The original documents are located in Box 51, folder "1976/07/14 HR12438 Department of Defense Appropriation Authorization Act 1977 (2)" of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94–1305

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1977 FOR MILITARY PROCUREMENT, RESEARCH AND DEVELOPMENT, ACTIVE DUTY RESERVE, AND CIVILIAN PERSONNEL STRENGTH LEVELS, MILITARY TRAINING STUDENT LOADS, AND FOR OTHER PURPOSES

JUNE 25, 1976.—Ordered to be printed

Mr. PRICE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 12438]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1977 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons in amounts as follows:

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AIRCRAFT

For aircraft: for the Army, $554,100,000; for the Navy and the Marine Corps, $2,995,800,000, of which not more than $104,100,000 shall be available only for the procurement of US-3A COD aircraft and of which $65,800,000 shall be available only for the procurement of the A-6E aircraft; for the Air Force, $6,143,800,000.

MISSILES

For missiles: for the Army, $552,400,000; for the Navy, $1,732,900,000, of which no funds may be expended on the Sparrow AIM-7F missile program until the Secretary of Defense certifies to the Committees on Armed Services of the Senate and the House of Representatives that he has reviewed the test and evaluation results for such missile and has determined, on the basis of such results, that such missile fulfills Navy and Air Force mission requirements and is combat-effective; for the Marine Corps, $71,900,000; for the Air Force, $1,883,100,000, of which $317,000,000 shall be used only for the procurement of Minuteman III missiles.

NAVAL VESSELS

For naval vessels: for the Navy, $6,655,000,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $1,056,500,000, of which $65,200,000 shall be available for plant facilities expansion and modernization for future XM-1 tank production, but none of such funds may be obligated on a specific production site until such time as competitive testing between possible United States XM-1 tank contenders has been completed and a winning United States contractor designated; for the Marine Corps, $29,700,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $236,800,000.

OTHER WEAPONS

For other weapons: for the Army, $57,300,000; for the Navy, $73,000,000; for the Marine Corps, $3,500,000; for the Air Force, $400,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1977 for the use of the Armed Forces of the United States for research, development, test, and evaluation in amounts as follows:

For the Army, $2,281,491,000, except that none of the funds authorized by this Act may be used to initiate Phase 2 engineering development on the 30 millimeter gun for the Advance Attack Helicopter until (1) the Secretary of the Army has selected the ammunition for such gun and notified the Committees on Armed Services of the Senate and the House of Representatives of such selection, and (2) 30 days have expired following the day on which such committees received such notification.

For the Navy (including the Marine Corps), $3,708,101,000; of which not to exceed $2,000,000 shall be available for the completion by June 30, 1977, of the advanced development phase of the Sparrow AIM-7F monopulse missile; and of which $15,000,000 shall be available for the engineering development phase of the AIM-7F monopulse missile, but only if (1) the missile flight test and evaluation results fully demonstrate the ability of such missile to perform in accordance with the specifications and requirements for the AIM-7F monopulse missile, and (2) not less than $5,000,000 has been appropriated for the development of a new adverse weather medium range air-to-air missile and the Secretary of the Navy and Secretary of the Air Force have commenced development of such missile.

For the Air Force, $3,749,530,000; and

For the Defense Agencies, $687,880,000, of which $30,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

SEC. 202. For the Director of Defense Research and Engineering, $49,000,000 to be used only for research, development, test, and evaluation of the Trident missile system, including the continued design of the thrust termination system and the development of a backup propellent for such system.

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning October 1, 1976, the components of the Armed Forces are authorized end strengths for active duty personnel as follows:

(1) The Army, 789,000;
(2) The Navy, 540,600;
(3) The Marine Corps, 192,000;
(4) The Air Force, 571,000.

SEC. 302. Paragraph (3) of section 138(c) of title 10, United States Code, is amended by adding at the end thereof a new sentence as follows: "Such report shall also identify, define, and group by mission and by region the types of military bases, installations, and facilities and shall provide an explanation and justification of the relationship between this base structure and the proposed military force structure together with a comprehensive identification of base operating support costs and an evaluation of possible alternatives to reduce such costs.".

SEC. 303. (a) Clause (3) of section 1009(b) of title 37, United States Code, is amended by inserting "subject to subsection (c)," after "(3)".

(b) Section 1009 of such title is further amended by adding at the end thereof the following new subsections:

"(c) Whenever the President determines such action to be in the best interest of the Government, he is authorized to allocate the overall average percentage of any increase described in subsection (b) (3) among the elements of compensation specified in subsection (a) on a percentage basis other than an equal percentage basis; however, the amount allocated to the element of monthly basic pay may not be less than 75 per centum of the amount that would have been allocated to the element of basic pay under subsection (b) (3).

"(d) Under regulations prescribed by the President, whenever the President exercises his authority under subsection (c) to allocate the elements of compensation specified in subsection (a) on a percentage basis other than an equal percentage basis, he may pay to each member without dependents who, under section 403(b) or (c), is not entitled to receive a basic allowance for quarters, an amount equal to the difference between (1) the amount of such increase under subsection (c) in the amount of the basic allowance for quarters which, but for section 403(b) or (c), such member would be entitled to receive, and (2) the amount by which such basic allowance for quarters would have been increased under subsection (b) (3) if the President had not exercised such authority.

"(e) Whenever the President plans to exercise his authority under subsection (c) with respect to any anticipated increase in the compensation of members of the uniformed services, he shall advise the Congress, at the earliest practicable time prior to the effective date of such increase, regarding the proposed allocation of such increase among the different elements of compensation.

"(f) The allocations of increases made under this section among the three elements of compensation shall be assessed in conjunction with the quadrennial review of military compensation required by section 1008(b), and a full report shall be made to the Congress summarizing the objectives and results of those allocations.".

SEC. 304. (a) Subsection (a) of section 501 of title 37, United States Code, is amended by (1) striking out "In subsections (b)–(f) of this section—

"(1) 'discharge' means—"

and inserting in lieu thereof "In this section, 'discharge' means—"; (2) redesignating subclauses (A), (B), and (C) of clause (1) as clauses (1), (2), and (3), respectively; and (3) striking out the semicolon at the end of clause (3), as redesignated, and inserting in lieu thereof a period.

(b) Subsection (a) of such section is further amended by striking out clauses (2), (3), and (4).

(c) Subsection (b) of such section is amended to read as follows:

"(b) (1) A member of the Army, Navy, Air Force, Marine Corps, Coast Guard, or National Oceanic and Atmospheric Administration, who has accrued leave to his credit at the time of his discharge, is entitled to be paid in cash or by a check on the Treasurer of the United States for such leave on the basis of the basic pay to which he was entitled on the date of discharge.

"(2) Payment may not be made under this subsection to a member who is discharged for the purpose of accepting an appointment or a warrant, or entering into an enlistment, in any uniformed service.

"(3) Payment may not be made to a member for any leave he elects to have carried over to a new enlistment in any uniformed service on the day after the date of his discharge; but payment may be made to a member for any leave he elects not to carry over to a new enlistment. However, the number of days of leave for which payment is made may not exceed sixty, less the number of days for which payment was previously made under this section after the first day of the second calendar month following the month in which the Department of Defense Appropriation Authorization Act, 1977, was enacted.

"(4) A member to whom a payment may not be made under this subsection, or a member who reverts from officer to enlisted status, carries the accrued leave standing to his credit from the one status to the other within any uniformed service.".

(d) The last sentence of subsection (d) of such section is amended to read as follows: "However, the number of days upon which payment is based is subject to subsection (f).".

(e) Subsection (e) of such section is amended by striking out "Environmental Science Services Administration" and inserting in lieu thereof "National Oceanic and Atmospheric Administration".

(f) Subsection (f) is amended to read as follows:

"(f) The number of days upon which payment under subsection (b), (d), or (g) is based may not exceed sixty, less the number of days for which payment has been previously made under such subsections after the first day of the second calendar month following the month in which the Department of Defense Appropriation Authorization Act, 1977, was enacted. For the purposes of this subsection, the number of days upon which payment may be based shall be determined without regard to any break in service or change in status in the uniformed services.".

(g) The second sentence of subsection (g) is amended to read as follows: "However, the number of days upon which the lump-sum payment is based is subject to subsection (f).".

(h) Notwithstanding the provisions of section 501(b) (1) of title 37, United States Code, as amended by subsection (c), and subject to the limitations prescribed in section 501(b) (3) of such title, as amended by subsection (c), any leave accrued by any member of the Army, Navy, Air Force, Marine Corps, Coast Guard, or National Oceanic and Atmospheric Administration prior to the first day of the second calendar month following the month in which this section is enacted shall, at the option of such member, be paid for on the same basis such leave would have been paid for under the provisions of section 501(b) of title 37, United States Code, on the day prior to the first day of the second calendar month following the month in which this section is enacted.

SEC. 305. The second sentence of section 2 of Public Law 93-274 (88 Stat. 94) is amended by striking out that portion preceding "authority for" and inserting in lieu thereof "The".

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year beginning October 1, 1976, the Selected Reserves of the Reserve components of the Armed Forces

shall be programed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 390,000;
(2) The Army Reserve, 212,400;
(3) The Naval Reserve, 96,500;
(4) The Marine Corps Reserve, 33,500;
(5) The Air National Guard of the United States, 93,300;
(6) The Air Force Reserve, 52,000;
(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during such fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during such fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning October 1, 1976, the Department of Defense is authorized an end strength for civilian personnel of 1,031,000.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy, including the Marine Corps, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which the allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the authorized end strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, duty, or activity is transferred or assigned to a department or agency of the Department

of Defense from a department or agency outside of the Department of Defense or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed one-half of 1 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. (a) For the fiscal year beginning October 1, 1976, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 81,429;
(2) The Navy, 66,914;
(3) The Marine Corps, 25,501;
(4) The Air Force, 49,610;
(5) The Army National Guard of the United States, 12,804;
(6) The Army Reserve, 7,023;
(7) The Naval Reserve, 1,257;
(8) The Marine Corps Reserve, 3,562;
(9) The Air National Guard of the United States, 2,232; and
(10) The Air Force Reserve, 1,107.

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized by subsection (a) for the fiscal year beginning October 1, 1976, shall be adjusted consistent with the manpower strengths authorized by titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

SEC. 602. Chapter 901 of title 10, United States Code, is amended by adding at the end thereof the following new section and inserting a corresponding item in the analysis of such chapter:

"§ 9315. Community College of the Air Force: associate degrees

"(a) There is in the Air Force a Community College of the Air Force. Such college, in cooperation with civilian colleges and universities, shall—

"(1) prescribe programs of higher education for enlisted members of the armed forces designed to improve the technical, managerial, and related skills of such members and to prepare such members for military jobs which require the utilization of such skills; and

"(2) monitor on a continuing basis the progress of members pursuing such programs.

"(b) Subject to subsection (c), the commander of the Air Training Command of the Air Force may confer an academic degree at the level of associate upon any enlisted member who has completed the program prescribed by the Community College of the Air Force.

"(c) No degree may be conferred upon any enlisted member under this section unless (1) the Community College of the Air Force certifies to the commander of the Air Force Training Command that such member has satisfied all the requirements prescribed for such degree, and (2) the Commissioner of Education of the Department of Health, Education, and Welfare determines that the standards for the award of academic degrees in agencies of the United States have been met.".

SEC. 603. (a) It is the policy of the United States that the United States Navy and the Merchant Marine of the United States work closely together to promote the maximum integration of the total seapower forces of the Nation. In furtherance of this policy, it is necessary and desirable that special steps be taken to assure that Naval Reserve Officer Training Corps programs (for training future naval officers) be maintained at Federal and State merchant marine academies.

(b) It is the sense of the Congress that the Secretary of the Navy should work with the Assistant Secretary of Commerce for Maritime Affairs and the administrators of the several merchant marine academies to assure that the training available at these academies is consistent with Navy standards and needs.

SEC. 604. The Act of November 24, 1951, Public Law 92–172 (85 Stat. 491), is amended by striking out "1976" and inserting in lieu thereof "1977".

TITLE VII—SUPPLEMENTAL AUTHORIZATION OF FUNDS FOR THE NAVY FOR FISCAL YEAR 1976

SEC. 701. In addition to the funds authorized to be appropriated by the Department of Defense Appropriation Authorization Act, 1976, there is authorized to be appropriated to the Navy during the fiscal year 1976 for research, development, test, and evaluation, $8,000,000.

TITLE VIII—GENERAL PROVISIONS

SEC. 801. (a) The second sentence of section 1401a(b) of title 10, United States Code, is amended by striking out "the per centum obtained by adding 1 per centum and".

(b) The second sentence of paragraph (2) of section 291(a) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is amended by striking out "1 per centum plus".

(c)(1) The amendments made by subsections (a) and (b) shall not become effective unless legislation is enacted repealing the so-called 1 per centum add-on provision applicable to the cost-of-living adjustment of annuities paid under chapter 83 of title 5, United States Code.

In the event such legislation is enacted, such amendments shall become effective with respect to the cost-of-living adjustment of the retired pay and retainer pay of members and former members of the Armed Forces and the cost-of-living adjustment of annuities paid under the Central Intelligence Agency Act of 1964 for Certain Employees at the same time the repeal of such 1 per centum add-on provision becomes effective with respect to such cost-of-living adjustment of annuities paid under such chapter 83.

(2) If any change other than the repeal of the so-called 1 per centum add-on provision referred to in paragraph (1) is made in the method of computing the cost-of-living adjustment of annuities paid under chapter 83 of title 5, United States Code, the President shall make the same change in the cost-of-living adjustment of retired pay and retainer pay of members and former members of the Armed Forces and the cost-of-living adjustment of annuities paid under the Central Intelligence Agency Act of 1964 for Certain Employees. Any change made under this paragraph shall have the same effective date as the effective date applicable to such change made in annuities under chapter 83 of title 5, United States Code.

(3) The provisions of paragraphs (1) and (2) relating to any change in the method of computing the cost-of-living adjustment of the retired pay or retainer pay of members and former members of the Armed Forces shall be applicable to the computation of cost-of-living adjustments of the retired pay of commissioned officers of the National Oceanic and Atmospheric Administration and the retired pay of commissioned officers of the Public Health Service.

SEC. 802. Section 814(a) of the Department of Defense Appropriation Authorization Act, 1976 (89 Stat. 544), is amended to read as follows:

"(a)(1) It is the policy of the United States that equipment procured for the use of personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty should be standardized or at least interoperable with equipment of other members of the North Atlantic Treaty Organization. In carrying out such policy the Secretary of Defense shall, to the maximum feasible extent, initiate and carry out procurement procedures that provide for the acquisition of equipment which is standardized or interoperable with equipment of other members of the North Atlantic Treaty Organization whenever such equipment is to be used by personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty. Such procedures shall also take into consideration the cost, functions, quality, and availability of the equipment to be procured. In any case in which equipment authorized to be procured under title I of this Act is utilized for the purpose of carrying out the foregoing policy, the Secretary of Defense shall report to Congress the full details of the nature and substance of any and all agreements entered into by the United States with any other member or members of the North Atlantic Treaty Organization providing for the acquisition of equipment manufactured outside the United States in exchange for, or as a part of, any other agreement by such member or members to acquire equipment manufactured in the

United States. Such report shall be made by the Secretary within 30 days of the date of enactment of this Act.

"(2) Whenever the Secretary of Defense determines that it is necessary, in order to carry out the policy expressed in paragraph (1) of this subsection, to procure equipment manufactured outside the United States, he is authorized to determine, for the purposes of section 2 of title III of the Act of March 3, 1933 (47 Stat. 1520; 41 U.S.C. 10a), that the acquisition of such equipment manufactured in the United States is inconsistent with the public interest.

"(3) In any case in which the Secretary of Defense initiates procurement action on a new major system which is not standard or interoperable with equipment of other members of the North Atlantic Treaty Organization, he shall report that fact to the Congress in the annual report required under section 302(c) of Public Law 93–365, as amended, including a description of the system to be procured and the reasons for that choice.".

SEC. 803. (a) It is the sense of Congress that weapons systems being developed wholly or primarily for employment in the North Atlantic Treaty Organization theater shall conform to a common North Atlantic Treaty Organization requirement in order to proceed toward joint doctrine and planning and to facilitate maximum feasible standardization and interoperability of equipment. A common North Atlantic Treaty Organization requirement shall be understood to include a common definition of the military threat to the North Atlantic Treaty Organization countries. The Secretary of Defense shall, in the reports required by section 302(c) of Public Law 93–365, as amended, identify those programs in research and development for United States forces in Europe and the common North Atlantic Treaty Organization requirements which such programs support. In the absence of such common requirement, the Secretary shall include a discussion of the actions taken within the North Atlantic Alliance in pursuit of a common requirement. The Secretary of Defense shall also report on efforts to establish a regular procedure and mechanism within the North Atlantic Treaty Organization for determining common military requirements.

(b) It is the sense of the Congress that progress toward the realization of the objectives of standardization and inter-operability would be enhanced by expanded inter-Allied procurement of arms and equipment within the North Atlantic Treaty Organization. It is further the sense of the Congress that expanded inter-Allied procurement would be facilitated by greater reliance on licensing and coproduction agreements among the signatories of the North Atlantic Treaty. It is the Congress' considered judgment that such agreements, if properly constructed so as to preserve the efficiencies associated with economies of scale, could not only minimize potential economic hardship to parties to such agreements but also increase the survivability, in time of war, of the Alliance's armaments production base by dispersing manufacturing facilities. Accordingly, the Secretary of Defense, in conjunction with appropriate representatives of other members of the Alliance, shall attempt to the maximum extent feasible (1) to identify areas for such cooperative arrangements and (2) to negotiate such agreements pursuant to these ends. The Secretary of Defense shall include in the report to the Congress required by section 302(c) of

Public Law 93–365, as amended, a discussion of the specific assessments made under the above provisions and the results achieved with the North Atlantic Treaty Organization allies.

(c) It is the sense of the Congress that standardization of weapons and equipment within the North Atlantic Alliance on the basis of a "two-way street" concept of cooperation in defense procurement between Europe and North America could only work in a realistic sense if the European nations operated on a united and collective basis. Accordingly, the Congress encourages the governments of Europe to accelerate their present efforts to achieve European armaments collaboration among all European members of the Alliance.

SEC. 804. (a) Section 2 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251) is amended by inserting after the third sentence thereof a new sentence as follows: "The Congress recognizes that the organization structure established jointly by the Federal Government and the several States and their political subdivisions for civil defense purposes can be effectively utilized, without adversely affecting the basic civil defense objectives of this Act, to provide relief and assistance to people in areas of the United States struck by disasters other than disasters caused by enemy attack.".

(b) Section 408 of such Act (50 U.S.C. App. 2260) is amended by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act in the fiscal year ending September 30, 1977. No funds may be appropriated for any fiscal year beginning after September 30, 1977, for carrying out the purpose of this Act, unless such funds have been authorized for such purpose by legislation enacted after the date of enactment of the Department of Defense Appropriations Authorization Act, 1977.".

(c) Section 201 of such Act (50 U.S.C. App. 2281) is amended—

(1) by striking out in subsection (e) "Provided further, That the authority to pay travel and per diem expenses of students as authorized by this subsection shall terminate on June 30, 1976."; and

(2) by striking out in the fourth proviso of subsection (h) "until June 30, 1976,".

(d) Subsection (h) of section 205 of such Act (50 U.S.C. App. 2286 (h)) is amended to read as follows:

"(h) Funds made available to the States under this Act may be used, to the extent and under such terms and conditions as shall be prescribed by the Administrator, for providing emergency assistance, including civil defense personnel, organizational equipment, materials, and facilities, in any area of the United States which suffers a disaster other than a disaster caused by an enemy attack.".

SEC. 805. (a) During the period beginning on October 1, 1976, and ending on September 30, 1978, each contract entered into by a military department for development or procurement of a major system shall, except as provided in subsection (b), include a deferred ordering clause giving the procuring authority for such system the option to purchase from the contractor involved technical data and computer software packages relating to such system. Such clause shall require such packages to be in sufficient detail to enable such procuring au-

thority to reprocure such system, or a subsystem of such system, from a contractor other than the contractor involved in such contract.

(b) Any procuring authority to whom subsection (a) applies may exempt a particular contract for development or procurement of a major system from the requirements of such subsection, but, prior to the time any such contract without the deferred ordering clause required by such subsection is entered into, the procuring authority concerned shall report his intent to enter into such contract to the Committees on Armed Services and Appropriations of the Senate and House of Representatives with a detailed explanation for such exemption.

(c) For the purposes of this section:

(1) The term "major system" means a composite of equipment, skills, and techniques which is capable of performing, or supporting performance of, an operational role and which requires an investment in research, design, test, and evaluation of not less than $50 million or a total production investment of not less than $200 million.

(2) The term "deferred ordering" means delaying the ordering of an item related to a contract until a need for such item is established and the requirements for such item can be specifically identified for delivery under such contract.

(3) The term "technical data" means, with respect to a major system, recorded data, regardless of form or characteristic, of a scientific or technical nature which is related to such system.

SEC. 806. The President shall include in the budget for fiscal year 1978 a request for funds sufficient to meet the total operation and maintenance costs of the Department of Defense for such year, including reasonably foreseeable increases in both the private and public sectors in the cost of labor, material, and other goods and services.

SEC. 807. Section 2031(a) of title 10, United States Code, is amended by striking out "1,200" in the second sentence and inserting in lieu thereof "1,600" and by striking out the period at the end and inserting in lieu thereof a comma and the following: "except that more than one such unit may be established and maintained at any military institute.".

SEC. 808. It is the sense of the Congress that the Secretary of the Navy shall not take action with respect to closing, disestablishing, or terminating any Naval Reserve Training Center or Facility which was in active use on March 1, 1976, until legislation providing funds for the Selected Reserve of the Naval Reserve for fiscal year 1977 has been enacted into law.

SEC. 809. The Secretary of Defense shall conduct a study to determine whether greater utilization of civilian faculty may be desirable at the service academies and intermediate and senior war colleges. Such study shall identify those subjects in the curriculums of such academies and colleges which are classified as being in the general academic area. The results of such study shall be submitted to the Committees on Armed Services of the Senate and House of Representatives not later than February 28, 1977.

SEC. 810. Notwithstanding any other provision of law, the Secretary of the Navy is authorized to assign Rear Admiral J. Edward Snyder, Jr. (retired), to a command status as the Oceanographer of

the Navy for a period not to exceed three years from the date of enactment of this Act.

SEC. 811. (a)(1) The Congress hereby finds and declares that—

(A) the Armed Forces Institute of Pathology offers unique pathologic support to national and international medicine;

(B) the Institute contains the Nation's most comprehensive collection of pathologic specimens for study and a staff of prestigious pathologists engaged in consultation, education, and research;

(C) the activities of the Institute are of unique and vital importance in support of the health care of the Armed Forces of the United States;

(D) the activities of the Institute are also of unique and vital importance in support of the civilian health care system of the United States;

(E) the Institute provides an important focus for the exchange of information between civilian and military medicine, to the benefit of both; and

(F) it is important to the health of the American people and of the members of the Armed Forces of the United States that the Institute continue its activities in serving both the military and civilian sectors in education, consultation, and research in the medical, dental, and veterinary sciences.

(2) The Congress further finds and declares that beneficial cooperative efforts between private individuals, professional societies, and other entities on the one hand and the Armed Forces Institute of Pathology on the other can be carried out most effectively through the establishment of a private corporation.

(b) Chapter 7 of title 10, United States Code, is amended by adding at the end thereof the following new sections:

"§ 176. Armed Forces Institute of Pathology

"(a)(1) There is in the Department of Defense an Institute to be known as the Armed Forces Institute of Pathology (hereinafter in this section referred to as the "Institute"), which has the responsibilities, functions, authority, and relationships set forth in this section. The Institute shall be a joint entity of the three military departments, subject to the authority, direction, and control of the Secretary of Defense.

"(2) The Institute shall consist of a Board of Governors, a Director, two Deputy Directors, and a staff of such professional, technical, and clerical personnel as may be required.

"(3) The Board of Governors shall consist of the Assistant Secretary of Defense for Health Affairs, who shall serve as chairman of the Board of Governors, the Assistant Secretary of Health, Education, and Welfare for Health, the Surgeons General of the Army, Navy, and Air Force, the Chief Medical Director of the Veterans' Administration, and a former Director of the Institute, as designated by the Secretary of Defense, or the designee of any of the foregoing.

"(4) The Director and the Deputy Directors shall be appointed by the Secretary of Defense.

