Personnel, Air Force  
 National Guard Personnel, Army  
 National Guard Personnel, Air Force  
 Operation and Maintenance, Army  
 Operation and Maintenance, Navy  
 Operation and Maintenance, Marine Corps  
 Operation and Maintenance, Air Force  
 Operation and Maintenance, Defense-Wide  
 Operation and Maintenance, Army Reserve  
 Operation and Maintenance, Navy Reserve  
 Operation and Maintenance, Marine Corps Reserve  
 Operation and Maintenance, Air Force Reserve  
 Operation and Maintenance, Army National Guard  
 Operation and Maintenance, Air National Guard  
 Other Procurement, Army  
 Other Procurement, Air Force  
 Defense Health Program

## TIMELY ENACTMENT NEEDED

The request for this emergency supplemental was not transmitted by the Administration to Congress until February 6, 1995. Because of this late transmittal and the need to have the emergency supplemental appropriations bill for the Department of Defense enacted before the end of March to avoid additional readiness degradation, the Committee has accelerated its efforts to bring the bill before the House of Representatives at the earliest date. In order to accomplish this early consideration and enactment, it is not possible to delay the appropriations process until an authorization measure is considered and enacted into law. It should be noted that this is not an unusual process regarding emergency supplemental bills. Generally, supplemental authorization measures are not considered nor enacted before an emergency supplemental bill is considered by Congress.

## RESCISSIONS

Pursuant to clause 1(b) of rule X of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill.

RESCISSIONS RECOMMENDED IN THE BILL	
Department and activity	Amounts recommended for rescission
Department of Defense—Military	
Fiscal year 1993:	
Missile procurement, Air Force	
Advanced Cruise Missile .....	- \$33,000,000
Total fiscal year 1993 .....	- \$33,000,000
Fiscal year 1994:	
Aircraft procurement, Air Force	
EF-111 SIP .....	- \$15,000,000
Missile procurement, Air Force	
Tri-service standoff attack missile (TSSAM) .....	- 86,200,000
Defense Production Act	
Defense Production Act purchases .....	- 100,000,000
Research, development, test and evaluation, Army	
TSSAM .....	- 28,300,000
Research, development, test and evaluation, Navy	
TSSAM .....	- 1,200,000
Research, development, test and evaluation, Air Force	
TSSAM .....	- 93,800,000
Research, development, test and evaluation, Defense-wide	
Technology Reinvestment Program (TRP) .....	- 77,000,000
Subtotal .....	- \$401,500,000
Total fiscal year 1994 .....	- \$401,500,000
Fiscal year 1995:	
Operation and maintenance, Air Force	
SR-71 .....	- \$15,000,000
Operation and maintenance, Defense-wide	
Other conversion initiatives .....	- 18,800,000
Subtotal .....	- \$33,800,000
Environmental Restoration, Defense .....	- \$150,000,000

## RESCISSIONS RECOMMENDED IN THE BILL—Continued

Department and activity	Amounts recommended for rescission
Former Soviet Union Threat Reduction .....	- 80,000,000
Aircraft Procurement, Air Force	
EF-111 SIP .....	- 6,400,000
SR-71 .....	- 65,000,000
Subtotal .....	- 71,400,000
National Guard and Reserve Equipment	
Misc. equipment .....	- 30,000,000
Research, development, Test and Evaluation, Army	
TSSAM .....	- 19,700,000
Research, development, test and evaluation, Navy	
TSSAM .....	- 58,900,000
Research, development, test and evaluation, Air Force	
TSSAM .....	- 31,400,000
EF-111 SIP .....	- 6,400,000
F-15 SEAD .....	- 38,000,000
Subtotal .....	- 75,800,000
Research, development, test and evaluation, Defense-wide	
Technology Reinvestment Program (TRP) .....	- 425,000,000
Other conversion initiatives .....	- 16,600,000
NATO R&D .....	- 35,000,000
High definition systems .....	- 15,000,000
Subtotal .....	- 491,600,000
Total fiscal year 1995 .....	- 1,011,200,000
Related agencies	
National Security Education Trust Fund, fiscal years 1992, 1993, 1994, 1995:	
Total funding available .....	(- 161,287,000)
Appropriation from Trust Fund currently unobligated .....	- 14,500,000
Total fiscal years 1993/1994/1995 .....	- 1,460,200,000

## INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4), rule XI of the House of Representatives, the Committee estimates that enactment of this bill would have no overall inflationary impact on prices and costs in the operation of the national economy.

## COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how that authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. All funds provided in this bill are necessary to meet emergency funding requirements under the procedures set forth in section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985. These funds are exempt from the Committee's section 602(a) allocation.

The bill provides no new credit authority and no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344).

FIVE-YEAR OUTLAY PROJECTIONS

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the following information was provided to the Committee by the Congressional Budget Office.

	[In thousands]	
Budget authority .....		\$1,388,200
Outlays:		
Fiscal Year 1995 .....		394,828
Fiscal Year 1996 .....		973,409
Fiscal Year 1997 .....		73,554
Fiscal Year 1998 .....		- 60,249
Fiscal Year 1999 .....		- 43,342

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, no new budget or outlays are provided by the accompanying bill for financial assistance to state and local governments.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS  
RECOMMENDED IN THE BILL**

H. Doc.		Budget estimates	Recommended in bill	Bill compared with estimates
	<b>TITLE I</b>			
	<b>EMERGENCY SUPPLEMENTAL APPROPRIATIONS</b>			
	<b>DEPARTMENT OF DEFENSE - MILITARY</b>			
	Military Personnel			
104-3	Military Personnel, Army .....	69,300,000	69,300,000	.....
104-3	Military Personnel, Navy .....	49,500,000	49,500,000	.....
104-3	Military Personnel, Marine Corps .....	10,400,000	10,400,000	.....
104-3	Military Personnel, Air Force .....	71,700,000	71,700,000	.....
104-3	Reserve Personnel, Navy .....	4,600,000	4,600,000	.....
	<b>Total .....</b>	<b>205,500,000</b>	<b>205,500,000</b>	<b>.....</b>
	Operation and Maintenance			
104-3	Operation and Maintenance, Army .....	958,600,000	958,600,000	.....
104-3	Operation and Maintenance, Navy .....	347,600,000	347,600,000	.....
104-3	Operation and Maintenance, Marine Corps .....	38,000,000	38,000,000	.....
104-3	Operation and Maintenance, Air Force .....	888,700,000	888,700,000	.....
104-3	Operation and Maintenance, Defense-Wide .....	43,200,000	43,200,000	.....
104-3	Operation and Maintenance, Navy Reserve .....	6,400,000	6,400,000	.....
	<b>Total .....</b>	<b>2,282,500,000</b>	<b>2,282,500,000</b>	<b>.....</b>

H. Doc.		Budget estimates	Recommended in bill	Bill compared with estimates
	<b>Procurement</b>			
104-3	Other Procurement, Army .....	28,600,000	28,600,000	.....
104-3	Other Procurement, Air Force .....	8,100,000	8,100,000	.....
	Total .....	36,700,000	36,700,000	.....
	Other Department of Defense Programs			
104-3	Defense health program .....	14,000,000	14,000,000	.....
	Total, title I .....	2,538,700,000	2,538,700,000	.....
	<b>TITLE II</b>			
	<b>RESCINDING CERTAIN BUDGET AUTHORITY</b>			
	<b>DEPARTMENT OF DEFENSE - MILITARY</b>			
104-3	Unspecified reductions .....	-703,000,000	.....	+ 703,000,000
	<b>Operation and Maintenance</b>			
	Operation and Maintenance, Air Force .....		-15,000,000	-15,000,000
	Operation and Maintenance, Defense-Wide .....		-18,800,000	-18,800,000
	Environmental Restoration, Defense .....		-150,000,000	-150,000,000
	Former Soviet Union threat reduction .....		-80,000,000	-80,000,000
	Total .....	.....	-263,800,000	-263,800,000