"(b)(1) In carrying out the provisions of this section, the Institute is authorized to—

"(A) contract with the American Registry of Pathology (established under section 177) for cooperative enterprises in medical research, consultation, and education between the Institute and the civilian medical profession under such conditions as may be agreed upon between the Board of Governors and the American Registry of Pathology;

"(B) make available at no cost to the American Registry of Pathology such space, facilities, equipment, and support services within the Institute as the Board of Governors deems necessary for the accomplishment of their mutual cooperative enterprises; and

"(C) contract with the American Registry of Pathology for the services of such professional, technical, or clerical personnel as are necessary to fulfill their cooperative enterprises.

"(2) No contract may be entered into under paragraph (1) which obligates the Institute to make outlays in advance of the enactment of budget authority for such outlays.

"(c) The Director is authorized, with the approval of the Board of Governors, to enter into agreements with the American Registry of Pathology for the services at any time of not more than six distinguished pathologists or scientists of demonstrated ability and experience for the purpose of enhancing the activities of the Institute in education, consultation, and research. Such pathologists or scientists may be appointed by the Director to administrative positions within the components or subcomponents of the Institute and may be authorized by the Director to exercise any or all professional duties within the Institute, notwithstanding any other provision of law.

"(d) The Secretary of Defense shall promulgate such regulations as may be necessary to prescribe the organization, functions, and responsibilities of the Institute.

"§ 177. American Registry of Pathology

"(a)(1) There is authorized to be established a nonprofit corporation to be known as the American Registry of Pathology which shall not for any purpose be an agency or establishment of the United States Government. The American Registry of Pathology shall be subject to the provisions of this section and, to the extent not inconsistent with this section, to the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29–1001 et seq.).

"(2) The American Registry of Pathology shall have a Board of Members (hereinafter in this section referred to as the "Board") consisting of not less than eleven individuals who are representatives of those professional societies and organizations which sponsor individual registries of pathology at the Armed Forces Institute of Pathology, of whom one shall be elected annually by the Board to serve as chairman. Each such sponsor shall appoint one member to the Board for a term of four years.

"(3) The American Registry of Pathology shall have a Director, who shall be appointed by the Board with the concurrence of the Director of the Armed Forces Institute of Pathology, and such other officers as may be named and appointed by the Board. Such officers shall be compensated at rates fixed by the Board and shall serve at the pleasure of the Board.

"(4) The members of the initial Board shall serve as incorporators and shall take whatever actions are necessary to establish under the District of Columbia Nonprofit Corporation Act the corporation authorized by paragraph (1).

"(5) The term of office of each member of the Board shall be four years, except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, (B) the terms of office of members first taking office shall begin on the date of incorporation and shall expire, as designated at the time of their appointment and to the maximum extent practicable, one fourth at the end of one year, one fourth at the end of two years, one fourth at the end of three years, and one fourth at the end of four years, and (C) a member whose term has expired may serve until his successor has qualified. No member shall be eligible to serve more than two consecutive terms of four years each.

"(6) Any vacancy in the Board shall not affect its powers, but such vacancy shall be filled in the manner in which the original appointment was made.

"(b) In order to carry out the purposes of this section, the American Registry of Pathology is authorized to—

"(1) enter into contracts with the Armed Forces Institute of Pathology for the provision of such services and personnel as may be necessary to carry out their cooperative enterprises;

"(2) enter into contracts with public and private organizations for the writing, editing, printing, and publishing of fascicles of tumor pathology, atlases, and other material;

"(3) accept gifts and grants from and enter into contracts with individuals, private foundations, professional societies, institutions, and governmental agencies;

"(4) enter into agreements with professional societies for the establishment and maintenance of Registries of Pathology; and

"(5) serve as a focus for the interchange between military and civilian pathology and encourage the participation of medical, dental, and veterinary sciences in pathology for the mutual benefit of military and civilian medicine.

"(c) In the performance of the functions set forth in subsection (b), the American Registry of Pathology is authorized to—

"(1) enter into such other contracts, leases, cooperative agreements, or other transactions as the Board deems appropriate to conduct the activities of the American Registry of Pathology; and

"(2) charge such fees for professional services as the Board deems reasonable and appropriate.

"(d) The American Registry of Pathology may transmit to the Director and the Board of Governors of the Armed Forces Institute of Pathology and to the sponsors referred to in subsection (a)(2) annually, and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments.".

(c) The table of sections at the beginning of chapter 7 of title 10, United States Code, is amended by adding at the end thereof the following:

"176. Armed Forces Institute of Pathology.
"177. American Registry of Pathology.".

SEC. 812. This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1977".

And the Senate agree to the same.

MELVIN PRICE,
F. EDWARD HÉBERT,
(with reservation),
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
RICHARD H. ICHORD,
LUCIEN N. NEDZI,
WM. J. RANDALL,
CHARLES H. WILSON,
ROBERT L. LEGGETT,
BOB WILSON,
WILLIAM L. DICKINSON,
FLOYD SPENCE,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD W. CANNON,
THOMAS J. MCINTYRE,
HARRY F. BYRD, Jr.,
SAM NUNN,
STROM THURMOND,
JOHN TOWER,
DEWEY F. BARTLETT,
WILLIAM L. SCOTT,
ROBERT TAFT, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—PROCUREMENT

AIRCRAFT

ARMY

EH–1H

The House bill provided $21.7 million for the EH–1H helicopter for the Army. The Senate amendment provided $13.4 million, a reduction of $8.3 million, to reflect a deletion of long-lead items for Phase 2 of the helicopter, based on the excessive long leadtime requested for the funds. After discussion, the conferees agreed that $20.3 million should be provided in fiscal year 1977.

The Senate recedes with an amendment.

NAVY

A–6E and US–3A (COD)

The House bill authorized twelve A–6Es in the total amount of $125 million, but no US–3A aircraft were authorized as a result of floor action in the House deleting the authorization. The Senate amendment authorized $169.9 million for twelve US–3A (COD) aircraft, but contained no authorization for the A–6E.

In a spirit of compromise, it was agreed to authorize $104.1 million for the procurement of six US–3As and $65.8 million for the procurement of six A–6Es. Further, the conferees were advised by the Navy that $14.3 million, authorized and funded in FY 1976, was available to be added to the $65.8 million authorized in this bill making a total of $80.1 million available for six A–6Es.

The conferees recognize that no provision has been made to authorize long lead funds for either the US–3A or the A–6E for FY 1978. The conferees recommend that either a reprogramming or supplemental request for the necessary long lead authorization be submitted if production of the planes is to be continued in FY 1978.

The conferees would emphasize the admonition contained in the House Report (94–967) and heed carefully the considered conclusions of this Congress in regard to going forward with continued production of the A–6E.

F–5F Freedom Fighter

The Senate amendment contained $10 million, not in the budget submission, to buy three F–5F two seat trainers for the Navy Fighter Weapons School. The House bill did not contain such authorization.

Senate conferees insisted that these aircraft were badly needed to replace worn-out and borrowed T–38s now in use for pilot training. They further pointed out that these aircraft could be obtained at FY 1975 prices since they were no longer needed for Foreign Military Sales. This amounts to a saving of approximately $1 million per aircraft.

The House recedes.

Modification of aircraft

The Senate amendment made four reductions to the Navy aircraft modification account totaling $36.7 million. The House bill contained no reductions.

The Senate proposal is specifically to delete the S–3/P–3 Harpoon modifications, but remove the specific A–6 modification language (i.e., delete the $16.0 million A–6 items without prejudice). This has the effect of a general reduction of $16.0 million to the aircraft modifications account.

After a thorough discussion with both sides insisting on their respective position, the House receded.

The House recedes.

E–2C other financing

The Senate bill identified $10.0 million savings in the E–2C program because of the foreign sale to Israel and used these savings to buy three F–5F trainers for the Navy's pilot training school.

The House recedes.

AIR FORCE

F–15 Fighter financing

The Senate amendment reduced the authorization for the F–15 fighter aircraft for the Air Force by $30.1 million to reflect savings related to Foreign Military Sales. The House bill contained no similar reduction.

The House recedes.

F–16 Lightweight Fighter

The House bill contained $311.2 million for the F–16 program, the amount requested. The Senate amendment only contained $145.9 million, a reduction of $165.3 million, made on the basis that those funds would not be placed on contracts until fiscal year 1978. Conferees agreed to add $29 million to the Senate authorization of $145.9 million in order to have sufficient authorization available until the FY 1978 bill is enacted.

In adopting this position for the funding of the F–16 the Conferees wish to make it entirely clear that the exclusion of next year's authority from this year's budget request in no way whatsoever reflects a lack of full support for the F–16 as an aircraft or as a program. The pace of the program will remain wholly undisturbed by the Conferees' action. The Conferees also caution the Department of Defense that it is expected to take any action deemed necessary to protect the government's interests through the exercise of the options contained in its contract with the manufacturer.

The House recedes with an amendment.

Modification of aircraft

The House bill authorized $41.5 million for two B–52 flight simulators and $2.3 million to begin a KC–135 flight simulator visual modification program. The Senate amendment deleted both items.

Subsequent to the House and Senate bills being passed, Air Force advised the Congress of a major reduction and restructuring of the B–52, KC–135 and C–130 flight simulator programs. The restructured program requested the same total funding but only one B–52 flight simulator for fiscal year 1977.

The Conferees approved the restructured program and agreed to authorize $29.5 for one B–52 flight simulator. However, the Conferees felt that an additional $12.0 million for program support was not required at this time and that request was denied. The Conferees also denied the $2.3 million requested for the KC–135 flight simulator visual modification program.

The House recedes with an amendment.

The House bill contained, for the Civil Reserve Air Fleet (CRAF), $29.3 million to convert presently existing commercial wide-body aircraft to a cargo configuration for use in time of crisis to contribute to the airlift of our oversize requirements. The modification basically consists of a side-cargo and/or nose door and a strenghthened floor. The Senate amendment contained no authorization for this program. House conferees cited figures to show that this was the most cost effective airlift enhancement program. However, Senate conferees disagreed with this position and were adamant in their opposition to this program.

After a thorough exchange of views, the Senate reluctantly agreed to authorize $9 million for two mini mods as a test for this concept and the House receded to this position.

AWACS

The House bill contained language in Section 101 providing that of the funds authorized for the procurement of aircraft for the Air Force, the $474,790,000 authorized for procurement of six E–3A Air-

borne Warning and Control System (AWACS) aircraft could not be obligated or expended until a favorable decision is made by the North Atlantic Treaty Organization allies for procurement of the system. The Senate bill contained no such provision and the Senate conferees vigorously opposed the language of the House bill on the basis that the United States should not be prohibited from buying a system which it believes to be necessary for its own forces on the basis of a decision by allies to procure the aircraft for their own needs. The Senate conferees stated that the House language would cause a stop-work order on the fiscal year 1977 AWACS aircraft on October 1, 1976 (unless NATO agrees to buy the aircraft before then). The Senate conferees further insisted that U.S. Air Force needs the aircraft whether or not NATO buys the AWACS.

The House very reluctantly recedes.

B–1 bomber

The House bill authorized procurement funds as requested for the B–1 bomber for the Air Force $1,049 million). The Senate amendment authorized the same level of funding as the House, but contained language providing that none of the funds authorized could be used prior to February 1, 1977, for procurement of the B–1 bomber, and providing further that funds may be obligated after January 31, 1977, only if the President certifies to Congress that B–1 procurement is in the national interest. The Senate conferees stated clearly that the purpose of their amendment was to give the incoming President an opportunity to review and pass on the production decision of the B–1 bomber before production funds are obligated. The House conferees are adamant in their position that the obligation of the B–1 production funds authorized in this bill should not be delayed. The Senate conferees pressed their position with unusual vigor. However, the House conferees were adamant.

The Senate, therefore, reluctantly recedes.

Missiles

ARMY

Lance

The House bill provided $75.5 million, the amount requested for procurement of 360 non-nuclear Lance missiles for the Army. The Senate amendment deleted all the authorization.

The Senate recedes.

NAVY

Sparrow III

The House Committee had deleted $17 million from the authorization requested for the Sparrow missile, to reduce the buy from 650 to 500 missiles. At the same time, the House had provided in the Research, Development, Test and Evaluation Title of the bill for $15 million for development of a common all-weather missile to replace the Sparrow AIM 7 series missile. The House conferees are without confidence in the Sparrow missile because of its long and unsatisfactory development history. The Senate conferees were adamant that the current AIM–7F is the most reliable and best performing medium range air-to-air missile in the world today.

After considerable discussion, the conferees agreed to restore $12.7 million of the $17 million deleted from the House, with the inclusion of language requiring that procurement of the missile shall proceed only after the Secretary of Defense has certified that the missile is combat ready. The restrictive language is contained in Section 101 of the accompanying Conference Report.

The House recedes with an amendment.

Condor

The House bill authorized $12.7 million, the amount requested, for procurement of 40 Condor missiles for the Navy. The Senate deleted the authorization for Condor on the ground that funds would not be used for contracts until fiscal year 1978. The conferees agree that deletion of authorization is not to indicate lack of continued support for the program.

The House recedes.

Trident missile

As a result of development problems which were encountered subsequent to House and Senate action on the authorization request, the Department of Defense advised that there would be slippage in contracting for Trident missiles and that $165 million could be deleted from the missile account.

The conferees agree to the $165 million reduction.

AIR FORCE

Minuteman III missile supplemental request

Subsequent to the completion of House action on H.R. 12438, the President submitted an amended budget request containing $317 million for procurement of Minuteman III missiles. Section 301 of the Senate amendment contains language providing that of the amount authorized for missiles for the Air Force, $317 million shall be used only for procurement of Minuteman III missiles.

The House recedes.

Maverick financing

The House bill had provided the authorization requested for procurement of the Maverick missile for the Air Force. The Senate amendment reduced the Maverick authorization by $33.3 million on the basis that a finance adjustment was available because $33.3 million in long lead funds appropriated in fiscal year 1976 were not used, and, therefore, would be available for the Maverick program in fiscal year 1977.

The House recedes.

This action by the conferees should not be construed as requiring deobligation of funds applied towards foreign sales contracts.

Naval Vessels

Trident (ballistic missile submarine)

The House bill provided $1,520.3 million for two Trident submarines, $728.8 million more than requested by the President. The Senate amendment provided $791.5 million for one submarine as requested.

The House recedes.

SSN–688 (nuclear attack submarine)

The House bill provided $1,315.7 million for four nuclear powered attack submarines (SSN–688 class). The Senate amendment provided $713.1 million for two submarines.

The Senate recedes.

CVN (aircraft carrier long-lead funds)

The House bill provided $350.0 million to provide funding for long lead nuclear propulsion components for a follow-on NIMITZ class aircraft carrier. The Senate amendment provided no funds for this purpose. The conferees agreed to authorize $350.0 million, the amount requested by the President.

The Senate recedes.

CSGN (nuclear powered AEGIS cruiser) and DDG–47 (conventional AEGIS destroyer)

The House bill provided $302.0 million for long lead funding of nuclear propulsion items for three CSGN nuclear powered cruisers equipped with the AEGIS air defense system. The Senate amendment provided no funds for the CSGN.

The House bill provided no funds for the DDG–47 destroyer, a conversion of the DD–963 class destroyer design into a platform for the AEGIS air defense system. The Senate amendment provided $858.5 million to fully fund one DDG–47.

The conferees agreed to denial of authorization for both ships. This action is without prejudice to these ship programs. The conferees note that funds are included in Navy Research and Development for continued design effort on both the nuclear strike cruiser and the conventional AEGIS destroyer. Further, the conferees are in agreement that the Armed Services Committees of the House and Senate will fully consider any supplemental or other authorization request made by the President in connection with these ships.

The House recedes on the nuclear strike cruiser.

The Senate recedes on the conventional AEGIS destroyer.

USS LONG BEACH cruiser (conversion)

The House bill provided $371.0 million for long lead funding for the sensors and weapons necessary for the conversion and modernization of the cruiser USS LONG BEACH (CGN–9), and to provide an initial platform for the AEGIS air defense system on a nuclear-powered strike cruiser. The Senate amendment provided no authorization for the conversion and modernization of this ship. The Conferees agreed to authorize $371 million for this purpose.

The Senate recedes.

DD–963 (destroyer)

The House bill provided $940.0 million for four DD–963 class destroyers in lieu of four of the eight FFG–7 frigates which the President requested. The Senate amendment provided no funds for these ships. The Conferees agreed to authorize no funds for DD–963 destroyers.

The House recedes.

FFG–7 (guided missile frigate)

The President's original budget request contained $1,179.5 for eight FFG–7 class guided missile frigates. The amended request contained $1,700.5 for twelve of these ships. The House bill provided $590.0 million for four ships. The Senate amendment provided $1,179.5 million including Long Lend Funds for eight ships. The Conferees agreed to authorize $1,179.5 million for eight ships.

The House recedes.

AD (destroyer tender)

The House bill provided $508.0 million for two destroyer tenders. The Senate amendment provided $260.4 million for one ship, the amount of the President's request. The Conferees agreed to authorize $260.4 million for one ship.

The House recedes.

AS (submarine tender)

The House bill provided $509.0 million for two submarine tenders. The Senate amendment provided $260.9 million for one ship, the amount of the President's request. The Conferees agreed to authorize $260.9 million for one ship.

The House recedes.

AO (fleet oiler)

The President's amended request contained $205.3 million for two fleet oilers. The House bill provided $204.7 million for two ships. The Senate approved $205.3 million for two fleet oilers. The Conferees agreed to authorize $205.3 million for two ships.

The House recedes.

Cost growth and escalation (FY 1975 and prior-year programs)

The President requested $533.7 million for cost growth on FY 1975 and prior-year programs. The House bill provided $213.7 million. The Senate amendment provided $533.7 million, the full amount of the request.

The President requested $1,089.5 million to fully fund the estimated future escalation payments under contracts for ships authorized in FY 1975 and prior years. The House bill provided $256.4 million for this purpose. The Senate amendment provided $1,089.5 million, the amount requested.

The House recedes.

Tracked Combat Vehicles

XM–1 main battle tank

Section 101 of the House bill contained language providing that of funds authorized for plant facilities expansion and modernization for XM–1 main battle tank production, none of such funds may be obligated to a specific production site until competitive testing is completed and the winning contractor is designated. The Senate amendment contained no such provisions.

The purpose of the House amendment was to preclude spending of funds on a particular site which might not be required when the winner of the competition for the XM–1 is determined.

The Senate recedes to the House language on the XM–1 main battle tank plant facilities expansion and modernization to provide that none of the funds may be obligated until the Army makes a choice of either U.S.-designed model for the XM–1 in the current competition,

in which selection is imminent. The limitation refers in no way to letting of production contract or to the testing of any foreign design.

The Senate recedes.

M–60 and M–48 tank financing

The House bill provided the amount requested for procurement of tracked combat vehicles for the Army. The Senate amendment reduced the authorization for tracked combat vehicles for the Army by $53.6 million to reflect potential financial adjustments in the Army tank program from excess prior-year funds. Acceleration of the M–48 A–5 conversion program had resulted in savings of $27.8 million in 1975. In addition, savings from the negotiations of prior-years tank programs in the amount of $25.8 million were anticipated.

The House conferees pointed out that a language change in the second supplemental appropriations act removed restrictive language which had prohibited use of the funds for the additional M–60 A–3 Tank modifications and that the $25.8 million for the M–60 could usefully be used for the procurement of M–60 A–3 Laser Range Finders and Solid State Computers.

The House, therefore, recedes with an amendment restoring $25.8 million of the reduction from the Senate amendment.

Torpedoes

Captor

The House approved $67.9 million for the purchase of 480 Captor Mines as requested by the Administration.

The Senate amendment deleted $8.2 million in the belief that the Captor Mine had not shown adequate reliability and hence was not ready for acquisition from a second source.

The conferees agreed that competition from a second source is the most likely way to get increased reliability and lower price—as was shown by the Mark 48 torpedo.

The Senate recedes.

Mark 30 target torpedoes

The House allowed $17.9 million for the purchase of 7 Mark 30 Target Torpedoes as requested by the Administration. The Senate deleted all but $2.9 million to be used for reliability testing.

The House recedes.

Other Weapons

ARMY

XM–204 howitzer

The House bill provided $7.9 million, the amount requested for procurement of 54 XM–204 Howitzer guns. The Senate amendment reduced the authorization by $6.3 million because of developmental problems in the program.

The House recedes.

AIR FORCE

7.62 MM machine gun

The Senate amendment deleted $2.5 million authorized in the House bill for procurement of 1,210 7.62 MM Machine Guns for the Air Force.

The Air Force was able to procure the machine guns with reprogrammed fiscal year 1976 funds. The authorization is therefore no longer required.

The House recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

General

The Department of Defense requested authorization of $11,058,065,000 [1] for the fiscal year 1977 Research, Development, Test and Evaluation appropriations. The following table summarizes the Senate and House modifications to the Research and Development budget request:

R.D.T. & E. SUMMARY

[In thousands of dollars]

	Request	House	Senate	Conference amount
Army	2,376,300	2,271,295	2,284,948	2,281,491
Navy	[1] 4,058,865	3,608,048	3,718,790	3,708,101
Air Force	3,916,600	3,749,200	3,773,430	3,749,530
Defense agencies	676,300	652,300	670,180	657,880
Test and evaluation	30,000	30,000	30,000	30,000
D.D.R. & E. emergency fund		49,000		49,000
Total budget authority	[1] 11,058,065	10,359,843	10,477,348	10,476,002

[1] Includes $200,000,000 for Navy budget amendment which was submitted after the House had completed action on the bill. The House did not consider the amendment and the Senate deferred it without prejudice.

As shown, the conferees agreed on a total of $10,476,002,000 which is $582,063,000 [1] less than the amount requested for fiscal year 1977.

The details of the differences between the House bill and the Senate amendment and the changes adopted by the conferees are reflected in the following table:

[1] Includes $200 million for budget amendment that was not considered by the House and deleted without prejudice by the Senate.

ARMY—FISCAL YEAR 1977

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

ARMY—FISCAL YEAR 1977

[In thousands of dollars]

Item No.	Program element	Fiscal year 1977 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	Materials	10,963		10,936	−500	10,436	10,436	1
2	Aircraft avionics technology	5,531		5,531	−600	4,931	4,931	2
3	Aeronautical technology	16,504		16,504	−900	15,604	15,604	3
4	Aerial scout	26,000	−26,000		+2,000	2,000	2,000	4
5	Aircraft survivability	3,620	−620	3,000	+620	3,620	3,000	5
6	Advanced VTOL	9,894	−2,894	7,000	−106	6,894	7,000	6
7	Advanced attack helicopter	112,101		112,101	+18,700	130,801	130,801	7
8	Missile technology	29,134		29,134	−1,000	28,134	28,134	8
9	Surface-to-surface missile rocket	1,000		1,000	+4,000	5,000	5,000	9
10	Advanced ballistic missile defense	106,851		106,851	−3,851	103,000	103,000	10
11	High energy laser components	26,490	−5,490	21,000	+5,490	26,490	21,000	11
12	Army-Navy area, SAM	4,000	−2,000	2,000	−2,000		1,500	12
13	Stinger	19,949	−6,500	13,449	+6,500	19,949	16,500	13
14	Kwajalein Missile Range	86,553		86,553	−3,553	83,000	83,000	14
15	Chaparral/Vulcan	10,184	−2,184	8,000	−3,816	4,184	8,000	15
16	Lance (improved)	650		650	−650		650	16
17	Tank and automotive technology	6,099		6,099	−1,000	5,099	5,099	17
18	Advanced concepts laboratory	4,000	−4,000		+4,000	4,000	2,000	18
19	Advanced multipurpose missile	3,000	−3,000		+1,000	1,000	0	19
20	Vehicle rapid fire-Bushmaster	22,512	−3,512	19,000	+2,912	21,912	20,000	20
21	Howitzer—light 105 mm	249		249	+2,651	2,900	2,900	21
22	Weapons concepts	2,044		2,044	−775	1,269	2,044	22
23	Lethal chemical munitions	809		809	−809		809	23
24	Ground munitions systems	2,856		2,856	−2,856		2,856	24
25	Communications electronics	6,345	−500	5,845	−2,245	3,600	4,000	25
26	Electrical and electronic devices	14,206	−400	13,806	−1,806	12,000	12,000	26
27	Human factors in military systems	4,231		4,231	−400	3,831	3,831	27
28	Environmental quality	13,199		13,199	−1,199	12,000	12,000	28
29	Army training technology	4,901		4,901	−1,101	3,800	3,800	29
30	RPV support technology	2,500	−1,500	1,000	+1,500	2,500	1,500	30
31	Military infectious disease technology	15,838		15,838	−1,338	14,500	15,838	31
32	RPV/drones	7,478		7,478	−1,800	5,678	5,678	32
33	Antiradiation missile countermeasures	4,140	−3,140	1,000	+3,140	4,140	2,500	33
34	Nonsystems training	3,775		3,775	−887	2,888	2,888	34
35	Command and control	9,581	−8,990	591	+8,990	9,581	5,000	35
36	Testing	35,168		35,168	−2,168	33,000	33,000	36
37	Evaluation of foreign components	2,010	−1,010	1,000	+1,010	2,010	3,500	37
38	Operational testing	7,390		7,390	−2,090	5,300	7,390	38
39	Battlefield systems integration	5,000		5,000	−3,000	2,000	5,000	39
40	Programwide activities	62,831		62,831	−2,831	60,000	60,000	40
41	Major R.D.T. & E. facilities—AMC	162,504		162,504	−7,504	155,000	157,000	41
42	Federal Contract Research Center				−670	−670	−670	42
43	Heliborne missile guidance technology	1,095	−1,095		+1,095	1,095	0	43
44	Advance electronic devices	1,500	−1,500		+1,500	1,500	0	44
	Reimbursements from foreign military sales	−9,897		−9,897		−9,897	−9,897	
	Programs not in dispute	1,511,539	−30,670	1,480,869		1,480,869	1,480,869	
	Total, Army budget authority	2,376,300	−105,005	2,271,295	+13,653	2,284,948	2,281,491	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

NAVY—FISCAL YEAR 1977

[In thousands of dollars]

Item No.	Program element	Fiscal year 1977 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	Center for naval analysis	8,235	−1,000	7,235	+1,000	8,235	7,985	1
2	Avionics	13,500	−6,000	7,500	−1,000	6,500	6,500	2
3	V/STOL development	4,127	−1,127	3,000	+1,127	41,127	3,000	3
4	Aircraft propulsion (advanced)	13,706	−4,000	9,706	+4,000	13,706	11,706	4
5	Aircraft systems (advanced)	20,264	−17,972	2,292	+972	3,264	2,500	5
6	Tactical airborne reconnaissance	8,100		8,100	−2,000	6,100	6,100	6
7	LAMPS MK III	83,200		83,200	−9,500	73,700	73,700	7
8	Aerial target systems development	14,477	−3,632	10,845	+3,632	14,477	12,600	8
9	CH–53E	14,043	−4,043	10,000	+4,043	14,043	12,000	9
10	F–18	346,900	−46,000	300,900	+46,000	346,900	346,900	10
11	Strike warfare weaponry technology	42,400	−8,400	34,000	+6,900	40,900	34,000	11
12	Advanced surface-to-air weapons systems	3,000	−1,000	2,000	+1,000	3,000	3,000	12
13	Shipboard intermediate range combat system	16,100	−16,100		+12,100	12,100	0	13
14	Army-Navy SAM	2,700		2,700	−2,700		1,000	14
15	SLCM (advanced)	32,851	−15,300	17,551	−10,000	7,551	12,551	15
16	Air-to-air missile systems	29,200	−27,015	2,185	+27,015	29,200	28,000	16
17	Hi-speed ARM	33,495	−13,495	20,000	+13,495	33,495	30,000	17
18	NATO Sea Sparrow	11,502	−6,502	5,000	+6,502	11,502	6,000	18
19	Trident missile system	522,551		522,551	−3,000	519,551	519,551	19
20	SLCM (engineering)	164,900	−64,900	100,000	+12,250	112,250	107,250	20
21	Vertical launch standard	15,515	−15,000	515	+5,000	5,515	4,000	21
22	Fleet ballistic missile system	111,846		111,846	−16,600	95,246	111,846	22
23	ELF communications	29,800		29,800	−7,325	22,475	27,100	23
24	Nuclear propulsion technology	32,229		32,229	−1,000	31,229	32,229	24
25	Ship, submarines and boats technology	28,200		28,200	−1,000	27,200	27,200	25
26	Aircraft launching and retrieving	6,476		6,476	−2,800	3,676	3,676	26
27	Advanced identification techniques	4,300	−4,000	300	+4,000	4,300	4,300	27
28	High performance underwater vehicle	3,000	−2,000	1,000	+2,000	3,000	1,500	28
29	Advanced command data systems	9,884	−6,026	3,858	+4,226	8,084	3,858	29
30	Ship development (advanced)	19,297		19,297	−5,300	13,997	13,997	30
31	Combat systems integration	3,516	−2,079	1,437	+2,079	3,516	1,437	31
32	Testbed development and demonstration	22,217	−2,217	20,000	+217	20,217	20,000	32
33	Ship development (engineer)	22,902		22,902	−4,000	18,902	18,902	33
34	Advanced Marine Corps weapons system	8,300		8,300	−4,100	4,200	6,200	34
35	5-inch guided projectile	19,349		19,349	−2,000	17,349	19,349	35
36	Fire control systems	9,300	+5,000	14,300	−5,000	9,300	14,300	36
37	Major caliber light weight gun	12,217		12,217	−2,000	10,217	12,217	37
38	Light Weight ASW torpedo	8,438	−8,438		+8,438	8,438	0	38
39	Chemical warfare weapons	1,460		1,460	−1,460		1,460	39
40	Directed energy program	3,736	−3,736		+3,736	3,736	0	40
41	Advanced electronic components	973	−973		+973	973	0	31
42	Ocean engineering technology development	14,145		14,145	−1,000	13,145	13,145	42
43	Integrated information support	7,659		7,659	−1,000	6,659	6,659	43
44	Educational training	8,849		8,849	−549	8,300	8,300	44
45	Tactical towed array sonar	14,262		14,262	+8,000	22,262	22,262	45
46	Foreign weapons evaluation	2,031	−1,031	1,000	+1,031	2,031	3,500	46
47	Tactical electronics support	5,387		5,387	−500	4,887	4,887	47
48	R.D.T. & E. ship and aircraft support	55,989		55,989	−2,000	53,989	53,989	48
49	Federal Contract Research Center				−1,360	−1,360	−1,110	49
50	All weather attack	1,000	−1,000		+1,000	1,000	1,000	50
51	A–6 squadrons	5,630	−5,630		+5,630	5,630	0	51
52	F–401 engine	1,000	−1,000		+1,000	1,000	0	52
53	Advanced air to air missile	10,652	−4,000	6,652	−3,931	2,721	2,721	53
54	Anti Ship missile (Harpoon)	1,049	−1,049		+1,049	1,049	0	54
55	CVNX development	11,472	−11,472		+11,472	11,472	0	55
56	Laser, countermeasures and counter-countermeasures	1,980	−1,980		+1,980	1,980	1,980	56
57	F–14 B engine		+15,000	15,000	−15,000		15,000	57
58	Sparrow follow on missile		+15,000	15,000	−15,000		5,000	58
59	Long Beach conversion		+11,000	11,000	−11,000		11,000	59
60	Reimbursements from foreign military sales	−70,003		−70,003		−70,003	−70,003	60
	Programs not in dispute	2,214,557	−132,700	2,081,857		2,081,857		
	Total, Navy budget authority	[1] 4,058,865	[1] −450,817	3,608,048	+110,742	3,718,790	3,708,101	

[1] Request includes $200,000,000 for Navy budgeta mendment which was submitted after House completed action on the bill. It has been deleted and therefore is not included in the authorization approved both by the House and Senate.

AIR FORCE—FISCAL YEAR 1977—Continued

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

AIR FORCE—FISCAL YEAR 1977

[In thousands of dollars]

Item No.	Program element	Fiscal year 1977 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	Defense research sciences	86,000		86,000	−10,000	76,000	78,000	1
2	Environment	24,000		24,000	−1,400	22,600	22,600	2
3	Aerospace propulsion	37,700	−2,000	35,700	+2,000	37,700	35,700	3
4	Aerospace avionics	58,600	−2,600	56,000	+2,600	58,600	56,000	4
5	Air-to-air antiradiation missile	3,000		3,000	−2,000	1,000	1,000	5
6	Advanced aerial target	9,100	−3,100	6,000	+3,100	9,100	7,500	6
7	Advanced medium STOL transport	29,300		29,300	−10,000	19,300	29,300	7
8	CONUS air defense	1,000		1,000	−1,000		0	8
9	F–15 squadrons	51,000	−45,000	6,000	+45,000	51,000	35,000	9
10	Advanced ICBM technology (M–X)	84,000	−4,000	80,000	−28,400	51,600	69,000	10
11	Advanced short-range air-to-air missile systems	10,700	−6,400	4,300	−1,600	2,700	3,500	11
12	Tactical AIM missile	4,700	−3,000	1,700	+3,000	4,700	1,700	12
13	Tactical drone support squadron	1,500	−1,000	500	+1,000	1,500	1,000	13
14	Space surveillance technology	24,500		24,500	−4,000	20,500	20,500	14
15	Space communications	29,800		29,800	−2,000	27,800	27,800	15
16	Space defense system	12,800		12,800	−1,800	11,000	12,000	16
17	SLBM radar warning system	7,000		7,000	−1,000	6,000	7,000	17
18	Space boosters	13,900		13,900	−1,900	12,000	12,000	18
19	Conventional weapons	19,000	−2,800	16,200	', 800	19,000	16,200	1 9
20	Armament ordnance development	8,900		8,900	−1,000	7,900	7,900	20
21	Close air support weapon system	41,000	−16,000	25,000	+16,000	41,000	30,000	21
22	Human resources	3,500	−1,000	2,500	+1,000	3,500	3,500	22
23	Low-cost avionics	3,100	−2,100	1,000	+2,100	3,100	1,000	23
24	Base security	6,200		6,200	−1,000	5,200	5,200	24
25	Electronic warfare technology	9,300	−1,500	7,800	+1,500	9,300	7,800	25
26	Advanced computer technology	4,100	−1,100	3,000	+600	3,600	3,000	26
27	Electro-optical warfare	8,000	−1,500	6,500	+500	7,000	6,500	27
28	Command, control, communications	6,000		6,000	−3,000	3,000	4,500	28
29	Tactical information processing and interpretation	9,500		9,500	−1,000	8,500	8,500	29
30	Reconnaissance electronic warfare equipment	14,200	−1,500	12,700	+1,500	14,200	12,700	30
31	Advanced airborne command post	79,000	−19,000	60,000	+15,100	75,100	69,000	31
32	Drone/remotely piloted vehicle systems development	17,600		17,000	−6,000	11,000	17,000	32
33	Surface defense suppression	28,500	−6,000	22,500	+6,000	28,500	22,500	33
34	Foreign weapons evaluation	2,000	−1,000	1,000	+1,000	2,000	3,500	34
35	Applications of information processing technology	2,800	−1,300	1,500	+300	1,800	1,500	35
36	Precision location strike system	30,000	−10,000	20,000	−3,700	16,300	16,300	36
37	Airborne warning and control system (AWACS)	109,600	−9,500	100,100	+9,500	109,600	104,600	37
38	Expendable drones	7,000		7,000	−6,000	1,000	2,000	38
39	Strategic Air Command communications	11,700		11,700	−3,000	8,700	11,700	39
40	Long-haul communications	8,300		8,300	−2,300	6,000	6,500	40
41	Producibility, reliability, availability, maintainability program (PRAM)	10,000		10,000	−10,000		2,500	41
42	Acquisition and command support	202,200	+500	202,700	−500	202,200	202,700	42
43	Test and evaluation support	306,400	+1,500	307,900	−1,500	306,400	307,900	43
44	Advanced systems engineering/planning	12,000	−12,000		+12,000	12,000	10,000	44
45	Federal contract research centers				−4,270	−4,270	−4,270	45
46	Low cost aircraft	500	−500		+500	500	500	46
47	Advanced tactical fighter	1,000	−1,000		+1,000	1,000	1,000	47
48	Tactical AGM missile	2,000	−2,000		+2,000	2,000	500	48
49	Advanced tactical weapons	7,500	−7,500		+7,500	7,500	0	49
50	Reimbursements from foreign military sales	−8,000		−8,000	−5,000	−13,000	−13,000	50
	Programs not in dispute	2,465,700	−5,000	2,460,700		2,460,700	2,460,700	
	Total, Air Force budget authority	3,916,600	−167,400	3,749,200	+24,230	3,773,430	3,749,530	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

DEFENSE AGENCIES—FISCAL YEAR 1977

[In thousands of dollars]

Item No.	Program element	Fiscal year 1977 request	House		Senate		Conference	Item No
			Change	Authorization	Change from House	Authorization		
1	DARPA	246,400	−15,000	231,400	+6,400	237,800	236,000	1
2	DMA	15,719	−1,500	14,219	+1,500	15,719	15,719	2
3	NSA	198,169	−6,000	192,169	+2,000	194,169	194,169	3
4	DNA	140,970		140,970	−2,000	138,970	139,970	4
5	DCA	31,005	−1,500	29,505	+1,500	31,005	29,505	5
6	Technical support to O.D.D.R. & E./ODTACCS	15,100		15,100	+200	15,300	15,300	6
7	Foreign weapons evaluation/OSD				+10,000	10,000		7
8	Federal contract research centers				−1,720	−1,720	−1,720	8
9	DDR&E Emergency Fund		+49,000	49,000	−49,000		49,000	9
	Programs not in dispute	28,937		28,937		28,937	28,937	
	Total, Defense agencies budget authority	676,300	−24,000	652,300	+17,880	670,180	657,880	
	Director of test and evaluation	30,000		30,000		30,000	30,000	
	Total R.D.T. & E. budget authority	[1] 11,058,065	[1] −698,222	10,359,843	+117,505	10,477,348	10,476,002	

[1] Request includes $200,000,000 for Navy budget amendment which was submitted after House completed action on the bill. It has been deleted and therefore is not included in the authorization approved both by the House and Senate.

CONFERENCE ACTION ON SELECTED SUBJECTS IN THE RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FISCAL YEAR 1977 AUTHORIZATION REQUEST

Advanced Concept Laboratory

The House deleted the entire Army request of $4 million to establish a contractor-operated Advanced Concept Laboratory. The Senate amendment restored the total $4 million. The conferees agreed to a funding level of $2 million with the following understanding.

The purpose of the Advanced Concept Laboratory is to enable the Army to evaluate and introduce new concepts. The conferees believe that this laboratory should be managed and directed by Army personnel with in-house expertise. The Army's plan to have an outside source perform this function is unacceptable. Standard contracting procedures should be employed to make use of industry expertise where needed.

The establishment of this laboratory will be closely monitored during its first year to determine whether the Army is developing the necessary in-house capability to make this a useful laboratory.

Advanced Ballistic Missile Defense technology

The House bill authorized the requested amount of $106.8 million. The Senate amendment reduced it to $103 million, holding the program to a constant level of effort, with allowance for inflation.

The House recedes.

Ballistic Missile Systems technology

Both the Senate amendment and the House bill authorized $100 million, a reduction of $18.04 million from the request. However, as part of that reduction, the Senate denied $2.0 million specifically requested to initiate work on limited or light area defense. The House conferees agree with the Senate position on the limited or light area defense. The Senate also had stated that initiation of work on an exoatmospheric system was not appropriate under the Ballistic Missile Systems Technology program, and should be done as part of the Advanced Ballistic Missile Defense program. The House conferees maintain that the Department of Defense should have the option of doing the exo-atmospheric work under either program. The Senate conferees agree.

The House conferees agree with the Senate position that the reduction in funds not be applied in any way to disrupt ongoing software requirements incidental to the basic Ballistic Missile Systems Technology program as approved by the Congress.

Advanced Attack Helicopter (AAH)

Aerial Scout Helicopter (ASH)

The House bill deleted the $26.0 million requested by the Army for the Aerial Scout Helicopter and authorized the full Army request of $112.1 million for the Advanced Attack Helicopter.

The Senate amendment reduced the ASH request by $24.0 million and added $18.7 million to the AAH account, resulting in an authorization of $130.8 million for the AAH.

The conferees agreed that the Army still lacked a viable program plan for the ASH.

The House, however, agreed to the Senate authorization of $2.0 million for the ASH to allow the Army to develop and definitize its program plan.

Included in the Army's request for ASH funds was the requirement to develop a target acquisition system that would be common to both ASH and AAH. This requirement resulted in the Senate's authorization for additional funds for the AAH.

The House conferees accepted the Senate position but expressed serious concern over the projected cost of the target acquisition system package. Many of the components that will make up this sensor system are "off the shelf" items and require only repackaging into a helicopter-type pod.

The conferees require that the Army reassess its funding profile for this sensor system and be prepared prior to the FY 1978 request for authorization to fully address the cost and performance aspects of this system.

Binary chemical agents

The Senate amendment deleted $5.9 million requested under the Army and Navy chemical and biological warfare programs for development of binary munitions. The House bill authorized the full amount requested. The Senate conferees receded to the House with the understanding that DoD provide adequate information with the FY 1978 budget to enable the Congress to assess the future of our chemical warfare policies and programs in a more comprehensive way. Such information should include alternative plans being considered by DoD for phasing binary agents into our current stocks, making explicit the need, timing, and cost of possible courses of action. In addition, plans for upgrading our equipment, training doctrine, and technology for defense against the use of chemical agents against U.S. forces should be defined in detail.

Chaparral/Vulcan

The House bill deleted $2.184 million from the Army request of $10.184 million for Chaparral/Vulcan. The Senate amendment reduced the request to $4.184 million and expressed concern over the Army's lack of plans for a new anti-aircraft gun system and the limited capabilities of the present Vulcan.

The conferees agreed that the Army should develop a firm plan to develop an advanced gun system for the 1980 time frame. In the interim, however, the conferees agreed that the Army should proceed towards a plan to improve the performance of the many existing Vulcan gun system.

The conferees accepted the House position to provide $8.0 million, provided that the Army proceed with a plan to improve Vulcan, while at the same time developing a firm plan to develop an advanced gun system. Additionally, $3 million of the $8.0 million request is to proceed with the in-house development of an adverse-weather Chaparral missile in view of the current technical and funding problems in the Roland program.

The Senate recedes.

Army high energy laser components

The House bill reduced the $26.5 million requested for fiscal year 1977 to $21 million because of unnecessary overlap between the Army and Navy programs. The Senate amendment authorized the full $26.5 million requested for fiscal year 1977. The House considers that work underway or planned by the Navy duplicates that planned by the Army. The conferees agreed upon the need to strongly support the High Energy Laser Program. However, the conferees are concerned over excessive expenditures for system engineering that would detract from the technology base. The impact of this technology on our national defense could be pivotal. Therefore, the conferees will examine this program next year to assure that the Department of Defense can rationalize the balance between support of system engineering and of the technology base. The Senate conferees receded with the understanding that the reduction should not be interpreted as reflecting negatively on the importance of this program.

Surface-to-surface missile rocket system

The House bill authorized the Army's request of $1.0 million for this program. The Senate amendment added $4.0 million resulting in an authorization of $5.0 million in order to accelerate the development of an area fire support rocket system.

The House conferees recede with the understanding that the Army is to provide to the Committees on Armed Services, prior to the expenditure of any funds, a program plan that delineates the program, the approach, a schedule and funding profile, and the understanding that the Army will include a terminal homing option for this missile rocket system.

Advanced identification techniques

The House bill reduced the Navy's request for $4.3 million to $.3 million. The Senate amendment authorized the full request. The House conferees expressed concern over the fact that many similar techniques that are employed in this advanced identification system have not been effective in an operational environment in previous years. The conferees recognize however that since the technology has changed, there may be potential application for these systems.

The conferees agreed to the Senate funding of $4.3 million. However, the conferees strongly recommend Navy evaluation of the prototype hardware in an operational environment. The results of this evaluation will form the basis for subsequent funding of this program.

The House recedes.

Anti-Shipping Missile Defense Missile (ASMD)

The House bill reduced the Navy's request for $3.0 million to $2.0 million. The Senate amendment authorized the full request.

The conferees' direction of last year to develop both the ASMD missile and launcher-compatible guided projectile was not carried out because of appropriations funding constraints. This year the Navy has not requested any funds for the launcher-compatible projectile.

The conferees agreed to provide $3.0 million with the understanding that the Navy will carry the infra-red seeker already developed for the 5-inch guided projectile into hardware evaluation during fiscal year 1977 *on the ASMD missile.*

The House recedes.

CVNX development

The House bill deleted the entire Navy request of $11.472 million for this program. The Senate amendment authorized the full request.

The conferees believe that improvements to our current class of carriers should be designed in the Navy's ship engineering program elements. The Senate accepted the House position to delete the funding request and to continue any necessary design studies within the funding limitations of the ship engineering (advanced or engineering development) accounts.

Directed energy program

The House bill denied the $3.7 million requested whereas the Senate amendment authorized the entire amount.

The Senate conferees were strong in their support of this program. However, the House conferees were persuasive in this argument that since the Department of Defense has commissioned a group known as the Jason Committee to review the state of this technology and the prospect of future applications for directed energy, funds were not required at this time. If the Jason Committee concludes that the concept is valid and feasible and that hardware should be fabricated, the Navy could accordingly request reprogramming authority.

The Senate recedes.

CH–53E helicopter

The House bill reduced the requested $14.043 million for the Navy CH–53E program by $4.0 million. The Senate amendment provides the full amount requested.

The conferees agreed to restore $2.0 million which will provide a total of $12.043 million. If additional funding is required for unanticipated problems, a reprogramming request will be considered for this program.

High-Speed Anti-Radiation Missile (HARM)

The House bill reduced the $33.5 million request to $20.0 million and expressed concern over the technical progress, design status, and cost overruns in the missile's development phase. The Senate amendment authorized the full request.

The conferees agreed with the House position that there was cause for concern in the progress to date in the advanced development phase. It is the understanding of the conferees that there is a thirty-three percent overrun in this phase, and that the performance capability has been degraded. While the conferees authorize $30.0 million for the HARM, the House conferees were adamant in their position that the engineering development phase is not to proceed until:

- the performance characteristics of the missile are established;
- the advanced development contract is definitized with regard to cost, technical requirements, etc.; and

- the Department of Defense provides a report to the Committees on Armed Services on the status and results of the advanced development program and the recommended engineering development plan.

The Navy is also to consider and be prepared to address the possibility for second source engineering development.

The House recedes with an amendment.

Lightweight ASW torpedo

The House bill deleted all of the requested $8.4 million because of technical issues involving the MK–46. The Senate authorized the requested amount. The Senate recedes to the House with the understanding that development of the advanced lightweight ASW torpedo will be vigorously pursued because of the need to improve our capability in this critical area.

The conferees request that the Navy address such important issues as guidance and control, warhead lethality and size, and operational deployment. These will be factors in the review of the fiscal year 1978 request for authorization.

F–18

The House bill reduced the Navy's request for $346.9 million to $300 million. The Senate amendment authorized the full amount.

The House conferees expressed concern over the Navy's plan to develop subsystems in areas where existing hardware exists. An example is the Navy's plan to develop a new on-board computer.

The Navy is directed to give consideration to the competitive procurement by the F–18 prime contractor of an off the shelf on-board computer and report the findings to the Committees on Armed Services.

The conferees authorized the full funding request of $346.9 million, but caution the Navy to develop this aircraft in the most cost/performance effective manner.

Seafarer

The House bill authorized the requested amount of $29.8 million. The Senate bill reduced the amount to $22.4 million eliminating funds for the PISCES experiment ($2.4 million), studies of a deep underground system ($0.3 million), and the start of full scale engineering development ($4.7 million). The conferees agreed to authorize $27.2 million. The House conferees recede on the denial of funds for the PISCES experiment and studies of a deep underground system. The Senate conferees recede to the restoration of $4.7 million for the start of full scale engineering development, but the use is contingent upon: (1) completion of studies of the environmental and biological impact of the Seafarer system and the conclusion that the system poses no unacceptable environmental or biological hazards; (2) selection by the Navy of a candidate site; and (3) a firm plan including a schedule to begin installation of the system at the selected site.

F–14B engine

The House bill authorized $15.0 million for the continued development of a replacement engine for the F–14 aircraft. The Senate amendment provided $1.0 million for the program.

The conferees agreed that the problems with the current engine and the need for more power for the F–14 airplane dictate the need for the new engine.

The conferees intend that the funds be used for initial development of the F–14B engine on a competitive basis including hardware demonstration. The competitive hardware demonstration must be completed in time to permit selection of an engine and initiation of full-scale development on that engine by the end of fiscal year 1977. The Navy selection should be made on the basis of cost, projected aircraft performance, schedule, and other pertinent factors.

The Senate recedes.

Shipboard Intermediate Range Combat System (SIRCS)

The House bill deleted all of the $16.0 million requested for the Shipboard Intermediate Range Combat System (SIRCS), a project to develop a Navy ship missile and gun fire control system for the post 1985 time period. The House position was based on the lack of funding for more urgent, near-term problems with shipboard fire control systems which have higher priority for the fleet but which are not being funded in the present budget.