H. Doc.		Budget estimates	Recommended in bill	Bill compared with estimates
	Related Agencies			
	National Security Education Trust Fund:			
	Total funding available .....		(-161,287,000)	(-161,287,000)
	Appropriation from trust fund currently unobligated .....		-14,500,000	-14,500,000
	Total, title II .....	-703,000,000	-1,460,200,000	-757,200,000
	<b>TITLE III</b>			
	<b>ADDITIONAL EMERGENCY SUPPLEMENTAL</b>			
	<b>APPROPRIATIONS TO FURTHER ENHANCE</b>			
	<b>READINESS</b>			
	<b>DEPARTMENT OF DEFENSE - MILITARY</b>			
	Military Personnel			
	Military Personnel, Army .....		75,500,000	+75,500,000
	Military Personnel, Navy .....		68,200,000	+68,200,000
	Military Personnel, Marine Corps .....		3,000,000	+3,000,000
	Military Personnel, Air Force .....		70,400,000	+70,400,000
	Reserve Personnel, Army .....		6,500,000	+6,500,000
	Reserve Personnel, Navy .....		5,000,000	+5,000,000
	Reserve Personnel, Marine Corps .....		1,300,000	+1,300,000
	Reserve Personnel, Air Force .....		2,800,000	+2,800,000

H. Doc.		Budget estimates	Recommended in bill	Bill compared with estimates
.....	National Guard Personnel, Army .....	.....	11,000,000	+ 11,000,000
.....	National Guard Personnel, Air Force .....	.....	5,000,000	+ 5,000,000
	Total .....	.....	248,700,000	+ 248,700,000
	Operation and Maintenance			
.....	Operation and Maintenance, Army .....	.....	133,000,000	+ 133,000,000
.....	Operation and Maintenance, Navy .....	.....	107,000,000	+ 107,000,000
.....	Operation and Maintenance, Marine Corps .....	.....	46,000,000	+ 46,000,000
.....	Operation and Maintenance, Air Force .....	.....	80,400,000	+ 80,400,000
.....	Operation and Maintenance, Army Reserve .....	.....	13,000,000	+ 13,000,000
.....	Operation and Maintenance, Navy Reserve .....	.....	18,000,000	+ 18,000,000
.....	Operation and Maintenance, Marine Corps Reserve .....	.....	1,000,000	+ 1,000,000
.....	Operation and Maintenance, Air Force Reserve .....	.....	2,600,000	+ 2,600,000
.....	Operation and Maintenance, Army National Guard .....	.....	10,000,000	+ 10,000,000
.....	Operation and Maintenance, Air National Guard .....	.....	10,000,000	+ 10,000,000
	Total .....	.....	421,000,000	+ 421,000,000
	Total, title III .....	.....	669,700,000	+ 669,700,000

H. Doc.		Budget estimates	Recommended in bill	Bill compared with estimates
104-3	<p style="text-align: center;"><b>TITLE IV</b></p> <p style="text-align: center;"><b>GENERAL PROVISIONS</b></p> <p>Burden sharing contribution, miscellaneous receipts (sec. 402) ...</p> <p>Grand total (net) .....</p> <p>Appropriations.....</p> <p>Rescissions .....</p> <p>Miscellaneous receipts.....</p>	<p style="text-align: right;">-360,000,000</p> <hr/> <p style="text-align: right;">1,475,700,000</p> <p style="text-align: right;">(2,538,700,000)</p> <p style="text-align: right;">(-703,000,000)</p> <p style="text-align: right;">(-360,000,000)</p>	<p style="text-align: right;">-360,000,000</p> <hr/> <p style="text-align: right;">1,388,200,000</p> <p style="text-align: right;">(3,208,400,000)</p> <p style="text-align: right;">(-1,460,200,000)</p> <p style="text-align: right;">(-360,000,000)</p>	<p style="text-align: right;">.....</p> <hr/> <p style="text-align: right;">-87,500,000</p> <p style="text-align: right;">(+ 669,700,000)</p> <p style="text-align: right;">(-757,200,000)</p> <p style="text-align: right;">.....</p>

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