The Senate amendment reduced the request to $12.0 million on the basis the fiscal year 1977 request was over-budgeted.

The House conferees were persuasive that the Navy's near-term fire control system problems were of higher priority than this project to start a program which will not provide solutions before 1985. The Navy should assign highest priority to development efforts on near-term enhancements in capability.

The conferees agreed to provide $5.0 million in the Fire Control Systems Engineering program element for continuation of the Lightweight Modular Fire Control System (LWMFCS). Of the $5.0 million, a maximum of $2.0 million may be used to complete the industry concept formulation studies on SIRCS.

In view of the urgent need for improved fire control systems, the Navy can, if it chooses, submit a reprogramming request in accordance with established procedures to continue the LWMFCS which at the same time continuing the SIRCS program. The conferees emphasized, however, that any future support of SIRCS is contingent upon the Navy's active attention to the near- and intermediate-term fire control problems and needs.

The Senate recedes with an amendment.

Sea Launched Cruise Missile (SLCM)

The Navy requested $17.5 million for the advanced development and $164.9 million for the engineering development for the SLCM in the initial budget submission. A budget amendment requested an additional $15.3 million for advanced development. The budget amendment was submitted too late for House consideration and the Senate deferred the items requested in the amendment without prejudice.

The House bill reduced the funds authorized for engineering development to $100.0 million. The Senate amendment reduced the advanced development funding to $7.5 million and the engineering development request to $112.2 million. The Senate added $5.0 million for a backup turbofan engine for the tactical variant. The conferees deleted the backup turbofan engine, but authorized the $5.0 million for application to tactical options.

The conferees agreed to a SLCM funding profile of $12.551 million for advanced development and $107.250 million for engineering development. Specific reductions are as follows:

	Advanced development	Engineering development	Total
Alternate variant:			
Air vehicle	0	−23,000	−23,000
In-house	0	2,850	−2,850
Surface option	0	−21,100	−21,100
Land option	−2,900	−10,700	−13,600
B–52 launch	−7,100	0	−7,100
Fiscal year 1977 budget amendment	−15,300	0	−15,300
Total	−25,300	−52,650	−77,950

The conferees recognize the requirement for both tactical and strategic cruise missile capability for our naval forces. The conferees strongly emphasize that the basis for the reduction in this program emanates from the need to better tailor the funding profile and in no way reflects a lack of support for the cruise missile engineering development program. Since the strategic variant of the sea launched cruise missile and the Air Force air launched cruise missile can effectively use the same engine, navigation-guidance system, and warhead, the funding profile is adequate. Similarly, the tactical variant of the SLCM is intended to use the Harpoon engine, Harpoon guidance, the Bullpup warhead and an airframe that is common to the strategic variant.

The conferees believe that the date for initial operational capability can be met by this funding profile.

Sparrow AIM–7F missile

The House bill deleted all funds requested by the Navy and Air Force for the Sparrow AIM–7F product improvements. The Senate amendments authorized the full request.

The conferees included language in the bill that allows engineering development of the monopulse missile to proceed only if the missile test and evaluation results of the advanced development phase fully demonstrates the ability of the missile to satisfy the performance requirements and specifications established for the monopulse Sparrow missile. Further, engineering development may not proceed until the Air Force and Navy commence the hardware development of an adverse-weather, air-to-air, medium-range missile as a follow-on to the Sparrow series.

The Navy and Air Force are advised to insure a viable test program for the monopulse missile that will *clearly* demonstrate the ability of this missile to perform in an operational combat environment.

The Director, Test and Evaluation, is to provide a report to the Committees on Armed Services at the conclusion of the advanced development phase that describes the test plan, the environment (electronic countermeasures, etc.) the test conditions, and the test results and evaluations.

The conferees agreed to provide $2 million for completion of the advanced development phase, $15 million for the engineering development phase, and directed that $5.0 million be made available only for

use on the new, joint Navy/Air Force missile. The conferees intend that a competitive prototype program be established to provide advanced development hardware for evaluation within a one- to three-year period, and consistent with the current Air Force/Navy requirements definition effort.

Trident

The House bill authorized the entire Navy request of $522.5 million for the Trident missile system. The Senate amendment authorized $519.5 million and precluded the development of the Trident II missile.

In view of the current technical problems in the Trident program, the House accepted the Senate position to postpone the development of the longer-range Trident II missile. The Senate, however, agreed with the House recomendations that the Navy, within the authorized funding level, develop a backup propellant for this very essential program.

The conferees further authorized in Section 202 of the bill, $49 million in emergency funds for specific application to the development problems.

The conferees agreed to consider the Trident II as part of the fiscal year 1978 request for authorization.

Advanced ICBM technology (M–X)

The House bill authorized $80 million of the $84 million Air Force request. The Senate amendment reduced the authorization to $51.6 million. The conferees agreed to a total authorization of $69 million with the following considerations.

The rationale behind the development of a new missile system (M–X) is to provide a land based survivable strategic force. The development of an alternate basing mode as opposed to a fixed or silo based mode is the key element in insuring this survivable force. The conferees are in agreement that providing a survivable system should be the only purpose of this effort, that the design of this system should not be constrained for silo basing; that none of this program's funds shall be expended in fixed or silo basing for M–X; and that none of the program reduction shall reduce the Department's proposed investigations of mobile deployment.

The Senate in its Committee report directed a comprehensive study of our ICBM force and its role in our national strategic posture. The conferees agreed to this review with the stipulation that it be accompanied by a statment from the President certifying that the study reflects national policy.

Advanced Medium STOL Transport (AMST)

The House bill authorized the $29.3 million requested by the Air Force. The Senate Amendment reduced the request by $10 million.

The Senate receded to the House position with the understanding that the $10 million provided is to be used for requests for proposals, evaluations and analyses of these proposals, and such other plans and studies that may be necessary for considering full scale engineering development. These proposals and analyses shall include the improved C–130 aircraft as an active competitor for this intratheatre tactical airlift mission.

However, except for these above proposals, analyses and evaluations considered necesary to this transition effort, the conferees do not intend that the funds authorized shall be used to fund a third contractor to modify existing C–130 aircraft.

The Senate recedes.

Advanced attack weapon

The House bill deleted the entire Air Force request of $7.5 million. The Senate amendment authorized the full amount.

The conferees agreed that the efforts described in the request for the establishment of this new program are already underway in other Air Force research and development programs. The conferees believe that there is adequate funding to conduct the planned effort, and agreed to delete all funds without prejudice.

The Senate recedes.

Close air support weapons systems

The House bill reduced the Air Force request for $41,000,000 to $25,000,000. The Senate amendment authorized the total Air Force request.

Last year the conferees expressed concern over the cost and performance aspects of the imaging infrared seeker. The Air Force was requested to develop a plan that demonstrated the total system cost relative to the increased capability provided by such a seeker. The plan submitted by the Air Force was inadequate and did not address these issues. The issues were addressed on the basis of theoretical predictions without the incorporation of available test and experimental data. Cost was projected on the basis of significant fabrication advances and the cost of ancilliary equipment for the aircraft was ignored.

The conferees agreed to a funding level of $30,000,000 and again emphasized that no funds are to be utilized for engineering development of the imaging infrared seeker until a thorough and pertinent plan is presented to the Committees on Armed Services. This reduction by the conferees is not to be interpreted in any way as a lack of support for the laser seeker missile.

Compass Cope

The House provided all of the $6.0 million requested for this high altitude drone. The Senate deleted all of the funds, on the basis that the $4.9 million available in the FY 7T transition quarter should be adequate to continue the program during FY 1977 and because no mission or payload has been selected yet for the Compass Cope drone.

The conferees agreed to provide $6.0 million, $3.0 million to be available for FY 1977, and the remaining $3.0 million to be available only after a Department of Defense decision to select a mission for Compass Cope and to enter full scale development.

The Senate recedes, with an amendment.

Short Range Air-to-Air Missile (AIMVAL/ACEVAL)

The House reduced the Air Force request for $10.7 million to $4.3 million and the Navy request for $10.652 million to $6.652 million. The Senate amendment provided $2.7 million and $2.721 million, respectively, for this program, which is a joint effort to define the operational requirements for a new shortrange dogfight missile to follow the Sidewinder series.

The conferees agreed to provide $3.5 million for the Air Force and $2.721 million for the Navy for this program. The conferees reiterate the guidance given in prior years, that the purpose of AIMVAL/ACEVAL is to define the requirements for a common missile to replace the Sidewinder AIM–9L.

The House recedes, with an amendment.

Tactical expendable drones

The House bill provided the $7.0 million requested for two tactical expendable drone programs, a large size decoy drone and a small size mini-drone. The Senate amendment deleted $6.0 million of the request on the basis that full scale engineering development was premature for both projects.

The conferees agreed to restore $1.0 million to the mini-drone program to permit increased development efforts due to foreign interest in co-development of the concept. The authorization is $2.0 million.

The House recedes with an amendment.

F–15 squadrons

The House bill reduced the Air Force request of $51,000,000 by $45,000,000 authorizing a total of $6,000,000. The Senate amendment authorized the full request.

The House conferees recognize that a system as complex as a tactical fighter aircraft may require additional research and development following production. The F–15 program, however, received $184,000,000 in fiscal year 1975 for research and development and $35,000,000 in fiscal year 1976. No funds were even requested by the Air Force for the transitional period from July 1 to September 30, 1976. The request of $51,000,000 this year was not accompanied by a satisfactory explanation regarding F–15 needs or expenditures. Subsequent to House action, the Air Force identified the tactical electronics warfare system and AIM–9L sidewinder integration as two subsystems requiring additional funding and effort.

The conferees agreed to an authorization of $35,000,000. The conferees agree that further research and development funding will be authorized only after the Air Force presents an R&D completion plan to the Committees on Armed Services.

The House recedes with an amendment.

Surface defense suppression

The House bill resulted in a reduction of $6.0 million from the Air Force's request of $28.5 million. The reduction was intended to terminate efforts to develop a glide bomb system for the B–52D aircraft as well as any effort to integrate an imaging infrared seeker on the GBU–15 weapon. The Senate amendment authorized the full amount requested.

The Senate conferees were firm in their position that the B–52 has great utility in support of the sea control mission and felt the development of the weapons needed for that mission should not be discontinued. The conferees agreed that within the amount authorized, up to $2.0 million could be used to continue development of the B–52/GBU–15, along with an advanced development imaging infrared seeker. In addition, the conferees believe the potential armament considered for this mission should not be limited to one system and direct the Air Force to examine the utility of other weapons, such as Harpoon, Navy's MITOR and others. The Air Force must also address the cost of maintaining and operating such a force of aircraft for this mission and report that cost before requesting further funding for this program.

The Senate recedes.

Foreign weapons evaluation

The House bill reduced the combined three Services' requests, totaling $6.041 million, by $3.044 million to $3.0 million. The Senate bill approved full $6.041 million requested and added $10.0 million for a new program under the Director of Defense Research and Engineering.

The conferees agreed to restore the House reductions and add $1.5 million for each Service, making a total of $10.541 million ($3.5 million for each Service). The Senate conferees agreed to delete the $10.0 million included in the Senate bill for the new DDR&E program. The conferees directed the Secretary of Defense to conduct more vigorous oversight of this program to insure that these funds will be used effectively and for the purposes specifically provided.

Defense Advanced Research Projects Agency (DARPA)

The House bill authorized $231.4 million for DARPA, a reduction of $15.0 million from the $246.4 million requested. The Senate amendment authorized $237.8 million and made reductions in various program elements. The conferees agreed on a total authorization of $236 million, with the reduction of $10.4 million to be applied at the discretion of the Department of Defense.

TITLE III—ACTIVE FORCES

Active duty military strengths authorized in the House and Senate bills differed by a total of 20,200. The conferees agreed to compromise on strengths for each military service as follows:

	House bill	Senate bill	Conference request
Army	790,000	787,100	789,000
Navy	544,904	534,604	540,600
Marine Corps	196,000	190,000	192,000
Air Force	571,000	570,000	571,000

The conferees suggest that the reductions should be made in the general areas recommended in the Senate report with the following exceptions. The Senate reduction of Army and Air Force requested strengths in part was based on a withdrawal of U.S. forces than Thailand and a corresponding reduction in the overall strengths. The conferees agreed to permit the Army and Air Force to retain the strength authorization made available by the withdrawal from Thailand for improvement in combat unit strengths in the remaining force structure.

The conferees agreed that the Marine Corps should maintain high quality standards for recruiting and retention of personnel. They also

agreed that high overall strength targets could create pressure to sacrifice quality in order to achieve numbers. The authorized strength of the Marine Corps in the Conference Report reflects the conferees' determination that the Commandant should continue his policy of putting quality above quantity in the Marine Corps manpower program.

The authorized strength for the Navy reflects a shared concern of the conferees regarding the overall management of Navy manpower and personnel and the use of the Naval Reserve. This authorized strength would permit the Navy to fully man all new ships and to improve the manpower program in the individuals account which have been poorly managed in the past. The conferees agreed that the Navy should vigorously pursue its new man-the-ships-first policy which will substantially improve the manning of the fleet within current strength levels.

It can be expected that many new ships will be added to the fleet in the coming years. The Navy can be expected to request additional end strength, beyond the 540,600 authorized in this Conference Report, to man these additional ships. However, the conferees believe that quality standards should not be sacrificed and that manpower must be used efficiently and effectively. Therefore, the conferees wish to put the Navy on notice that appreciable additional increases in Navy manpower will receive unusually specific scrutiny until the Navy takes steps to manage its manpower more efficiently and to demonstrate persuasively that it is doing so. Accordingly, the Secretary of the Navy is directed to investigate and report to the Armed Services Committees by February 1, 1977 on the specific manpower-saving initiatives he proposes to take to achieve a more balanced Navy manpower program, including increased use of the Naval Reserve, as well as the steps he will take to adopt an effective manpower management system.

In addition, the conferees consider unsatisfactory the lack of progress by the Navy in understanding, defining, and explaining its manpower needs for the Navy shore establishment including individuals. The conferees are aware of the tentative steps now being taken in the Navy to improve the definition of shore requirements and standards, and to establish an adequate manpower planning system. The Navy is directed to accelerate this program with the aim of completion within two years, and further, that a progress report be provided to the Armed Services Committees every six months, beginning December 31, 1976.

Reallocation of compensation increases

The present law provides that when the Civil Service personnel receive a comparability pay increase, the military personnel are to receive a like increase in their Regular Military Compensation with the same percentage of increase applied in the three basic elements of RMC: basic pay, quarters allowance, and subsistence allowance. The President has submitted a legislative proposal which would provide for reallocating a greater portion of compensation increases into quarters allowance, and provide for a rebate of a portion of the reallocated compensation to bachelor personnel. The President's proposal would also have provided for a "fair market rental" system to allow varied levels of rent for married personnel living in government quarters.

Section 303 of the Senate amendment provided authority for reallocation of up to 25 percent of future increases in compensation into

quarters allowances. However, the Senate amendment did not include the bachelor rebate or the "fair market rental" portions of the President's proposal.

The House conferees concurred in a reallocation of compensation increases to more nearly meet the costs for which the increases are designed, and as a step in the direction of more adequate quarters allowances for military personnel. The House conferees also concurred in the Senate's position rejecting the "fair market rental" proposal of the Administration. However, the House conferees were adamant that reallocation of compensation increases would be inequitable without also authorizing the President to rebate to single personnel living in barracks and Bachelor Officers Quarters.

The Senate conferees, therefore, agree to include the bachelor rebate as part of the amendment to Section 109(b) of Title 37, United States Code, contained in Section 303 of the Senate amendment.

The House recedes with an amendment.

Payment for unused leave

Section 304 of the Senate amendment to the House bill would amend section 501 of title 37 of the United States Code to limit to 60 days the reimbursement for unused leave during a military member's career. This amendment would delete authority for payment of quarters and subsistence allowances as a part of this reimbursement for leave accrued after the enactment of this legislation. The Senate proposal will save $90 million in fiscal year 1977 and considerably larger amounts annually in future years.

The House bill had no similar provision; however, the House passed separate legislation (H.R. 9573) on November 17, 1975, to the same effect except that quarters and subsistence allowances at current rates were to be included in the reimbursement.

The House vigorously opposed the portion of this amendment deleting subsistence and quarters allowances from leave payments. However, the Senate was adamant.

The conferees agreed that the purpose of authorizing leave is to provide personnel rest and respite from the arduous duties of military service and not to encourage the accumulation of unused leave for additional pay. The Senate conferees argued that the provision, and particularly the elimination of the payment for quarters and subsistence in payments for unused leave, would encourage military members to take leave rather than accumulate it.

Under current law, officers and enlisted personnel are treated differently in the payment of quarters and subsistence for unused leave. By eliminating such payments, the Senate provision would treat all recipients of unused leave payments in the same manner.

The House reluctantly recedes.

Commissary store operations

The Department of Defense proposed in its FY 1977 budget request to phase out over a three-year period the appropriated fund support to commissary stores for labor-related costs and overseas utility costs. The House rejected this proposal and included language expressing congressional opposition to any change in the present method of providing financial support for military commissaries.

The Senate amendment, on the contrary, included a provision which would have required the phaseout of the appropriated subsidy for commissary operations over a three-year period.

The conferees discussed the commissary issue at great length. The conferees agreed that economies can be realized by improving the efficiency of commissary store operations. Such improvement would permit the commissary subsidy to be gradually reduced while retaining substantially the level of savings experienced by commissary patrons.

The conferees, therefore, direct the Secretary of the Department of Defense to institute management improvements and operational efficiencies for the purpose of reducing the present operating subsidies of the commissaries. The Secretary is further directed to inform the Committees on Armed Services of the House and Senate by February, 1, 1977, of the progress accomplished to improve the management of military commissary operations together with the savings achieved as a result of such improvements. Further, the Secretary should submit at that time plans for further improvements and projected savings in subsequent years.

The conferees agreed to strike from the bill both section 708 of the House-passed bill and section 305 of the Senate amendment.

The conferees of both Houses wish to make clear that their actions were intended solely to reduce the amount of appropriated fund support required by the commissaries and were not intended to eliminate commissary stores as such. The conferees of both Houses agreed that this important fringe benefit for military personnel should continue.

Legislative action is not required for improvement in the efficiency of commissary store operations or the gradual reduction of appropriated commissary subsidies. These issues are routinely reviewed in the annual appropriations process. The conferees agree that as less funds are needed for commissary subsidies they should be used for urgent military requirements such as improved readiness.

Bonus authority for military physicians

Section 306 of the Senate amendment extends until June 30, 1977, the section of Public Law 93–274 which provides authority to pay bonuses to physicians of the military services and the Public Health Service up to $13,500 per year. The House bill contained no such provision. The administrative proposal for extension of bonuses arrived subsequent to House consideration of the legislation.

Absent congressional action, the bonus authority of Public Law 93–274 will expire September 30, 1976. The conferees of both houses agreed on the continued need for the bonus authority to retain the minimum number of physicians for the Armed Forces.

The House, therefore, recedes.

The House conferees brought to the attention of the conference the problem which currently exists in the services because physicians included under the Berry Plan due to their initial active-duty obligation are not presently eligible for the bonus. These are specialists often in the position of teaching physicians who are eligible for the bonus. Therefore, a morale problem has been created and the retention among Berry Planners is far below what the Armed Forces medical departments desire. The conference rules prohibit inclusion of Berry Planners in the framework of the Senate amendment. The House conferees, in agreeing to the Senate amendment, therefore, indicated their intention to hold hearings on separate legislation to consider changes of law to authorize bonuses for Berry Plan physicians in the Armed Forces.

TITLE IV—RESERVE FORCES

Title IV of the bill contains the annual authorization for the strength of the Selected Reserve of each Reserve component of the Armed Forces for fiscal year 1977.

The House and Senate positions differed on the strengths for the Army Reserve and the Naval Reserve. There were no differences in the authorizations for any of the other Selected Reserve components.

For the Army Reserve, the Senate had authorized an average strength of 212,400 for fiscal year 1977 while the House had authorized 215,700.

The House receded in the case of the Army Reserve. The conferees noted that the Army Reserve strength has been maintained at a level below the current appropriated level of 212,400 for several months. The conferees agreed that an authorization of 212,400 represents a strength the Army Reserve can hope to attain in fiscal year 1977.

For the Naval Reserve the Senate had authorized 92,000 for fiscal year 1977 and the House had authorized 102,000.

The conferees agreed on 96,500.

The conferees are concerned with the lack of realistic mission assignments for the Naval Reserve as well as the degree of integration of active and Reserve naval manpower and missions. The conferees agree that the reduction of the paid drill strength of the Naval Reserve to 52,000 in the President's budget request for fiscal year 1977 was too severe and could have resulted in the loss of important personnel in technical and professional skill areas. At the same time, the conferees agree that the Navy should find improved ways to integrate and restructure the active and Reserve missions and manpower so as to increase the reliance on and reliability of the Naval Reserve.

The conferees note that real use of the Naval Reserve by the active Navy has decreased in recent years. The conferees recognize that the requirements of sea duty may make such integration more difficult than in the other services. However, the continuation of the Naval Reserve strength authorized for fiscal year 1977 will depend upon the ability of the Navy to assign vital missions to the Naval Reserve and integrate the Naval Reserve in the active forces.

It was agreed by the conferees that the 96,500 strength does not require reductions in the current number of Naval Reserve construction battalions (Seabee units).

Administrative-duty pay for Reserve and National Guard commanders

Section 402 of the Senate amendment to the House bill would repeal section 309 of title 37 of the United States Code which entitles Reserve and National Guard commanders additional pay in an amount not to exceed $240 a year for the performance of administrative duties.

The Senate amendment would repeal this entitlement based on the conclusion that conditions have changed since the time this authority was enacted since more paid drills are now provided reserve units and

full-time technician assistance is available which alleviate the commanders' administrative burdens.

The House opposed termination of this authority. This additional pay is provided to compensate reserve commanders for the extra time, outside of drill periods, they must spend to accomplish administrative duties. Further, a recent General Accounting Office report ("Need to Improve Efficiency of Reserve Training", June 26, 1975) was critical of the Reserve program because of the amount of administrative duties imposed on commanders because the time spent on these duties detracts from the commanders' availability to conduct unit training during drill periods. In light of this finding, the House considers it inappropriate to terminate this incentive for commanders to perform their administrative duties at other than paid-drill periods.

The Senate recedes.

TITLE V—CIVILIAN PERSONNEL

For fiscal year 1977, the Department of Defense requested an end strength authorization for civilian personnel of 1,035,800.

The House of Representatives authorized a Department-wide end strength of 1,040,981 or 5,181 above the Administration request.

The Senate authorized the end strengths for each of the Services as follows:

Army	373,500
Navy	318,581
Air Force	256,600
Defense agencies	79,200

The total of these strengths is 1,027,881 or 7,919 below the Administration request.

The conference agreed this year to provide for an overall Department of Defense-wide authorization for civilian personnel in FY 1977 of 1,031,000—a reduction of 4,800 from the Administration request. However, the conferees expect the Department of Defense to continue to request and justify civilian strengths by component.

The conferees believed that this reduction could be accomplished entirely by attrition rather than by means of a reduction-in-force.

The House conferees reluctantly agreed to this reduction of 4,800 from the Department's request in light of the fact that the legislation again provides authority (which has not been used to date) to exceed the authorized ceiling by ½% of the total, when the Secretary determines it is in the national interest to do so. One-half percent of this authority amounts to roughly 5,015 personnel which—when added to the authorized—is slightly above the original Department request.

Within this authorization the Secretary of Defense is given authority to allocate the personnel to the military departments and Defense agencies as he deems appropriate.

The conferees suggest that the reduction from the Department of Defense request of 4,800 which this agreement represents be made in the general areas recommended in the Senate committee report.

The conferees request that the Secretary of Defense report to the House and Senate Armed Services Committees within 60 days on the allocation of the reduction of the military services and manpower planning categories therein.

TITLE VI—MILITARY TRAINING STUDENT LOADS

Both the Senate and House authorized the Military Training Student Loads as requested by the Department of Defense and the numbers, therefore, were not subject to conference.

The Senate amendment to the bill however, incorporated a provision which would require the Secretary of Defense to adjust the Military Training Student Loads consistent with the manpower strengths in Titles III, IV, and V.

The House recedes.

Community College of the Air Force

The Senate bill included a provision (Section 602) which would authorize the Commander of the Air Training Command to confer academic degrees at the associate level for enlisted members graduating from the Community College of the Air Force. The Conferees believe that this authority could promote wider recognition and credibility of the Air Force's skilled training program both within the Air Force and within the civilian communty.

The House recedes.

Naval ROTC Programs at Federal and State Merchant Marine Academies

The Senate bill included a provision (Section 603) stating it to be the policy of the United States that the U.S. Navy and Merchant Marine work to promote integration of the nation's seapower forces. The provision also encourages steps to be taken to maintain Naval Reserve Officer Training Corps programs at the merchant marine academies and expects that the training at these academies meet Navy standards.

The House bill contained no similar provision.

The conferees agreed that it is important that U.S. naval forces and merchant marines be able to fully integrate their operations in an emergency and that to do this it is important for officers of the merchant marine academies to be trained in naval matters in accord with the Navy's standards and needs. The Senate provision would see that such standards are maintained.

The House recedes.

Marine Corps platoon leader pay

Section 604 of the Senate amendment extends for one year the authority of Public Law 92–172 to provide for financial assistance to members of the Marine Corps Officer Candidate Program.

The House recedes.

TITLE VII—SUPPLEMENTAL AUTHORIZATION

USS BELKNAP cruiser (conversion)

The House bill provided $213.0 million to provide for rebuilding and conversion of the cruiser USS BELKNAP (CG–26) which was damaged by collision and fire. The President, subsequent to House action, requested $213.0 million as a supplemental to the FY 1976 Defense Appropriations Authorization. The Senate amendment would have authorized $213.0 million supplemental authorization for FY 1976;

however, this item was not included in the FY 1976 Defense Supplemental Appropriations Act. The Conferees agreed to authorize $213.0 million for this purpose.

The Senate recedes.

The House bill provided $8.0 million for Research and Development and $213.0 million shipbuilding funds to rebuild the Navy cruiser Belknap (CLG–26) which was damaged by collision and fire. The President, subsequent to the House bill, requested these funds in a fiscal year 1976 supplemental request which was authorized by the Senate amendment.

The House receded to the Senate position to authorize the $8.0 million R&D fund in the fiscal year 1976 supplemental request; the Senate receded to the House position to authorize the $213.0 million shipbuilding fund for fiscal year 1977.

TITLE VIII—GENERAL PROVISIONS

Certification of claims

The House bill provides for certification of all claims. The Senate amendment has no such provision.

The House recedes.

Escalation in Operation and Maintenance funds

The House bill provides that sufficient provision be made in future authorization requests for escalation for Operation and Maintenance funds. The Senate amendment had no such provision.

The Senate recedes with an amendment which would give effect to this requirement for a two year period on a trial basis.

Outside counsel

The House bill would allow the Navy to hire outside counsel on a trial basis for five years. The Senate amendment had no such provision.

The House recedes.

Appeals

The House bill provides that the Government may appeal from decisions of the Armed Services Board of Contract Appeals. The Senate amendment had no such amendment.

The House recedes.

Contracting procedures for technical data

The House bill contained a provision, Section 705, to require the Department of Defense to include in all contracts for major weapons systems a deferred ordering clause for technical data and computer software. Although favoring the House language, the Senate conferees felt that the provision should be effective for two years only. At that time, resulting experience could be reviewed before any extension of the provision. The House conferees agreed to limit the effective period to two years.

Training Program Adjustments

The House recedes on section 706 of its bill which would have imposed a statutory requirement on the Secretary of Defense to notify the Congress in a timely manner before modifying or altering a major

training program in a substantial manner. The conferees agreed that statutory language of this sort could be somewhat inflexible and difficult to interpret. However, the conferees did agree with the basic intent of this amendment that Congress be informed of Department of Defense plans, including changes of plans, relative to training. Therefore, the Secretary of Defense is expected to notify the Congress through the House and Senate Committees on Armed Services and Appropriations Committees in a timely manner when major modifications to a training program are to occur, as well as enumerate each change and its rationale in the annual Military Training Report required by § 138 of title 10, United States Code.

Junior Reserve Officer Training Corps units

Section 707 of the House bill contains a provision which would amend the present law (10 USC 2031(a)) to increase the total number of JROTC units nationwide from 1,200 to 2,000 and, thus, provide greater opportunity for participation. Also, the section would allow military institutes to establish more than one unit in the school and, thus, provide a choice of service unit and some exposure to all the military services for students enrolled in the institute.

The Senate bill contained no such provision, with the explanation that such an increase would take manpower from higher priority programs.

The conferees agreed to reduce the total number of units in the House bill to provide for a statutory total of 1,600 units and to retain the provision which would allow for more than one unit in military institutes.

With the amendment, the Senate recedes.

Annual authorization of appropriations

The House bill (Sec. 709) included an expanded annual authorization requirement from that presently contained in existing law (Sec. 138 of Title X, United States Code). Under the provisions of the House language, there would have been enacted into law a broad requirement for an annual authorization for all appropriations for military functions administered by the Department of Defense. This differed from existing law in a number of respects which now requires only a specific annual authorization for approximately one-third of the Defense budget and an indirect authorization for personnel appropriations for another one-third of the annual Defense budget.

The conferees on the part of the Senate objected to the House language. The Senate conferees insisted on continuing the limited authorization requirement of existing law. In addition the Senate conferees insisted on a provision in the Senate amendment for an annual manpower requirements report to identify the missions allocated to the existing military base structure and a justification of the relationship of these bases to the total military force structure, as well as an identification of all base operating support costs and evaluation of possible alternatives to reduce such costs.

The Senate conferees were adamant in their position on this matter, and the House, therefore, reluctantly receded and accepted the Senate amendment.

Civil defense

The House included language to amend the Federal Civil Defense Act of 1950 to accomplish several objectives: (1) to make clear the intent of Congress that federal grant funds from the Defense Civil Preparedness Agency (DCPA) may be used by state and local agencies for preparedness against disasters other than disasters caused by an enemy attack; (2) to require annual authorization of the civil defense budget by the Committees on Armed Services of the House and Senate; and (3) to delete the expiration dates of those specific programmatic authorities under the Federal Civil Defense Act which terminate on June 30, 1976.

The Senate amendment included similar provisions designed to accomplish the same objectives as the House language. The Senate amendment, however, went further by not only including similar language as in the House bill in the policy statement with respect to natural disasters, but also writing this authority into the body of the law itself.

The Senate and House conferees, recognizing certain minor differences in the House and Senate language, resolved their differences on civil defense by preserving the common aspects of both positions by adapting the Senate amendment with certain changes to recognize some elements of the House position. Essentially, both bodies favor incorporating into the permanent law, not just in policy, language which recognizes that the primary mission of the civil defense program is directed toward preparation of an enemy attack. The new language does not adversely impact on this primary mission of civil defense. The conferees agreed that it is to be clearly understood that civil defense remains the primary mission of the DCPA and that civil defense funds and resources for natural disaster preparedness are in the nature of assistance for a secondary mission. However, the conferees were equally strong in their position that the resources of the DCPA should also, to the extent that they can be helpful, be used in the event of a natural disaster by making available personnel, organizational equipment, materials, and facilities of the civil defense system for the purposes of furnishing emergency assistance for natural disasters. It is not the purpose of this provision to infringe upon or duplicate the programs and functions of the Federal Disaster Assistance Agency or any other existing federal agency. The House recedes to the Senate amendment as modified in the conference.

Naval Reserve training facilities

The House bill included in section 711 a provision expressing the sense of Congress that Naval Reserve Training Centers and facilities in active use on March 1, 1976, should not be closed until the authorization and appropriations legislation for fiscal year 1977 is enacted. The Senate had no similar provision.

The Senate recedes.

The action of the conference authorizing an average strength for the Naval Reserve of 96,500, a figure well in excess of the 52,000 strength requested by the Administration for fiscal year 1977, is ample grounds for withholding any further steps to close Naval Reserve training facilities until a final resolution of this year's Naval Reserve strength. At the point in time when the authorized and appropriated

strength of the Naval Reserve is established in law for fiscal year 1977 and the training requirements growing from this strength are clear, a decision as to which training facilities are excess will be appropriate.

Elimination of 1% "kicker" on retired-pay increases

Section 801 of the Senate amendment amends Section 1401(a) (b) of Title 10 of United States Code to eliminate the so-called 1% add-on to cost-of-living increases in military retired pay and retired pay under the special CIA Retirement Program. The Senate provision is contingent on the repeal of the similar "kicker" for civilian government retirees. The "kicker" provides that whenever retirees receive the automatic increases in retired pay, tied to increases in the Consumer Price Index, they also receive an additional increase of 1%.

While the House bill contained no similar provision, the House Committee in its report to the Budget Committee earlier in the year had supported the elimination of the 1% "kicker" for military retired pay subject to identical action being taken for Civil Service retirees. The elimination of the 1% "kicker" was requested by the President.

The House conferees brought to the attention of the Conference the importance of achieving consistency of actions relating to military and civil service retirees with regard to the 1% kicker. The conferees of both houses were concerned that if, in the elimination of the 1% kicker as a permanent add-on, actions were taken in the civil service system to provide an additional increase to account for the time lag between the rise in the Consumer Price Index and the initiation of retired pay increases, similar action be taken for military retirees. The conferees, therefore, agreed on language, which is contained in the Conference Report, which will assure that whatever action is taken modifying the retired pay increase formula, authority will be available to apply the change to military and CIA retirees, as well as to civil service retirees.

The House recedes with an amendment.

Standardization

Section 802 of the Senate bill contained an amendment which would state the policy of the United States relating to certain actions and reports on the part of the Secretary of Defense to increase standardization and interoperability. The House conferees were concerned that standardization should not become a means of bypassing prudent considerations in the procurement process.

After extensive consideration, the conferees accepted an amendment which requires the Secretary of Defense to take into consideration in Defense procurement procedures the cost, function, quality and availability of the equipment to be procured while carrying out the policy of standardization.

In addition, the conferees accepted revisions suggested by the Department of Defense which would eliminate duplication in the reporting requirement related to standardization. This amendment requires that the Secretary of Defense report whenever he initiates procurement action on a new major system which is not standard or interoperable with equipment of other members of the North Atlantic Treaty Organization.

The House recedes with amendment.

In addition, the Senate amendment contained language in section 803 which would express the sense of Congress relating to future development of standardization and interoperability with the NATO Allies. The Department of Defense suggested an amendment which would eliminate part of the reporting requirement relating to justification of programs where a common NATO requirement is not defined.

The House recedes with an amendment.

Tax Payments to NATO Countries

Section 804 of the Senate amendment would have prevented payment of taxes to any NATO country in which military units of the United States are regularly stationed, if those taxes were imposed directly or indirectly on the unit, its members or its property and equipment.

The House conferees were adamant in their refusal to accept this provision on the basis that the Department of Defense could not fully identify the amount of taxes that are paid to NATO countries for these purposes. The conferees were also concerned that this provision could overturn arrangements in the various NATO countries for services and utilities and thereby create tensions among the NATO allies. The conferees request the Secretary of Defense to furnish a report to the Committee on Armed Services of the House and Senate on the amount and purposes of taxes paid to European countries as a result of stationing United States forces in those countries.

The Senate recedes.

Repeal of title VIII

The Senate amendment contains a provision, section 806, which would repeal title VIII of Public Law 93–365, providing for nuclear-powered naval strike forces.

The Senate recedes.

Retirees' suggestions

Section 807 of the Senate amendment would direct the Secretary of Defense to request from retiring military and civil service personnel of the Department of Defense (GS–13 or above) suggestions for proving procurement policies of the Defense Department.

The conferees believe that military and civilian personnel who have served a full career in the procurement field may have many substantive suggestions for improvement of the effectiveness and efficiency of procurement regulations and procedures. They further agree that the Secretary of Defense should make a determined effort to solicit and consider such suggestions. However, the House conferees believed that the current suggestion programs provide an adequate opportunity to receive and consider suggestions and was concerned about creating duplicative administrative procedures in law. The House conferees, therefore, decline to yield on statutory language. The conferees on the part of both Houses, nevertheless, are in accord with view that the Secretary of Defense should inform Commander of the need to vigorously pursue helpful suggestions from retiring personnel in regard to procurement policies. To this end, the conferees direct that the Secretary of Defense report back to the Congress next year on the results of this effort.

The Senate recedes.

Joint House-Senate study of aircraft carriers.

Section 808 of the Senate amendment had a provision requiring a joint study by the Armed Services Committees of the House and the Senate on the costs and effectiveness of aircraft carriers and their task forces. The House bill had no such provision.

In view of the large number of studies that have already been made on carriers and their task forces, and in light of the inherent ability of either committee to study the role of carriers on its own, the House conferees opposed another joint study.

The Senate recedes.

Study of industrially funded activities

Section 809 of the Senate amendment to the House bill would require the Secretary of Defense to conduct a study of industrially funded activities to determine, among other things, the feasibility of removing day to day manpower ceilings and establishing specific criteria for using this funding concept.

The House position is that such a study is unnecessary and duplicative since a very similar study was directed by the Senate Appropriations Committee in its report on the FY 1976 Defense Appropriations Bill. This study will be submitted to the respective Armed Services and Appropriations Committees.

The Senate recedes.

Feed and Forage Act

The Senate amendment contained a provision to repeal the so-called "Feed and Forage" section of the revised statutes. This is contained in section 11 of title 41, U.S. Code, and provides authority to contract for various items without regard to prior authorization appropriation.

The House conferees were unwilling to accept this provision in the absence of an official report on the legal ramifications associated with the measure. As a result the conferees agreed that the Department of Defense should submit a report to both the House and Senate Armed Services Committees which would:

(1) specify what particular costs could be paid for under the authority of the "Feed and Forage" provision;

(2) identify the internal DoD procedures and authority in invoking the "Feed and Forage" provision; and,

(3) describe the procedures for notifying Congress when the "Feed and Forage" provision is used.

The Senate recedes.

Greater utilization of civilian faculty at the service academies

The Senate added a provision to the House bill which would require the Secretary of Defense to conduct a study as to how greater utilization of civilian faculty may be accomplished in the service academies and intermediate and senior war colleges. The study would require an equitable ratio between civilian and military faculty in general academic subjects and it would identify those subjects in the curriculum classified as being in the general academic area. In addition, professional military instructors would be retained for solely military

and naval subjects. The results of the study would be forwarded to the Committees on Armed Services of the House and the Senate.

The House conferees objected to the language in the Senate amendment which would require that the study produce findings as to how greater utilization of civilian faculty at the academies and the war colleges may be accomplished. Also, the House conferees objected to the requirement that the study recommend an equitable ratio between civilian and military faculty in general academic subjects. In addition, the House conferees objected to the language in the amendment which would imply that professional military instructors would be retained solely for military and naval subjects and not teach general academic subjects.

The Senate conferees agreed to amend the language to indicate that the study would determine whether greater utilization of the civilian faculty may be desirable and to delete the requirement for a recommendation as to an equitable ratio between civilian and military faculty. Also, deleted was the requirement that professional military instructors be retained for solely military and naval subjects.

With the amendments to the Senate provision, the House recedes.

Oceanographer of the Navy

Section 812 of the Senate amendments to the House bill provides authority for the Secretary of the Navy to assign Rear Admiral J. Edward Snyder, Jr. (retired) to command status as the Oceanographer of the Navy.

The House Committee on Armed Services had reported legislation (H.R. 7113) similar to this provision on November 6, 1975 except that the Committee limited authority to assign Admiral Snyder to this command position to a period of three years from the date of enactment of the legislation. On November 18, 1975, H.R. 7113 was objected to on the Private Calendar by two members and automatically recommitted to the Committee.

The House recedes with an amendment which would limit the authority to assign Admiral Snyder as Oceanographer to a period not to exceed three years from the date of enactment of this legislation.

Armed Forces Institute of Pathology

The Senate added a provision to the House bill which would establish a legislative charter for the Armed Forces Institute of Pathology and to provide a mechanism whereby the Institute can continue to contribute both to military and civilian medicine.

The Armed Forces Institute of Pathology will have a Board of Governors whose performance will be monitored carefully by the Congress to insure that the international stature of the Institute is maintained. Should changes become necessary to preserve the quality of the Institute, appropriate legislative action will be taken.

The House conferees were in full support of the amendment and after various minor adjustments accepted the Senate position.

The House recedes.

BILL TOTALS

The House bill authorized $33.3 billion under titles I and II for Procurement and Research, Development, Test and Evaluation. The Senate amendent to the House bill authorized $31.8 billion. The conferees agreed to a compromise authorization of $32.5 billion.

MELVIN PRICE,
F. EDWARD HÉBERT (with reservation),
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
RICHARD H. ICHORD,
LUCIEN N. NEDZI,
WM. J. RANDALL,
CHARLES H. WILSON,
ROBERT L. LEGGETT,
BOB WILSON,
WILLIAM L. DICKINSON,
FLOYD SPENCE,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD W. CANNON,
THOMAS J. MCINTYRE,
HARRY F. BYRD, Jr.,
SAM NUNN,
STROM THURMOND,
JOHN TOWER,
DEWEY F. BARTLETT,
WILLIAM L. SCOTT,
ROBERT TAFT, Jr.,
Managers on the Part of the Senate.

Conference procedural problem

The House and Senate conferees on this bill were confronted with a heretofore unprecedented procedural problem. The problem involved the insistence of Members of Congress not designated as conferees to nonetheless remain in closed conference sessions.

One of the House conferees, Congressman F. Edward Hébert, made a point of order that the conference proceedings in closed session, in the presence of Members not designated as conferees, constituted a violation of the House Rules.

The Senate conferees concurred initially as an organizational matter that the conference should be held in closed session. However, the Senate conferees did not participate in any subsequent House vote to go into closed session and therefore did not take a position on this procedural question.

Congressman F. Edward Hébert refused to continue to proceed with conference business in closed session in the presence of Members of Congress not designated as conferees and requested that his refusal

be made a matter of record since he considered that this action by Members of Congress not members of the Conference Committee, constituted a violation of the Rules of the Conference Committee and the Rules of the House of Representatives.

Congressman F. Edward Hébert requested that his position on this procedural issue be made a matter of record as to "whether we were going to be a nation governed by laws or one governed by men who could ignore the law when it suited their purposes." Mr. Hébert therefore signed the conference report with this reservation.

STATEMENT OF REPRESENTATIVE F. EDWARD HÉBERT, D-LA., ON H.R. 12438, THE DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1977

Mr. Speaker, although I am in agreement with the contents of the conference report of the House and Senate conferees on H.R. 12438, the Department of Defense Authorization for Appropriations for FY 1977, I signed the report with reservations because the committee conducted its business contrary to the rules which it unanimously adopted.

On June 9, 1976, the day the conference committee was organized, I offered a motion that all sessions of the committee be held in executive session, and it was unanimously adopted. A second motion offered by me, also unanimously adopted, provided a limitation on the number of staff members and stipulated that only designated conferees could attend closed sessions. My statement and motion follow:

> I understand that both the House and the Senate have each designated 13 conferees. This totals 26 Members. Therefore, recognizing the limitations of space and the requirement for security of our proceedings, it appears necessary that there be established an over-all ceiling on the number of staff personnel who can be present during the conference proceedings. I would observe that one staff member per Congressional Member would appear to be adequate. Thus, I move that the total number of participants in the conference at any one time be limited to (a) the designated Senate conferees and not more than 15 staff members, excluding secretarial assistance, and (b) the designated House conferees and not more than 15 staff members, excluding secretarial assistance.

Without objection, the motion was agreed to.

At the first meeting of the conferees, operating under the rules which had been unanimously adopted, the committee adhered to the House rule on executive sessions. It states that a quorum must be present and a vote taken vocally at the beginning of the meeting on whether the committee will meet in executive session. A quorum being present, the chairman polled the House conferees who voted unanimously to go into executive session.

I raised a point of order after we went into executive session, noting that there were Members of Congress present who were not designated conferees and that their presence was in violation of the rules of the committee and in violation of the rules of the House.

The House rule states:

> Any Member of the House may be present at any select committee, but can not vote, and must give place to all of the committee, and sit below them. This phrase must be read in conjunction with the power of a committee of the House to conduct proceedings in executive session . . . Thus a committee may close its doors in executive session to persons not invited or required, including Members of the House who are not members of the committee.

The chair agreed with my position, and a motion was made asking the Members who were in violation of the rules to leave the premises. The vote was: seven affirmative, one negative, and one voting present, and the motion was adopted.

The chairman then asked the uninvited Members to leave. They refused. At this point, I announced that I would not participate in a meeting which was being conducted contrary to the rules adopted by the committee, and I respectfully withdrew from the meeting.

I followed the same procedure on subsequent occasions to make the record quite clear that I would not violate the rules of procedure and that I would adhere to the House rules and the rules of the conference committee.

Between meetings, I personally talked with the Parliamentarian of the House, and he advised me that my position was correct. Under the rules, Members not designated as conferees are not privileged to attend an executive session. Therefore, I continued to remain away from these sessions.

In this statement, I must point out that a very serious situation presents itself. It is a situation which will ultimately cause chaos and complete confusion. The fundamental basis upon which our government was founded is that it is a government of law and not men. A rule is a part of a law, and that law must be adhered to if we are to operate in an orderly manner with full respect for the right of the rule of the majority.

The violation of this law can be recognized as a small sore which will grow into a devastating cancer of the entire body politic. If the law is wrong, we should change it. I suggested that myself. I suggested we ask the Parliamentarian for an interpretation of the law, and I agreed to abide by his interpretation. I did exactly that. As I mentioned, his interpretation was the same as the position I took.

What are we faced with? What is the confrontation we have? The Members of Congress who attend these conference meetings and refuse to obey the rules leave but one alternative—ejection by the Sergeant-at-Arms of the House. This, of course, would cause confusion and create a physical confrontation and give notoriety to the Members, which is their basic reason for resorting to these tactics. In view of this, I left the conference to avoid such a confrontation.

For the sake of argument, let's say that any Member of Congress has a right to attend a conference which is being conducted in executive session. What gives one, two, three, four, or fifteen Members the privilege or courtesy of attending? Shouldn't this privilege or courtesy be extended to every Member of Congress? The problem of who would

designate what Members would attend conferences as nonvolunteer observers then arises.

In this particular instance, we had the situation where the number of observers was increased on at least one occasion. Supposing an emotional amendment is before a conference committee and 50 Members are vitally and sincerely involved and decide they want to protest or uphold their position. They have the same right, privilege, or courtesy to attend that closed session as any other Member of Congress has. You cannot differentiate between Members of Congress. That is why all Members of Congress must be controlled by and adhere to the rules of the committee and the House.

We have a situation in this conference where a very small minority of individuals flagrantly refused to accept and violated the rules which had been adopted, defied the law, and transgressed upon a closed meeting. From this kind of attitude comes your confusion.

A related problem which develops is leaks. It would be naive to think leaks can be completely stopped, but we can minimize the ability to leak by keeping the conference limited to only designated conferees. It is perfectly obvious that the possibility of a leak is less with 20 people than with 100 or 200 or whatever number, which would be permissible in the manner in which this conference was conducted.

This situation must be nipped in the bud now because of its possible catastrophic affect upon the orderly conduct of the House. I feel compelled, therefore, to make this statement and explain why I signed the conference report with reservations although I agree with its contents. I think it is important that this matter be brought officially to the attention of the House and the Senate. Every Member of Congress needs to be aware of the defiance that emerged in a small group of individuals in the House of Representatives, threatening to destroy the very foundation of our government. This is a government of law, not men, and these Members erase the law and make it a government of men.

If this situation is not corrected, only disaster lies ahead.

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94TH CONGRESS 2d Session } SENATE { REPORT No. 94-1004

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1977 FOR MILITARY PROCUREMENT, RESEARCH AND DEVELOPMENT, ACTIVE DUTY RESERVE, AND CIVILIAN PERSONNEL STRENGTH LEVELS, MILITARY TRAINING STUDENT LOADS, AND FOR OTHER PURPOSES

JUNE 28 (legislative day, JUNE 18), 1976.—Ordered to be printed

Mr. STENNIS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 12438]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1977 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons in amounts as follows:

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AIRCRAFT

For aircraft: for the Army, $554,100,000; for the Navy and the Marine Corps, $2,995,800,000, of which not more than $104,100,000 shall be available only for the procurement of US-3A COD aircraft and of which $65,800,000 shall be available only for the procurement of the A-6E aircraft; for the Air Force, $6,143,800,000.

MISSILES

For missiles: for the Army, $552,400,000; for the Navy, $1,732,900,000, of which no funds may be expended on the Sparrow AIM-7F missile program until the Secretary of Defense certifies to the Committees on Armed Services of the Senate and the House of Representatives that he has reviewed the test and evaluation results for such missile and has determined, on the basis of such results, that such missile fulfills Navy and Air Force mission requirements and is combat-effective; for the Marine Corps, $71,900,000; for the Air Force, $1,883,100,000, of which $317,000,000 shall be used only for the procurement of Minuteman III missiles.

NAVAL VESSELS

For naval vessels: for the Navy, $6,655,000,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $1,056,500,000, of which $65,200,000 shall be available for plant facilities expansion and modernization for future XM-1 tank production, but none of such funds may be obligated on a specific production site until such time as competitive testing between possible United States XM-1 tank contenders has been completed and a winning United States contractor designated; for the Marine Corps, $29,700,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $236,800,000.

OTHER WEAPONS

For other weapons: for the Army, $57,300,000; for the Navy, $73,000,000; for the Marine Corps, $3,500,000; for the Air Force, $400,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1977 for the use of the Armed Forces of the United States for research, development, test, and evaluation in amounts as follows:

For the Army, $2,281,491,000, except that none of the funds authorized by this Act may be used to initiate Phase 2 engineering development on the 30 millimeter gun for the Advance Attack Helicopter until (1) the Secretary of the Army has selected the ammunition for such gun and notified the Committees on Armed Services of the Senate and the House of Representatives of such selection, and (2) 30 days have expired following the day on which such committees received such notification.

For the Navy (including the Marine Corps), $3,708,101,000; of which not to exceed $2,000,000 shall be available for the completion by June 30, 1977, of the advanced development phase of the Sparrow AIM-7F monopulse missile; and of which $15,000,000 shall be available for the engineering development phase of the AIM-7F monopulse missile, but only if (1) the missile flight test and evaluation results fully demonstrate the ability of such missile to perform in accordance with the specifications and requirements for the AIM-7F monopulse missile, and (2) not less than $5,000,000 has been appropriated for the development of a new adverse weather medium range air-to-air missile and the Secretary of the Navy and Secretary of the Air Force have commenced development of such missile.

For the Air Force, $3,749,530,000; and

For the Defense Agencies, $687,880,000, of which $30,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

SEC. 202. For the Director of Defense Research and Engineering, $49,000,000 to be used only for research, development, test, and evaluation of the Trident missile system, including the continued design of the thrust termination system and the development of a backup propellent for such system.

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning October 1, 1976, the components of the Armed Forces are authorized end strengths for active duty personnel as follows:

(1) The Army, 789,000;
(2) The Navy, 540,600;
(3) The Marine Corps, 192,000;
(4) The Air Force, 571,000.

SEC. 302. Paragraph (3) of section 138(c) of title 10, United States Code, is amended by adding at the end thereof a new sentence as follows: "Such report shall also identify, define, and group by mission and by region the types of military bases, installations, and facilities and shall provide an explanation and justification of the relationship between this base structure and the proposed military force structure together with a comprehensive identification of base operating support costs and an evaluation of possible alternatives to reduce such costs.".

SEC. 303. (a) Clause (3) of section 1009(b) of title 37, United States Code, is amended by inserting "subject to subsection (c)," after "(3)".

(b) Section 1009 of such title is further amended by adding at the end thereof the following new subsections:

"(c) Whenever the President determines such action to be in the best interest of the Government, he is authorized to allocate the overall average percentage of any increase described in subsection (b)(3) among the elements of compensation specified in subsection (a) on a percentage basis other than an equal percentage basis; however, the amount allocated to the element of monthly basic pay may not be less than 75 per centum of the amount that would have been allocated to the element of basic pay under subsection (b)(3).

"(d) Under regulations prescribed by the President, whenever the President exercises his authority under subsection (c) to allocate the elements of compensation specified in subsection (a) on a percentage basis other than an equal percentage basis, he may pay to each member without dependents who, under section 403(b) or (c), is not entitled to receive a basic allowance for quarters, an amount equal to the difference between (1) the amount of such increase under subsection (c) in the amount of the basic allowance for quarters which, but for section 403(b) or (c), such member would be entitled to receive, and (2) the amount by which such basic allowance for quarters would have been increased under subsection (b)(3) if the President had not exercised such authority.

"(e) Whenever the President plans to exercise his authority under subsection (c) with respect to any anticipated increase in the compensation of members of the uniformed services, he shall advise the Congress, at the earliest practicable time prior to the effective date of such increase, regarding the proposed allocation of such increase among the different elements of compensation.

"(f) The allocations of increases made under this section among the three elements of compensation shall be assessed in conjunction with the quadrennial review of military compensation required by section 1008(b), and a full report shall be made to the Congress summarizing the objectives and results of those allocations.".

SEC. 304. (a) Subsection (a) of section 501 of title 37, United States Code, is amended by (1) striking out "In subsections (b)-(f) of this section—

"(1) 'discharge' means—"

and inserting in lieu thereof "In this section, 'discharge' means—"; (2) redesignating subclauses (A), (B), and (C) of clause (1) as clauses (1), (2), and (3), respectively; and (3) striking out the semicolon at the end of clause (3), as redesignated, and inserting in lieu thereof a period.

(b) Subsection (a) of such section is further amended by striking out clauses (2), (3), and (4).

(c) Subsection (b) of such section is amended to read as follows:

"(b)(1) A member of the Army, Navy, Air Force, Marine Corps, Coast Guard, or National Oceanic and Atmospheric Administration, who has accrued leave to his credit at the time of his discharge, is entitled to be paid in cash or by a check on the Treasurer of the United States for such leave on the basis of the basic pay to which he was entitled on the date of discharge.

"(2) Payment may not be made under this subsection to a member who is discharged for the purpose of accepting an appointment or a warrant, or entering into an enlistment, in any uniformed service.

"(3) Payment may not be made to a member for any leave he elects to have carried over to a new enlistment in any uniformed service on the day after the date of his discharge; but payment may be made to a member for any leave he elects not to carry over to a new enlistment. However, the number of days of leave for which payment is made may not exceed sixty, less the number of days for which payment was previously made under this section after the first day of the second calendar month following the month in which the Department of Defense Appropriation Authorization Act, 1977, was enacted.

"(4) A member to whom a payment may not be made under this subsection, or a member who reverts from officer to enlisted status, carries the accrued leave standing to his credit from the one status to the other within any uniformed service.".

(d) The last sentence of subsection (d) of such section is amended to read as follows: "However, the number of days upon which payment is based is subject to subsection (f).".

(e) Subsection (e) of such section is amended by striking out "Environmental Science Services Administration" and inserting in lieu thereof "National Oceanic and Atmospheric Administration".

(f) Subsection (f) is amended to read as follows:

"(f) The number of days upon which payment under subsection (b), (d), or (g) is based may not exceed sixty, less the number of days for which payment has been previously made under such subsections after the first day of the second calendar month following the month in which the Department of Defense Appropriation Authorization Act, 1977, was enacted. For the purposes of this subsection, the number of days upon which payment may be based shall be determined without regard to any break in service or change in status in the uniformed services.".

(g) The second sentence of subsection (g) is amended to read as follows: "However, the number of days upon which the lump-sum payment is based is subject to subsection (f).".

(h) Notwithstanding the provisions of section 501(b)(1) of title 37, United States Code, as amended by subsection (c), and subject to the limitations prescribed in section 501(b)(3) of such title, as amended by subsection (c), any leave accrued by any member of the Army, Navy, Air Force, Marine Corps, Coast Guard, or National Oceanic and Atmospheric Administration prior to the first day of the second calendar month following the month in which this section is enacted shall, at the option of such member, be paid for on the same basis such leave would have been paid for under the provisions of section 501(b) of title 37, United States Code, on the day prior to the first day of the second calendar month following the month in which this section is enacted.

SEC. 305. The second sentence of section 2 of Public Law 93-274 (88 Stat. 94) is amended by striking out that portion preceding "authority for" and inserting in lieu thereof "The".

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year beginning October 1, 1976, the Selected Reserves of the Reserve components of the Armed Forces

shall be programed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 390,000;
(2) The Army Reserve, 212,400;
(3) The Naval Reserve, 96,500;
(4) The Marine Corps Reserve, 33,500;
(5) The Air National Guard of the United States, 93,300;
(6) The Air Force Reserve, 52,000;
(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during such fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during such fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning October 1, 1976, the Department of Defense is authorized an end strength for civilian personnel of 1,031,000.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy, including the Marine Corps, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which the allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the authorized end strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, duty, or activity is transferred or assigned to a department or agency of the Department

of Defense from a department or agency outside of the Department of Defense or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed one-half of 1 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. (a) For the fiscal year beginning October 1, 1976, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 81,429;
(2) The Navy, 66,914;
(3) The Marine Corps, 25,501;
(4) The Air Force, 49,610;
(5) The Army National Guard of the United States, 12,804;
(6) The Army Reserve, 7,023;
(7) The Naval Reserve, 1,257;
(8) The Marine Corps Reserve, 3,562;
(9) The Air National Guard of the United States, 2,232; and
(10) The Air Force Reserve, 1,107.

(b) The average military training student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized by subsection (a) for the fiscal year beginning October 1, 1976, shall be adjusted consistent with the manpower strengths authorized by titles III, IV, and V of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

SEC. 602. Chapter 901 of title 10, United States Code, is amended by adding at the end thereof the following new section and inserting a corresponding item in the analysis of such chapter:

"§ 9315. Community College of the Air Force: associate degrees

"(a) There is in the Air Force a Community College of the Air Force. Such college, in cooperation with civilian colleges and universities, shall—

"(1) prescribe programs of higher education for enlisted members of the armed forces designed to improve the technical, managerial, and related skills of such members and to prepare such members for military jobs which require the utilization of such skills; and

"(2) monitor on a continuing basis the progress of members pursuing such programs.

"(b) Subject to subsection (c), the commander of the Air Training Command of the Air Force may confer an academic degree at the level of associate upon any enlisted member who has completed the program prescribed by the Community College of the Air Force.

"(c) No degree may be conferred upon any enlisted member under this section unless (1) the Community College of the Air Force certifies to the commander of the Air Force Training Command that such member has satisfied all the requirements prescribed for such degree, and (2) the Commissioner of Education of the Department of Health, Education, and Welfare determines that the standards for the award of academic degrees in agencies of the United States have been met.".

SEC. 603. (a) It is the policy of the United States that the United States Navy and the Merchant Marine of the United States work closely together to promote the maximum integration of the total seapower forces of the Nation. In furtherance of this policy, it is necessary and desirable that special steps be taken to assure that Naval Reserve Officer Training Corps programs (for training future naval officers) be maintained at Federal and State merchant marine academies.

(b) It is the sense of the Congress that the Secretary of the Navy should work with the Assistant Secretary of Commerce for Maritime Affairs and the administrators of the several merchant marine academies to assure that the training available at these academies is consistent with Navy standards and needs.

SEC. 604. The Act of November 24, 1951, Public Law 92–172 (85 Stat. 491), is amended by striking out "1976" and inserting in lieu thereof "1977".

TITLE VII—SUPPLEMENTAL AUTHORIZATION OF FUNDS FOR THE NAVY FOR FISCAL YEAR 1976

SEC. 701. In addition to the funds authorized to be appropriated by the Department of Defense Appropriation Authorization Act, 1976, there is authorized to be appropriated to the Navy during the fiscal year 1976 for research, development, test, and evaluation, $8,000,000.

TITLE VIII—GENERAL PROVISIONS

SEC. 801. (a) The second sentence of section 1401a(b) of title 10, United States Code, is amended by striking out "the per centum obtained by adding 1 per centum and".

(b) The second sentence of paragraph (2) of section 291(a) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is amended by striking out "1 per centum plus".

(c)(1) The amendments made by subsections (a) and (b) shall not become effective unless legislation is enacted repealing the so-called 1 per centum add-on provision applicable to the cost-of-living adjustment of annuities paid under chapter 83 of title 5, United States Code.

In the event such legislation is enacted, such amendments shall become effective with respect to the cost-of-living adjustment of the retired pay and retainer pay of members and former members of the Armed Forces and the cost-of-living adjustment of annuities paid under the Central Intelligence Agency Act of 1964 for Certain Employees at the same time the repeal of such 1 per centum add-on provision becomes effective with respect to such cost-of-living adjustment of annuities paid under such chapter 83.

(2) If any change other than the repeal of the so-called 1 per centum add-on provision referred to in paragraph (1) is made in the method of computing the cost-of-living adjustment of annuities paid under chapter 83 of title 5, United States Code, the President shall make the same change in the cost-of-living adjustment of retired pay and retainer pay of members and former members of the Armed Forces and the cost-of-living adjustment of annuities paid under the Central Intelligence Agency Act of 1964 for Certain Employees. Any change made under this paragraph shall have the same effective date as the effective date applicable to such change made in annuities under chapter 83 of title 5, United States Code.

(3) The provisions of paragraphs (1) and (2) relating to any change in the method of computing the cost-of-living adjustment of the retired pay or retainer pay of members and former members of the Armed Forces shall be applicable to the computation of cost-of-living adjustments of the retired pay of commissioned officers of the National Oceanic and Atmospheric Administration and the retired pay of commissioned officers of the Public Health Service.

SEC. 802. Section 814(a) of the Department of Defense Appropriation Authorization Act, 1976 (89 Stat. 544), is amended to read as follows:

"(a)(1) It is the policy of the United States that equipment procured for the use of personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty should be standardized or at least interoperable with equipment of other members of the North Atlantic Treaty Organization. In carrying out such policy the Secretary of Defense shall, to the maximum feasible extent, initiate and carry out procurement procedures that provide for the acquisition of equipment which is standardized or interoperable with equipment of other members of the North Atlantic Treaty Organization whenever such equipment is to be used by personnel of the Armed Forces of the United States stationed in Europe under the terms of the North Atlantic Treaty. Such procedures shall also take into consideration the cost, functions, quality, and availability of the equipment to be procured. In any case in which equipment authorized to be procured under title I of this Act is utilized for the purpose of carrying out the foregoing policy, the Secretary of Defense shall report to Congress the full details of the nature and substance of any and all agreements entered into by the United States with any other member or members of the North Atlantic Treaty Organization providing for the acquisition of equipment manufactured outside the United States in exchange for, or as a part of, any other agreement by such member or members to acquire equipment manufactured in the

United States. Such report shall be made by the Secretary within 30 days of the date of enactment of this Act.

"(2) Whenever the Secretary of Defense determines that it is necessary, in order to carry out the policy expressed in paragraph (1) of this subsection, to procure equipment manufactured outside the United States, he is authorized to determine, for the purposes of section 2 of title III of the Act of March 3, 1933 (47 Stat. 1520; 41 U.S.C. 10a), that the acquisition of such equipment manufactured in the United States is inconsistent with the public interest.

"(3) In any case in which the Secretary of Defense initiates procurement action on a new major system which is not standard or interoperable with equipment of other members of the North Atlantic Treaty Organization, he shall report that fact to the Congress in the annual report required under section 302(c) of Public Law 93-365, as amended, including a description of the system to be procured and the reasons for that choice.".

SEC. 803. (a) It is the sense of Congress that weapons systems being developed wholly or primarily for employment in the North Atlantic Treaty Organization theater shall conform to a common North Atlantic Treaty Organization requirement in order to proceed toward joint doctrine and planning and to facilitate maximum feasible standardization and interoperability of equipment. A common North Atlantic Treaty Organization requirement shall be understood to include a common definition of the military threat to the North Atlantic Treaty Organization countries. The Secretary of Defense shall, in the reports required by section 302(c) of Public Law 93-365, as amended, identify those programs in research and development for United States forces in Europe and the common North Atlantic Treaty Organization requirements which such programs support. In the absence of such common requirement, the Secretary shall include a discussion of the actions taken within the North Atlantic Alliance in pursuit of a common requirement. The Secretary of Defense shall also report on efforts to establish a regular procedure and mechanism within the North Atlantic Treaty Organization for determining common military requirements.

(b) It is the sense of the Congress that progress toward the realization of the objectives of standardization and inter-operability would be enhanced by expanded inter-Allied procurement of arms and equipment within the North Atlantic Treaty Organization. It is further the sense of the Congress that expanded inter-Allied procurement would be facilitated by greater reliance on licensing and coproduction agreements among the signatories of the North Atlantic Treaty. It is the Congress' considered judgment that such agreements, if properly constructed so as to preserve the efficiencies associated with economies of scale, could not only minimize potential economic hardship to parties to such agreements but also increase the survivability, in time of war, of the Alliance's armaments production base by dispersing manufacturing facilities. Accordingly, the Secretary of Defense, in conjunction with appropriate representatives of other members of the Alliance, shall attempt to the maximum extent feasible (1) to identify areas for such cooperative arrangements and (2) to negotiate such agreements pursuant to these ends. The Secretary of Defense shall include in the report to the Congress required by section 302(c) of

Public Law 93-365, as amended, a discussion of the specific assessments made under the above provisions and the results achieved with the North Atlantic Treaty Organization allies.

(c) It is the sense of the Congress that standardization of weapons and equipment within the North Atlantic Alliance on the basis of a "two-way street" concept of cooperation in defense procurement between Europe and North America could only work in a realistic sense if the European nations operated on a united and collective basis. Accordingly, the Congress encourages the governments of Europe to accelerate their present efforts to achieve European armaments collaboration among all European members of the Alliance.

SEC. 804. (a) Section 2 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251) is amended by inserting after the third sentence thereof a new sentence as follows: "The Congress recognizes that the organization structure established jointly by the Federal Government and the several States and their political subdivisions for civil defense purposes can be effectively utilized, without adversely affecting the basic civil defense objectives of this Act, to provide relief and assistance to people in areas of the United States struck by disasters other than disasters caused by enemy attack.".

(b) Section 408 of such Act (50 U.S.C. App. 2260) is amended by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act in the fiscal year ending September 30, 1977. No funds may be appropriated for any fiscal year beginning after September 30, 1977, for carrying out the purpose of this Act, unless such funds have been authorized for such purpose by legislation enacted after the date of enactment of the Department of Defense Appropriations Authorization Act, 1977.".

(c) Section 201 of such Act (50 U.S.C. App. 2281) is amended—

(1) by striking out in subsection (e) "Provided further, That the authority to pay travel and per diem expenses of students as authorized by this subsection shall terminate on June 30, 1976."; and

(2) by striking out in the fourth proviso of subsection (h) "until June 30, 1976,".

(d) Subsection (h) of section 205 of such Act (50 U.S.C. App. 2286 (h)) is amended to read as follows:

"(h) Funds made available to the States under this Act may be used, to the extent and under such terms and conditions as shall be prescribed by the Administrator, for providing emergency assistance, including civil defense personnel, organizational equipment, materials, and facilities, in any area of the United States which suffers a disaster other than a disaster caused by an enemy attack.".

SEC. 805. (a) During the period beginning on October 1, 1976, and ending on September 30, 1978, each contract entered into by a military department for development or procurement of a major system shall, except as provided in subsection (b), include a deferred ordering clause giving the procuring authority for such system the option to purchase from the contractor involved technical data and computer software packages relating to such system. Such clause shall require such packages to be in sufficient detail to enable such procuring au-

thority to reprocure such system, or a subsystem of such system, from a contractor other than the contractor involved in such contract.

(b) Any procuring authority to whom subsection (a) applies may exempt a particular contract for development or procurement of a major system from the requirements of such subsection, but, prior to the time any such contract without the deferred ordering clause required by such subsection is entered into, the procuring authority concerned shall report his intent to enter into such contract to the Committees on Armed Services and Appropriations of the Senate and House of Representatives with a detailed explanation for such exemption.

(c) For the purposes of this section:

(1) The term "major system" means a composite of equipment, skills, and techniques which is capable of performing, or supporting performance of, an operational role and which requires an investment in research, design, test, and evaluation of not less than $50 million or a total production investment of not less than $200 million.

(2) The term "deferred ordering" means delaying the ordering of an item related to a contract until a need for such item is established and the requirements for such item can be specifically identified for delivery under such contract.

(3) The term "technical data" means, with respect to a major system, recorded data, regardless of form or characteristic, of a scientific or technical nature which is related to such system.

SEC. 806. The President shall include in the budget for fiscal year 1978 a request for funds sufficient to meet the total operation and maintenance costs of the Department of Defense for such year, including reasonably foreseeable increases in both the private and public sectors in the cost of labor, material, and other goods and services.

SEC. 807. Section 2031(a) of title 10, United States Code, is amended by striking out "1,200" in the second sentence and inserting in lieu thereof "1,600" and by striking out the period at the end and inserting in lieu thereof a comma and the following: "except that more than one such unit may be established and maintained at any military institute.".

SEC. 808. It is the sense of the Congress that the Secretary of the Navy shall not take action with respect to closing, disestablishing, or terminating any Naval Reserve Training Center or Facility which was in active use on March 1, 1976, until legislation providing funds for the Selected Reserve of the Naval Reserve for fiscal year 1977 has been enacted into law.

SEC. 809. The Secretary of Defense shall conduct a study to determine whether greater utilization of civilian faculty may be desirable at the service academies and intermediate and senior war colleges. Such study shall identify those subjects in the curriculums of such academies and colleges which are classified as being in the general academic area. The results of such study shall be submitted to the Committees on Armed Services of the Senate and House of Representatives not later than February 28, 1977.

SEC. 810. Notwithstanding any other provision of law, the Secretary of the Navy is authorized to assign Rear Admiral J. Edward Snyder, Jr. (retired), to a command status as the Oceanographer of the Navy for a period not to exceed three years from the date of enactment of this Act.

SEC. 811. (a)(1) The Congress hereby finds and declares that—

(A) the Armed Forces Institute of Pathology offers unique pathologic support to national and international medicine;

(B) the Institute contains the Nation's most comprehensive collection of pathologic specimens for study and a staff of prestigious pathologists engaged in consultation, education, and research;

(C) the activities of the Institute are of unique and vital importance in support of the health care of the Armed Forces of the United States;

(D) the activities of the Institute are also of unique and vital importance in support of the civilian health care system of the United States;

(E) the Institute provides an important focus for the exchange of information between civilian and military medicine, to the benefit of both; and

(F) it is important to the health of the American people and of the members of the Armed Forces of the United States that the Institute continue its activities in serving both the military and civilian sectors in education, consultation, and research in the medical, dental, and veterinary sciences.

(2) The Congress further finds and declares that beneficial cooperative efforts between private individuals, professional societies, and other entities on the one hand and the Armed Forces Institute of Pathology on the other can be carried out most effectively through the establishment of a private corporation.

(b) Chapter 7 of title 10, United States Code, is amended by adding at the end thereof the following new sections:

"§ 176. Armed Forces Institute of Pathology

"(a)(1) There is in the Department of Defense an Institute to be known as the Armed Forces Institute of Pathology (hereinafter in this section referred to as the "Institute"), which has the responsibilities, functions, authority, and relationships set forth in this section. The Institute shall be a joint entity of the three military departments, subject to the authority, direction, and control of the Secretary of Defense.

"(2) The Institute shall consist of a Board of Governors, a Director, two Deputy Directors, and a staff of such professional, technical, and clerical personnel as may be required.

"(3) The Board of Governors shall consist of the Assistant Secretary of Defense for Health Affairs, who shall serve as chairman of the Board of Governors, the Assistant Secretary of Health, Education, and Welfare for Health, the Surgeons General of the Army, Navy, and Air Force, the Chief Medical Director of the Veterans' Administration, and a former Director of the Institute, as designated by the Secretary of Defense, or the designee of any of the foregoing.

"(4) The Director and the Deputy Directors shall be appointed by the Secretary of Defense.

"(b)(1) In carrying out the provisions of this section, the Institute is authorized to—

"(A) contract with the American Registry of Pathology (established under section 177) for cooperative enterprises in medical research, consultation, and education between the Institute and the civilian medical profession under such conditions as may be agreed upon between the Board of Governors and the American Registry of Pathology;

"(B) make available at no cost to the American Registry of Pathology such space, facilities, equipment, and support services within the Institute as the Board of Governors deems necessary for the accomplishment of their mutual cooperative enterprises; and

"(C) contract with the American Registry of Pathology for the services of such professional, technical, or clerical personnel as are necessary to fulfill their cooperative enterprises.

"(2) No contract may be entered into under paragraph (1) which obligates the Institute to make outlays in advance of the enactment of budget authority for such outlays.

"(c) The Director is authorized, with the approval of the Board of Governors, to enter into agreements with the American Registry of Pathology for the services at any time of not more than six distinguished pathologists or scientists of demonstrated ability and experience for the purpose of enhancing the activities of the Institute in education, consultation, and research. Such pathologists or scientists may be appointed by the Director to administrative positions within the components or subcomponents of the Institute and may be authorized by the Director to exercise any or all professional duties within the Institute, notwithstanding any other provision of law.

"(d) The Secretary of Defense shall promulgate such regulations as may be necessary to prescribe the organization, functions, and responsibilities of the Institute.

"§ 177. American Registry of Pathology

"(a)(1) There is authorized to be established a nonprofit corporation to be known as the American Registry of Pathology which shall not for any purpose be an agency or establishment of the United States Government. The American Registry of Pathology shall be subject to the provisions of this section and, to the extent not inconsistent with this section, to the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29–1001 et seq.).

"(2) The American Registry of Pathology shall have a Board of Members (hereinafter in this section referred to as the "Board") consisting of not less than eleven individuals who are representatives of those professional societies and organizations which sponsor individual registries of pathology at the Armed Forces Institute of Pathology, of whom one shall be elected annually by the Board to serve as chairman. Each such sponsor shall appoint one member to the Board for a term of four years.

"(3) The American Registry of Pathology shall have a Director, who shall be appointed by the Board with the concurrence of the Director of the Armed Forces Institute of Pathology, and such other officers as may be named and appointed by the Board. Such officers shall be compensated at rates fixed by the Board and shall serve at the pleasure of the Board.

"(4) The members of the initial Board shall serve as incorporators and shall take whatever actions are necessary to establish under the District of Columbia Nonprofit Corporation Act the corporation authorized by paragraph (1).

"(5) The term of office of each member of the Board shall be four years, except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, (B) the terms of office of members first taking office shall begin on the date of incorporation and shall expire, as designated at the time of their appointment and to the maximum extent practicable, one fourth at the end of one year, one fourth at the end of two years, one fourth at the end of three years, and one fourth at the end of four years, and (C) a member whose term has expired may serve until his successor has qualified. No member shall be eligible to serve more than two consecutive terms of four years each.

"(6) Any vacancy in the Board shall not affect its powers, but such vacancy shall be filled in the manner in which the original appointment was made.

"(b) In order to carry out the purposes of this section, the American Registry of Pathology is authorized to—

"(1) enter into contracts with the Armed Forces Institute of Pathology for the provision of such services and personnel as may be necessary to carry out their cooperative enterprises;

"(2) enter into contracts with public and private organizations for the writing, editing, printing, and publishing of fascicles of tumor pathology, atlases, and other material;

"(3) accept gifts and grants from and enter into contracts with individuals, private foundations, professional societies, institutions, and governmental agencies;

"(4) enter into agreements with professional societies for the establishment and maintenance of Registries of Pathology; and

"(5) serve as a focus for the interchange between military and civilian pathology and encourage the participation of medical, dental, and veterinary sciences in pathology for the mutual benefit of military and civilian medicine.

"(c) In the performance of the functions set forth in subsection (b), the American Registry of Pathology is authorized to—

"(1) enter into such other contracts, leases, cooperative agreements, or other transactions as the Board deems appropriate to conduct the activities of the American Registry of Pathology; and

"(2) charge such fees for professional services as the Board deems reasonable and appropriate.

"(d) The American Registry of Pathology may transmit to the Director and the Board of Governors of the Armed Forces Institute of Pathology and to the sponsors referred to in subsection (a)(2) annually, and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments.".

(c) The table of sections at the beginning of chapter 7 of title 10, United States Code, is amended by adding at the end thereof the following:

"176. Armed Forces Institute of Pathology.
"177. American Registry of Pathology.".

SEC. 812. This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1977".

And the Senate agree to the same.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD W. CANNON,
THOMAS J. MCINTYRE,
HARRY F. BYRD, Jr.,
SAM NUNN,
STROM THURMOND,
JOHN TOWER,
DEWEY F. BARTLETT,
WILLIAM L. SCOTT,
ROBERT TAFT, Jr.,
Managers on the Part of the Senate.

MELVIN PRICE,
F. EDWARD HÉBERT,
(with reservation),
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
RICHARD H. ICHORD,
LUCIEN N. NEDZI,
WM. J. RANDALL,
CHARLES H. WILSON,
ROBERT L. LEGGETT,
BOB WILSON,
WILLIAM L. DICKINSON,
FLOYD SPENCE,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—PROCUREMENT

AIRCRAFT

ARMY

EH–1H

The House bill provided $21.7 million for the EH–1H helicopter for the Army. The Senate amendment provided $13.4 million, a reduction of $8.3 million, to reflect a deletion of long-lead items for Phase 2 of the helicopter, based on the excessive long leadtime requested for the funds. After discussion, the conferees agreed that $20.3 million should be provided in fiscal year 1977.

The Senate recedes with an amendment.

NAVY

A–6E and US–3A (COD)

The House bill authorized twelve A–6Es in the total amount of $125 million, but no US–3A aircraft were authorized as a result of floor action in the House deleting the authorization. The Senate amendment authorized $169.9 million for twelve US–3A (COD) aircraft, but contained no authorization for the A–6E.

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In a spirit of compromise, it was agreed to authorize $104.1 million for the procurement of six US–3As and $65.8 million for the procurement of six A–6Es. Further, the conferees were advised by the Navy that $14.3 million, authorized and funded in FY 1976, was available to be added to the $65.8 million authorized in this bill making a total of $80.1 million available for six A–6Es.

The conferees recognize that no provision has been made to authorize long lead funds for either the US–3A or the A–6E for FY 1978. The conferees recommend that either a reprogramming or supplemental request for the necessary long lead authorization be submitted if production of the planes is to be continued in FY 1978.

The conferees would emphasize the admonition contained in the House Report (94–967) and heed carefully the considered conclusions of this Congress in regard to going forward with continued production of the A–6E.

F–5F Freedom Fighter

The Senate amendment contained $10 million, not in the budget submission, to buy three F–5F two seat trainers for the Navy Fighter Weapons School. The House bill did not contain such authorization.

Senate conferees insisted that these aircraft were badly needed to replace worn-out and borrowed T–38s now in use for pilot training. They further pointed out that these aircraft could be obtained at FY 1975 prices since they were no longer needed for Foreign Military Sales. This amounts to a saving of approximately $1 million per aircraft.

The House recedes.

Modification of aircraft

The Senate amendment made four reductions to the Navy aircraft modification account totaling $36.7 million. The House bill contained no reductions.

The Senate proposal is specifically to delete the S–3/P–3 Harpoon modifications, but remove the specific A–6 modification language (i.e., delete the $16.0 million A–6 items without prejudice). This has the effect of a general reduction of $16.0 million to the aircraft modifications account.

After a thorough discussion with both sides insisting on their respective position, the House receded.

The House recedes.

E–2C other financing

The Senate bill identified $10.0 million savings in the E–2C program because of the foreign sale to Israel and used these savings to buy three F–5F trainers for the Navy's pilot training school.

The House recedes.

AIR FORCE

F–15 Fighter financing

The Senate amendment reduced the authorization for the F–15 fighter aircraft for the Air Force by $30.1 million to reflect savings related to Foreign Military Sales. The House bill contained no similar reduction.

The House recedes.

F–16 Lightweight Fighter

The House bill contained $311.2 million for the F–16 program, the amount requested. The Senate amendment only contained $145.9 million, a reduction of $165.3 million, made on the basis that those funds would not be placed on contracts until fiscal year 1978. Conferees agreed to add $29 million to the Senate authorization of $145.9 million in order to have sufficient authorization available until the FY 1978 bill is enacted.

In adopting this position for the funding of the F–16 the Conferees wish to make it entirely clear that the exclusion of next year's authority from this year's budget request in no way whatsoever reflects a lack of full support for the F–16 as an aircraft or as a program. The pace of the program will remain wholly undisturbed by the Conferees' action. The Conferees also caution the Department of Defense that it is expected to take any action deemed necessary to protect the government's interests through the exercise of the options contained in its contract with the manufacturer.

The House recedes with an amendment.

Modification of aircraft

The House bill authorized $41.5 million for two B–52 flight simulators and $2.3 million to begin a KC–135 flight simulator visual modification program. The Senate amendment deleted both items.

Subsequent to the House and Senate bills being passed, Air Force advised the Congress of a major reduction and restructuring of the B–52, KC–135 and C–130 flight simulator programs. The restructured program requested the same total funding but only one B–52 flight simulator for fiscal year 1977.

The Conferees approved the restructured program and agreed to authorize $29.5 for one B–52 flight simulator. However, the Conferees felt that an additional $12.0 million for program support was not required at this time and that request was denied. The Conferees also denied the $2.3 million requested for the KC–135 flight simulator visual modification program.

The House recedes with an amendment.

The House bill contained, for the Civil Reserve Air Fleet (CRAF), $29.3 million to convert presently existing commercial wide-body aircraft to a cargo configuration for use in time of crisis to contribute to the airlift of our oversize requirements. The modification basically consists of a side-cargo and/or nose door and a strenghthened floor. The Senate amendment contained no authorization for this program. House conferees cited figures to show that this was the most cost effective airlift enhancement program. However, Senate conferees disagreed with this position and were adamant in their opposition to this program.

After a thorough exchange of views, the Senate reluctantly agreed to authorize $9 million for two mini mods as a test for this concept and the House receded to this position.

AWACS

The House bill contained language in Section 101 providing that of the funds authorized for the procurement of aircraft for the Air Force, the $474,790,000 authorized for procurement of six E–3A Air-

borne Warning and Control System (AWACS) aircraft could not be obligated or expended until a favorable decision is made by the North Atlantic Treaty Organization allies for procurement of the system. The Senate bill contained no such provision and the Senate conferees vigorously opposed the language of the House bill on the basis that the United States should not be prohibited from buying a system which it believes to be necessary for its own forces on the basis of a decision by allies to procure the aircraft for their own needs. The Senate conferees stated that the House language would cause a stop-work order on the fiscal year 1977 AWACS aircraft on October 1, 1976 (unless NATO agrees to buy the aircraft before then). The Senate conferees further insisted that U.S. Air Force needs the aircraft whether or not NATO buys the AWACS.

The House very reluctantly recedes.

B–1 bomber

The House bill authorized procurement funds as requested for the B–1 bomber for the Air Force $1,049 million). The Senate amendment authorized the same level of funding as the House, but contained language providing that none of the funds authorized could be used prior to February 1, 1977, for procurement of the B–1 bomber, and providing further that funds may be obligated after January 31, 1977, only if the President certifies to Congress that B–1 procurement is in the national interest. The Senate conferees stated clearly that the purpose of their amendment was to give the incoming President an opportunity to review and pass on the production decision of the B–1 bomber before production funds are obligated. The House conferees are adamant in their position that the obligation of the B–1 production funds authorized in this bill should not be delayed. The Senate conferees pressed their position with unusual vigor. However, the House conferees were adamant.

The Senate, therefore, reluctantly recedes.

Missiles

ARMY

Lance

The House bill provided $75.5 million, the amount requested for procurement of 360 non-nuclear Lance missiles for the Army. The Senate amendment deleted all the authorization.

The Senate recedes.

NAVY

Sparrow III

The House Committee had deleted $17 million from the authorization requested for the Sparrow missile, to reduce the buy from 650 to 500 missiles. At the same time, the House had provided in the Research, Development, Test and Evaluation Title of the bill for $15 million for development of a common all-weather missile to replace the Sparrow AIM 7 series missile. The House conferees are without confidence in the Sparrow missile because of its long and unsatisfactory development history. The Senate conferees were adamant that the current AIM–7F is the most reliable and best performing medium range air-to-air missile in the world today.

After considerable discussion, the conferees agreed to restore $12.7 million of the $17 million deleted from the House, with the inclusion of language requiring that procurement of the missile shall proceed only after the Secretary of Defense has certified that the missile is combat ready. The restrictive language is contained in Section 101 of the accompanying Conference Report.

The House recedes with an amendment.

Condor

The House bill authorized $12.7 million, the amount requested, for procurement of 40 Condor missiles for the Navy. The Senate deleted the authorization for Condor on the ground that funds would not be used for contracts until fiscal year 1978. The conferees agree that deletion of authorization is not to indicate lack of continued support for the program.

The House recedes.

Trident missile

As a result of development problems which were encountered subsequent to House and Senate action on the authorization request, the Department of Defense advised that there would be slippage in contracting for Trident missiles and that $165 million could be deleted from the missile account.

The conferees agree to the $165 million reduction.

AIR FORCE

Minuteman III missile supplemental request

Subsequent to the completion of House action on H.R. 12438, the President submitted an amended budget request containing $317 million for procurement of Minuteman III missiles. Section 301 of the Senate amendment contains language providing that of the amount authorized for missiles for the Air Force, $317 million shall be used only for procurement of Minuteman III missiles.

The House recedes.

Maverick financing

The House bill had provided the authorization requested for procurement of the Maverick missile for the Air Force. The Senate amendment reduced the Maverick authorization by $33.3 million on the basis that a finance adjustment was available because $33.3 million in long lead funds appropriated in fiscal year 1976 were not used, and, therefore, would be available for the Maverick program in fiscal year 1977.

The House recedes.

This action by the conferees should not be construed as requiring deobligation of funds applied towards foreign sales contracts.

Naval Vessels

Trident (ballistic missile submarine)

The House bill provided $1,520.3 million for two Trident submarines, $728.8 million more than requested by the President. The Senate amendment provided $791.5 million for one submarine as requested.

The House recedes.

SSN–688 (nuclear attack submarine)

The House bill provided $1,315.7 million for four nuclear powered attack submarines (SSN–688 class). The Senate amendment provided $713.1 million for two submarines.

The Senate recedes.

CVN (aircraft carrier long-lead funds)

The House bill provided $350.0 million to provide funding for long lead nuclear propulsion components for a follow-on NIMITZ class aircraft carrier. The Senate amendment provided no funds for this purpose. The conferees agreed to authorize $350.0 million, the amount requested by the President.

The Senate recedes.

CSGN (nuclear powered AEGIS cruiser) and DDG–47 (conventional AEGIS destroyer)

The House bill provided $302.0 million for long lead funding of nuclear propulsion items for three CSGN nuclear powered cruisers equipped with the AEGIS air defense system. The Senate amendment provided no funds for the CSGN.

The House bill provided no funds for the DDG–47 destroyer, a conversion of the DD–963 class destroyer design into a platform for the AEGIS air defense system. The Senate amendment provided $858.5 million to fully fund one DDG–47.

The conferees agreed to denial of authorization for both ships. This action is without prejudice to these ship programs. The conferees note that funds are included in Navy Research and Development for continued design effort on both the nuclear strike cruiser and the conventional AEGIS destroyer. Further, the conferees are in agreement that the Armed Services Committees of the House and Senate will fully consider any supplemental or other authorization request made by the President in connection with these ships.

The House recedes on the nuclear strike cruiser.

The Senate recedes on the conventional AEGIS destroyer.

USS LONG BEACH cruiser (conversion)

The House bill provided $371.0 million for long lead funding for the sensors and weapons necessary for the conversion and modernization of the cruiser USS LONG BEACH (CGN–9), and to provide an initial platform for the AEGIS air defense system on a nuclear-powered strike cruiser. The Senate amendment provided no authorization for the conversion and modernization of this ship. The Conferees agreed to authorize $371 million for this purpose.

The Senate recedes.

DD–963 (destroyer)

The House bill provided $940.0 million for four DD–963 class destroyers in lieu of four of the eight FFG–7 frigates which the President requested. The Senate amendment provided no funds for these ships. The Conferees agreed to authorize no funds for DD–963 destroyers.

The House recedes.

FFG–7 (guided missile frigate)

The President's original budget request contained $1,179.5 for eight FFG–7 class guided missile frigates. The amended request contained $1,700.5 for twelve of these ships. The House bill provided $590.0 million for four ships. The Senate amendment provided $1,179.5 million including Long Lend Funds for eight ships. The Conferees agreed to authorize $1,179.5 million for eight ships.

The House recedes.

AD (destroyer tender)

The House bill provided $508.0 million for two destroyer tenders. The Senate amendment provided $260.4 million for one ship, the amount of the President's request. The Conferees agreed to authorize $260.4 million for one ship.

The House recedes.

AS (submarine tender)

The House bill provided $509.0 million for two submarine tenders. The Senate amendment provided $260.9 million for one ship, the amount of the President's request. The Conferees agreed to authorize $260.9 million for one ship.

The House recedes.

AO (fleet oiler)

The President's amended request contained $205.3 million for two fleet oilers. The House bill provided $204.7 million for two ships. The Senate approved $205.3 million for two fleet oilers. The Conferees agreed to authorize $205.3 million for two ships.

The House recedes.

Cost growth and escalation (FY 1975 and prior-year programs)

The President requested $533.7 million for cost growth on FY 1975 and prior-year programs. The House bill provided $213.7 million. The Senate amendment provided $533.7 million, the full amount of the request.

The President requested $1,089.5 million to fully fund the estimated future escalation payments under contracts for ships authorized in FY 1975 and prior years. The House bill provided $256.4 million for this purpose. The Senate amendment provided $1,089.5 million, the amount requested.

The House recedes.

Tracked Combat Vehicles

XM–1 main battle tank

Section 101 of the House bill contained language providing that of funds authorized for plant facilities expansion and modernization for XM–1 main battle tank production, none of such funds may be obligated to a specific production site until competitive testing is completed and the winning contractor is designated. The Senate amendment contained no such provisions.

The purpose of the House amendment was to preclude spending of funds on a particular site which might not be required when the winner of the competition for the XM–1 is determined.

The Senate recedes to the House language on the XM–1 main battle tank plant facilities expansion and modernization to provide that none of the funds may be obligated until the Army makes a choice of either U.S.-designed model for the XM–1 in the current competition,

in which selection is imminent. The limitation refers in no way to letting of production contract or to the testing of any foreign design.

The Senate recedes.

M–60 and M–48 tank financing

The House bill provided the amount requested for procurement of tracked combat vehicles for the Army. The Senate amendment reduced the authorization for tracked combat vehicles for the Army by $53.6 million to reflect potential financial adjustments in the Army tank program from excess prior-year funds. Acceleration of the M–48 A–5 conversion program had resulted in savings of $27.8 million in 1975. In addition, savings from the negotiations of prior-years tank programs in the amount of $25.8 million were anticipated.

The House conferees pointed out that a language change in the second supplemental appropriations act removed restrictive language which had prohibited use of the funds for the additional M–60 A–3 Tank modifications and that the $25.8 million for the M–60 could usefully be used for the procurement of M–60 A–3 Laser Range Finders and Solid State Computers.

The House, therefore, recedes with an amendment restoring $25.8 million of the reduction from the Senate amendment.

Torpedoes

Captor

The House approved $67.9 million for the purchase of 480 Captor Mines as requested by the Administration.

The Senate amendment deleted $8.2 million in the belief that the Captor Mine had not shown adequate reliability and hence was not ready for acquisition from a second source.

The conferees agreed that competition from a second source is the most likely way to get increased reliability and lower price—as was shown by the Mark 48 torpedo.

The Senate recedes.

Mark 30 target torpedoes

The House allowed $17.9 million for the purchase of 7 Mark 30 Target Torpedoes as requested by the Administration. The Senate deleted all but $2.9 million to be used for reliability testing.

The House recedes.

Other Weapons

ARMY

XM–204 howitzer

The House bill provided $7.9 million, the amount requested for procurement of 54 XM–204 Howitzer guns. The Senate amendment reduced the authorization by $6.3 million because of developmental problems in the program.

The House recedes.

AIR FORCE

7.62 MM machine gun

The Senate amendment deleted $2.5 million authorized in the House bill for procurement of 1,210 7.62 MM Machine Guns for the Air Force.

The Air Force was able to procure the machine guns with reprogrammed fiscal year 1976 funds. The authorization is therefore no longer required.

The House recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

General

The Department of Defense requested authorization of $11,058,065,000 [1] for the fiscal year 1977 Research, Development, Test and Evaluation appropriations. The following table summarizes the Senate and House modifications to the Research and Development budget request:

R.D.T. & E. SUMMARY

[In thousands of dollars]

	Request	House	Senate	Conference amount
Army	2,376,300	2,271,295	2,284,948	2,281,491
Navy	[1] 4,058,865	3,608,048	3,718,790	3,708,101
Air Force	3,916,600	3,749,200	3,773,430	3,749,530
Defense agencies	676,300	652,300	670,180	657,880
Test and evaluation	30,000	30,000	30,000	30,000
D.D.R. & E. emergency fund		49,000		49,000
Total budget authority	[1] 11,058,065	10,359,843	10,477,348	10,476,002

[1] Includes $200,000,000 for Navy budget amendment which was submitted after the House had completed action on the bill. The House did not consider the amendment and the Senate deferred it without prejudice.

As shown, the conferees agreed on a total of $10,476,002,000 which is $582,063,000 [1] less than the amount requested for fiscal year 1977.

The details of the differences between the House bill and the Senate amendment and the changes adopted by the conferees are reflected in the following table:

[1] Includes $200 million for budget amendment that was not considered by the House and deleted without prejudice by the Senate.

ARMY—FISCAL YEAR 1977

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

ARMY—FISCAL YEAR 1977

[In thousands of dollars]

Item No.	Program element	Fiscal year 1977 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	Materials	10,963		10,936	−500	10,436	10,436	1
2	Aircraft avionics technology	5,531		5,531	−600	4,931	4,931	2
3	Aeronautical technology	16,504		16,504	−900	15,604	15,604	3
4	Aerial scout	26,000	−26,000		+2,000	2,000	2,000	4
5	Aircraft survivability	3,620	−620	3,000	+620	3,620	3,000	5
6	Advanced VTOL	9,894	−2,894	7,000	−106	6,894	7,000	6
7	Advanced attack helicopter	112,101		112,101	+18,700	130,801	130,801	7
8	Missile technology	29,134		29,134	−1,000	28,134	28,134	8
9	Surface-to-surface missile rocket	1,000		1,000	+4,000	5,000	5,000	9
10	Advanced ballistic missile defense	106,851		106,851	−3,851	103,000	103,000	10
11	High energy laser components	26,490	−5,490	21,000	+5,490	26,490	21,000	11
12	Army-Navy area, SAM	4,000	−2,000	2,000	−2,000		1,500	12
13	Stinger	19,949	−6,500	13,449	+6,500	19,949	16,500	13
14	Kwajalein Missile Range	86,553		86,553	−3,553	83,000	83,000	14
15	Chaparral/Vulcan	10,184	−2,184	8,000	−3,816	4,184	8,000	15
16	Lance (improved)	650		650	−650		650	16
17	Tank and automotive technology	6,099		6,099	−1,000	5,099	5,099	17
18	Advanced concepts laboratory	4,000	−4,000		+4,000	4,000	2,000	18
19	Advanced multipurpose missile	3,000	−3,000		+1,000	1,000	0	19
20	Vehicle rapid fire-Bushmaster	22,512	−3,512	19,000	+2,912	21,912	20,000	20
21	Howitzer—light 105 mm	249		249	+2,651	2,900	2,900	21
22	Weapons concepts	2,044		2,044	−775	1,269	2,044	22
23	Lethal chemical munitions	809		809	−809		809	23
24	Ground munitions systems	2,856		2,856	−2,856		2,856	24
25	Communications electronics	6,345	−500	5,845	−2,245	3,600	4,000	25
26	Electrical and electronic devices	14,206	−400	13,806	−1,806	12,000	12,000	26
27	Human factors in military systems	4,231		4,231	−400	3,831	3,831	27
28	Environmental quality	13,199		13,199	−1,199	12,000	12,000	28
29	Army training technology	4,901		4,901	−1,101	3,800	3,800	29
30	RPV support technology	2,500	−1,500	1,000	+1,500	2,500	1,500	30
31	Military infectious disease technology	15,838		15,838	−1,338	14,500	15,838	31
32	RPV/drones	7,478		7,478	−1,800	5,678	5,678	32
33	Antiradiation missile countermeasures	4,140	−3,140	1,000	+3,140	4,140	2,500	33
34	Nonsystems training	3,775		3,775	−887	2,888	2,888	34
35	Command and control	9,581	−8,990	591	+8,990	9,581	5,000	35
36	Testing	35,168		35,168	−2,168	33,000	33,000	36
37	Evaluation of foreign components	2,010	−1,010	1,000	+1,010	2,010	3,500	37
38	Operational testing	7,390		7,390	−2,090	5,300	7,390	38
39	Battlefield systems integration	5,000		5,000	−3,000	2,000	5,000	39
40	Programwide activities	62,831		62,831	−2,831	60,000	60,000	40
41	Major R.D.T. & E. facilities—AMC	162,504		162,504	−7,504	155,000	157,000	41
42	Federal Contract Research Center				−670	−670	−670	42
43	Heliborne missile guidance technology	1,095	−1,095		+1,095	1,095	0	43
44	Advance electronic devices	1,500	−1,500		+1,500	1,500	0	44
	Reimbursements from foreign military sales	−9,897		−9,897		−9,897	−9,897	
	Programs not in dispute	1,511,539	−30,670	1,480,869		1,480,869	1,480,869	
	Total, Army budget authority	2,376,300	−105,005	2,271,295	+13,653	2,284,948	2,281,491	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

NAVY—FISCAL YEAR 1977

[In thousands of dollars]

Item No.	Program element	Fiscal year 1977 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	Center for naval analysis	8,235	−1,000	7,235	+1,000	8,235	7,985	1
2	Avionics	13,500	−6,000	7,500	−1,000	6,500	6,500	2
3	V/STOL development	4,127	−1,127	3,000	+1,127	41,127	3,000	3
4	Aircreft propulsion (advanced)	13,706	−4,000	9,706	+4,000	13,706	11,706	4
5	Aircraft systems (advanced)	20,264	−17,972	2,292	+972	3,264	2,500	5
6	Tactical airborne reconnaissance	8,100		8,100	−2,000	6,100	6,100	6
7	LAMPS MK III	83,200		83,200	−9,500	73,700	73,700	7
8	Aerial target systems development	14,477	−3,632	10,845	+3,632	14,477	12,600	8
9	CH–53E	14,043	−4,043	10,000	+4,043	14,043	12,000	9
10	F–18	346,900	−46,000	300,900	+46,000	346,900	346,900	10
11	Strike warfare weaponry technology	42,400	−8,400	34,000	+6,900	40,900	34,000	11
12	Advanced surface-to-air weapons systems	3,000	−1,000	2,000	+1,000	3,000	3,000	12
13	Shipboard intermediate range combat system	16,100	−16,100		+12,100	12,100	0	13
14	Army-Navy SAM	2,700		2,700	−2,700		1,000	14
15	SLCM (advanced)	32,851	−15,300	17,551	−10,000	7,551	12,551	15
16	Air-to-air missile systems	29,200	−27,015	2,185	+27,015	29,200	28,000	16
17	Hi-speed ARM	33,495	−13,495	20,000	+13,495	33,495	30,000	17
18	NATO Sea Sparrow	11,502	−6,502	5,000	+6,502	11,502	6,000	18
19	Trident missile system	522,551		522,551	−3,000	519,551	519,551	19
20	SLCM (engineering)	164,900	−64,900	100,000	+12,250	112,250	107,250	20
21	Vertical launch standard	15,515	−15,000	515	+5,000	5,515	4,000	21
22	Fleet ballistic missile system	111,846		111,846	−16,600	95,246	111,846	22
23	ELF communications	29,800		29,800	−7,325	22,475	27,100	23
24	Nuclear propulsion technology	32,229		32,229	−1,000	31,229	32,229	24
25	Ship, submarines and boats technology	28,200		28,200	−1,000	27,200	27,200	25
26	Aircraft launching and retrieving	6,476		6,476	−2,800	3,676	3,676	26
27	Advanced identification techniques	4,300	−4,000	300	+4,000	4,300	4,300	27
28	High performance underwater vehicle	3,000	−2,000	1,000	+2,000	3,000	1,500	28
29	Advanced command data systems	9,884	−6,026	3,858	+4,226	8,084	3,858	29
30	Ship development (advanced)	19,297		19,297	−5,300	13,997	13,997	30
31	Combat systems integration	3,516	−2,079	1,437	+2,079	3,516	1,437	31
32	Testbed development and demonstration	22,217	−2,217	20,000	+217	20,217	20,000	32
33	Ship development (engineer)	22,902		22,902	−4,000	18,902	18,902	33
34	Advanced Marine Corps weapons system	8,300		8,300	−4,100	4,200	6,200	34
35	5-inch guided projectile	19,349		19,349	−2,000	17,349	19,349	35
36	Fire control systems	9,300	+5,000	14,300	−5,000	9,300	14,300	36
37	Major caliber light weight gun	12,217		12,217	−2,000	10,217	12,217	37
38	Light Weight ASW torpedo	8,438	−8,438		+8,438	8,438	0	38
39	Chemical warfare weapons	1,460		1,460	−1,460		1,460	39
40	Directed energy program	3,736	−3,736		+3,736	3,736	0	40
41	Advanced electronic components	973	−973		+973	973	0	31
42	Ocean engineering technology development	14,145		14,145	−1,000	13,145	13,145	42
43	Integrated information support	7,659		7,659	−1,000	6,659	6,659	43
44	Educational training	8,849		8,849	−549	8,300	8,300	44
45	Tactical towed array sonar	14,262		14,262	+8,000	22,262	22,262	45
46	Foreign weapons evaluation	2,031	−1,031	1,000	+1,031	2,031	3,500	46
47	Tactical electronics support	5,387		5,387	−500	4,887	4,887	47
48	R.D.T. & E. ship and aircraft support	55,989		55,989	−2,000	53,989	53,989	48
49	Federal Contract Research Center				−1,360	−1,360	−1,110	49
50	All weather attack	1,000	−1,000		+1,000	1,000	1,000	50
51	A–6 squadrons	5,630	−5,630		+5,630	5,630	0	51
52	F–401 engine	1,000	−1,000		+1,000	1,000	0	52
53	Advanced air to air missile	10,652	−4,000	6,652	−3,931	2,721	2,721	53
54	Anti Ship missile (Harpoon)	1,049	−1,049		+1,049	1,049	0	54
55	CVNX development	11,472	−11,472		+11,472	11,472	0	55
56	Laser, countermeasures and counter-countermeasures	1,980	−1,980		+1,980	1,980	1,980	56
57	F–14 B engine		+15,000	15,000	−15,000		15,000	57
58	Sparrow follow on missile		+15,000	15,000	−15,000		5,000	58
59	Long Beach conversion		+11,000	11,000	−11,000		11,000	59
60	Reimbursements from foreign military sales	−70,003		−70,003		−70,003	−70,003	60
	Programs not in dispute	2,214,557	−132,700	2,081,857		2,081,857		
	Total, Navy budget authority	[1] 4,058,865	[1] −450,817	3,608,048	+110,742	3,718,790	3,708,101	

[1] Request includes $200,000,000 for Navy budgeta mendment which was submitted after House completed action on the bill. It has been deleted and therefore is not included in the authorization approved both by the House and Senate.

AIR FORCE—FISCAL YEAR 1977—Continued

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

AIR FORCE—FISCAL YEAR 1977

[In thousands of dollars]

Item No.	Program element	Fiscal year 1977 request	House		Senate		Conference	Item No.
			Change	Authorization	Change from House	Authorization		
1	Defense research sciences	86,000		86,000	−10,000	76,000	78,000	1
2	Environment	24,000		24,000	−1,400	22,600	22,600	2
3	Aerospace propulsion	37,700	−2,000	35,700	+2,000	37,700	35,700	3
4	Aerospace avionics	58,600	−2,600	56,000	+2,600	58,600	56,000	4
5	Air-to-air antiradiation missile	3,000		3,000	−2,000	1,000	1,000	5
6	Advanced aerial target	9,100	−3,100	6,000	+3,100	9,100	7,500	6
7	Advanced medium STOL transport	29,300		29,300	−10,000	19,300	29,300	7
8	CONUS air defense	1,000		1,000	−1,000		0	8
9	F–15 squadrons	51,000	−45,000	6,000	+45,000	51,000	35,000	9
10	Advanced ICBM technology (M–X)	84,000	−4,000	80,000	−28,400	51,600	69,000	10
11	Advanced short-range air-to-air missile systems	10,700	−6,400	4,300	−1,600	2,700	3,500	11
12	Tactical AIM missile	4,700	−3,000	1,700	+3,000	4,700	1,700	12
13	Tactical drone support squadron	1,500	−1,000	500	+1,000	1,500	1,000	13
14	Space surveillance technology	24,500		24,500	−4,000	20,500	20,500	14
15	Space communications	29,800		29,800	−2,000	27,800	27,800	15
16	Space defense system	12,800		12,800	−1,800	11,000	12,000	16
17	SLBM radar warning system	7,000		7,000	−1,000	6,000	7,000	17
18	Space boosters	13,900		13,900	−1,900	12,000	12,000	18
19	Conventional weapons	19,000	−2,800	16,200	+2,800	19,000	16,200	19
20	Armament ordnance development	8,900		8,900	−1,000	7,900	7,900	20
21	Close air support weapon system	41,000	−16,000	25,000	+16,000	41,000	30,000	21
22	Human resources	3,500	−1,000	2,500	+1,000	3,500	3,500	22
23	Low-cost avionics	3,100	−2,100	1,000	+2,100	3,100	1,000	23
24	Base security	6,200		6,200	−1,000	5,200	5,200	24
25	Electronic warfare technology	9,300	−1,500	7,800	+1,500	9,300	7,800	25
26	Advanced computer technology	4,100	−1,100	3,000	+600	3,600	3,000	26
27	Electro-optical warfare	8,000	−1,500	6,500	+500	7,000	6,500	27
28	Command, control, communications	6,000		6,000	−3,000	3,000	4,500	28
29	Tactical information processing and interpretation	9,500		9,500	−1,000	8,500	8,500	29
30	Reconnaissance electronic warfare equipment	14,200	−1,500	12,700	+1,500	14,200	12,700	30
31	Advanced airborne command post	79,000	−19,000	60,000	+15,100	75,100	69,000	31
32	Drone/remotely piloted vehicle systems development	17,600		17,000	−6,000	11,000	17,000	32
33	Surface defense suppression	28,500	−6,000	22,500	+6,000	28,500	22,500	33
34	Foreign weapons evaluation	2,000	−1,000	1,000	+1,000	2,000	3,500	34
35	Applications of information processing technology	2,800	−1,300	1,500	+300	1,800	1,500	35
36	Precision location strike system	30,000	−10,000	20,000	−3,700	16,300	16,300	36
37	Airborne warning and control system (AWACS)	109,600	−9,500	100,100	+9,500	109,600	104,600	37
38	Expendable drones	7,000		7,000	−6,000	1,000	2,000	38
39	Strategic Air Command communications	11,700		11,700	−3,000	8,700	11,700	39
40	Long-haul communications	8,300		8,300	−2,300	6,000	6,500	40
41	Producibility, reliability, availability, maintainability program (PRAM)	10,000		10,000	−10,000		2,500	41
42	Acquisition and command support	202,200	+500	202,700	−500	202,200	202,700	42
43	Test and evaluation support	306,400	+1,500	307,900	−1,500	306,400	307,900	43
44	Advanced systems engineering/planning	12,000	−12,000		+12,000	12,000	10,000	44
45	Federal contract research centers				−4,270	−4,270	−4,270	45
46	Low cost aircraft	500	−500		+500	500	500	46
47	Advanced tactical fighter	1,000	−1,000		+1,000	1,000	1,000	47
48	Tactical AGM missile	2,000	−2,000		+2,000	2,000	500	48
49	Advanced tactical weapons	7,500	−7,500		+7,500	7,500	0	49
50	Reimbursements from foreign military sales	−8,000		−8,000	−5,000	−13,000	−13,000	50
	Programs not in dispute	2,465,700	−5,000	2,460,700		2,460,700	2,460,700	
	Total, Air Force budget authority	3,916,600	−167,400	3,749,200	+24,230	3,773,430	3,749,530	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION SUMMARY OF CONFERENCE ACTION

DEFENSE AGENCIES—FISCAL YEAR 1977

[In thousands of dollars]

Item No.	Program element	House			Senate			Item No
		Fiscal year 1977 request	Change	Authorization	Change from House	Authorization	Conference	
1	DARPA	246,400	−15,000	231,400	+6,400	237,800	236,000	1
2	DMA	15,719	−1,500	14,219	+1,500	15,719	15,719	2
3	NSA	198,169	−6,000	192,169	+2,000	194,169	194,169	3
4	DNA	140,970		140,970	−2,000	138,970	139,970	4
5	DCA	31,005		31,005	+1,500	31,005	29,505	5
6	Technical support to O.D.D.R. & E./ODTACCS	15,100	−1,500	15,100	+200	15,300	15,300	6
7	Foreign weapons evaluation/OSD				+10,000	10,000		7
8	Federal contract research centers				−1,720	−1,720	−1,720	8
9	DDR&E Emergency Fund		+49,000	49,000	−49,000		49,000	9
	Programs not in dispute	28,937		28,937		28,937	28,937	
	Total, Defense agencies budget authority	676,300	−24,000	652,300	+17,880	670,180	657,880	
	Director of test and evaluation	30,000		30,000		30,000	30,000	
	Total R.D.T. & E. budget authority	[1] 11,058,065	[1] −698,222	10,359,843	+117,505	10,477,348	10,476,002	

[1] Request includes $200,000,000 for Navy budget amendment which was submitted after House completed action on the bill. It has been deleted and therefore is not included in the authorization approved both by the House and Senate.

CONFERENCE ACTION ON SELECTED SUBJECTS IN THE RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FISCAL YEAR 1977 AUTHORIZATION REQUEST

Advanced Concept Laboratory

The House deleted the entire Army request of $4 million to establish a contractor-operated Advanced Concept Laboratory. The Senate amendment restored the total $4 million. The conferees agreed to a funding level of $2 million with the following understanding.

The purpose of the Advanced Concept Laboratory is to enable the Army to evaluate and introduce new concepts. The conferees believe that this laboratory should be managed and directed by Army personnel with in-house expertise. The Army's plan to have an outside source perform this function is unacceptable. Standard contracting procedures should be employed to make use of industry expertise where needed.

The establishment of this laboratory will be closely monitored during its first year to determine whether the Army is developing the necessary in-house capability to make this a useful laboratory.

Advanced Ballistic Missile Defense technology

The House bill authorized the requested amount of $106.8 million. The Senate amendment reduced it to $103 million, holding the program to a constant level of effort, with allowance for inflation.

The House recedes.

Ballistic Missile Systems technology

Both the Senate amendment and the House bill authorized $100 million, a reduction of $18.04 million from the request. However, as part of that reduction, the Senate denied $2.0 million specifically requested to initiate work on limited or light area defense. The House conferees agree with the Senate position on the limited or light area defense. The Senate also had stated that initiation of work on an exo-atmospheric system was not appropriate under the Ballistic Missile Systems Technology program, and should be done as part of the Advanced Ballistic Missile Defense program. The House conferees maintain that the Department of Defense should have the option of doing the exo-atmospheric work under either program. The Senate conferees agree.

The House conferees agree with the Senate position that the reduction in funds not be applied in any way to disrupt ongoing software requirements incidental to the basic Ballistic Missile Systems Technology program as approved by the Congress.

Advanced Attack Helicopter (AAH)

Aerial Scout Helicopter (ASH)

The House bill deleted the $26.0 million requested by the Army for the Aerial Scout Helicopter and authorized the full Army request of $112.1 million for the Advanced Attack Helicopter.

The Senate amendment reduced the ASH request by $24.0 million and added $18.7 million to the AAH account, resulting in an authorization of $130.8 million for the AAH.

The conferees agreed that the Army still lacked a viable program plan for the ASH.

The House, however, agreed to the Senate authorization of $2.0 million for the ASH to allow the Army to develop and definitize its program plan.

Included in the Army's request for ASH funds was the requirement to develop a target acquisition system that would be common to both ASH and AAH. This requirement resulted in the Senate's authorization for additional funds for the AAH.

The House conferees accepted the Senate position but expressed serious concern over the projected cost of the target acquisition system package. Many of the components that will make up this sensor system are "off the shelf" items and require only repackaging into a helicopter-type pod.

The conferees require that the Army reassess its funding profile for this sensor system and be prepared prior to the FY 1978 request for authorization to fully address the cost and performance aspects of this system.

Binary chemical agents

The Senate amendment deleted $5.9 million requested under the Army and Navy chemical and biological warfare programs for development of binary munitions. The House bill authorized the full amount requested. The Senate conferees receded to the House with the understanding that DoD provide adequate information with the FY 1978 budget to enable the Congress to assess the future of our chemical warfare policies and programs in a more comprehensive way. Such information should include alternative plans being considered by DoD for phasing binary agents into our current stocks, making explicit the need, timing, and cost of possible courses of action. In addition, plans for upgrading our equipment, training doctrine, and technology for defense against the use of chemical agents against U.S. forces should be defined in detail.

Chaparral/Vulcan

The House bill deleted $2.184 million from the Army request of $10.184 million for Chaparral/Vulcan. The Senate amendment reduced the request to $4.184 million and expressed concern over the Army's lack of plans for a new anti-aircraft gun system and the limited capabilities of the present Vulcan.

The conferees agreed that the Army should develop a firm plan to develop an advanced gun system for the 1980 time frame. In the interim, however, the conferees agreed that the Army should proceed towards a plan to improve the performance of the many existing Vulcan gun system.

The conferees accepted the House position to provide $8.0 million, provided that the Army proceed with a plan to improve Vulcan, while at the same time developing a firm plan to develop an advanced gun system. Additionally, $3 million of the $8.0 million request is to proceed with the in-house development of an adverse-weather Chaparral missile in view of the current technical and funding problems in the Roland program.

The Senate recedes.

Army high energy laser components

The House bill reduced the $26.5 million requested for fiscal year 1977 to $21 million because of unnecessary overlap between the Army and Navy programs. The Senate amendment authorized the full $26.5 million requested for fiscal year 1977. The House considers that work underway or planned by the Navy duplicates that planned by the Army. The conferees agreed upon the need to strongly support the High Energy Laser Program. However, the conferees are concerned over excessive expenditures for system engineering that would detract from the technology base. The impact of this technology on our national defense could be pivotal. Therefore, the conferees will examine this program next year to assure that the Department of Defense can rationalize the balance between support of system engineering and of the technology base. The Senate conferees receded with the understanding that the reduction should not be interpreted as reflecting negatively on the importance of this program.

Surface-to-surface missile rocket system

The House bill authorized the Army's request of $1.0 million for this program. The Senate amendment added $4.0 million resulting in an authorization of $5.0 million in order to accelerate the development of an area fire support rocket system.

The House conferees recede with the understanding that the Army is to provide to the Committees on Armed Services, prior to the expenditure of any funds, a program plan that delineates the program, the approach, a schedule and funding profile, and the understanding that the Army will include a terminal homing option for this missile rocket system.

Advanced identification techniques

The House bill reduced the Navy's request for $4.3 million to $.3 million. The Senate amendment authorized the full request. The House conferees expressed concern over the fact that many similar techniques that are employed in this advanced identification system have not been effective in an operational environment in previous years. The conferees recognize however that since the technology has changed, there may be potential application for these systems.

The conferees agreed to the Senate funding of $4.3 million. However, the conferees strongly recommend Navy evaluation of the prototype hardware in an operational environment. The results of this evaluation will form the basis for subsequent funding of this program.

The House recedes.

Anti-Shipping Missile Defense Missile (ASMD)

The House bill reduced the Navy's request for $3.0 million to $2.0 million. The Senate amendment authorized the full request.

The conferees' direction of last year to develop both the ASMD missile and launcher-compatible guided projectile was not carried out because of appropriations funding constraints. This year the Navy has not requested any funds for the launcher-compatible projectile.

The conferees agreed to provide $3.0 million with the understanding that the Navy will carry the infra-red seeker already developed for the 5-inch guided projectile into hardware evaluation during fiscal year 1977 *on the ASMD missile.*

The House recedes.

CVNX development

The House bill deleted the entire Navy request of $11.472 million for this program. The Senate amendment authorized the full request.

The conferees believe that improvements to our current class of carriers should be designed in the Navy's ship engineering program elements. The Senate accepted the House position to delete the funding request and to continue any necessary design studies within the funding limitations of the ship engineering (advanced or engineering development) accounts.

Directed energy program

The House bill denied the $3.7 million requested whereas the Senate amendment authorized the entire amount.

The Senate conferees were strong in their support of this program. However, the House conferees were persuasive in this argument that since the Department of Defense has commissioned a group known as the Jason Committee to review the state of this technology and the prospect of future applications for directed energy, funds were not required at this time. If the Jason Committee concludes that the concept is valid and feasible and that hardware should be fabricated, the Navy could accordingly request reprogramming authority.

The Senate recedes.

CH–53E helicopter

The House bill reduced the requested $14.043 million for the Navy CH–53E program by $4.0 million. The Senate amendment provides the full amount requested.

The conferees agreed to restore $2.0 million which will provide a total of $12.043 million. If additional funding is required for unanticipated problems, a reprogramming request will be considered for this program.

High-Speed Anti-Radiation Missile (HARM)

The House bill reduced the $33.5 million request to $20.0 million and expressed concern over the technical progress, design status, and cost overruns in the missile's development phase. The Senate amendment authorized the full request.

The conferees agreed with the House position that there was cause for concern in the progress to date in the advanced development phase. It is the understanding of the conferees that there is a thirty-three percent overrun in this phase, and that the performance capability has been degraded. While the conferees authorize $30.0 million for the HARM, the House conferees were adamant in their position that the engineering development phase is not to proceed until:

- the performance characteristics of the missile are established;
- the advanced development contract is definitized with regard to cost, technical requirements, etc.; and

- the Department of Defense provides a report to the Committees on Armed Services on the status and results of the advanced development program and the recommended engineering development plan.

The Navy is also to consider and be prepared to address the possibility for second source engineering development.

The House recedes with an amendment.

Lightweight ASW torpedo

The House bill deleted all of the requested $8.4 million because of technical issues involving the MK–46. The Senate authorized the requested amount. The Senate recedes to the House with the understanding that development of the advanced lightweight ASW torpedo will be vigorously pursued because of the need to improve our capability in this critical area.

The conferees request that the Navy address such important issues as guidance and control, warhead lethality and size, and operational deployment. These will be factors in the review of the fiscal year 1978 request for authorization.

F–18

The House bill reduced the Navy's request for $346.9 million to $300 million. The Senate amendment authorized the full amount.

The House conferees expressed concern over the Navy's plan to develop subsystems in areas where existing hardware exists. An example is the Navy's plan to develop a new on-board computer.

The Navy is directed to give consideration to the competitive procurement by the F–18 prime contractor of an off the shelf on-board computer and report the findings to the Committees on Armed Services.

The conferees authorized the full funding request of $346.9 million, but caution the Navy to develop this aircraft in the most cost/performance effective manner.

Seafarer

The House bill authorized the requested amount of $29.8 million. The Senate bill reduced the amount to $22.4 million eliminating funds for the PISCES experiment ($2.4 million), studies of a deep underground system ($0.3 million), and the start of full scale engineering development ($4.7 million). The conferees agreed to authorize $27.2 million. The House conferees recede on the denial of funds for the PISCES experiment and studies of a deep underground system. The Senate conferees recede to the restoration of $4.7 million for the start of full scale engineering development, but the use is contingent upon: (1) completion of studies of the environmental and biological impact of the Seafarer system and the conclusion that the system poses no unacceptable environmental or biological hazards; (2) selection by the Navy of a candidate site; and (3) a firm plan including a schedule to begin installation of the system at the selected site.

F–14B engine

The House bill authorized $15.0 million for the continued development of a replacement engine for the F–14 aircraft. The Senate amendment provided $1.0 million for the program.

The conferees agreed that the problems with the current engine and the need for more power for the F–14 airplane dictate the need for the new engine.

The conferees intend that the funds be used for initial development of the F–14B engine on a competitive basis including hardware demonstration. The competitive hardware demonstration must be completed in time to permit selection of an engine and initiation of full-scale development on that engine by the end of fiscal year 1977. The Navy selection should be made on the basis of cost, projected aircraft performance, schedule, and other pertinent factors.

The Senate recedes.

Shipboard Intermediate Range Combat System (SIRCS)

The House bill deleted all of the $16.0 million requested for the Shipboard Intermediate Range Combat System (SIRCS), a project to develop a Navy ship missile and gun fire control system for the post 1985 time period. The House position was based on the lack of funding for more urgent, near-term problems with shipboard fire control systems which have higher priority for the fleet but which are not being funded in the present budget.

The Senate amendment reduced the request to $12.0 million on the basis the fiscal year 1977 request was over-budgeted.

The House conferees were persuasive that the Navy's near-term fire control system problems were of higher priority than this project to start a program which will not provide solutions before 1985. The Navy should assign highest priority to development efforts on near-term enhancements in capability.

The conferees agreed to provide $5.0 million in the Fire Control Systems Engineering program element for continuation of the Lightweight Modular Fire Control System (LWMFCS). Of the $5.0 million, a maximum of $2.0 million may be used to complete the industry concept formulation studies on SIRCS.

In view of the urgent need for improved fire control systems, the Navy can, if it chooses, submit a reprogramming request in accordance with established procedures to continue the LWMFCS which at the same time continuing the SIRCS program. The conferees emphasized, however, that any future support of SIRCS is contingent upon the Navy's active attention to the near- and intermediate-term fire control problems and needs.

The Senate recedes with an amendment.

Sea Launched Cruise Missile (SLCM)

The Navy requested $17.5 million for the advanced development and $164.9 million for the engineering development for the SLCM in the initial budget submission. A budget amendment requested an additional $15.3 million for advanced development. The budget amendment was submitted too late for House consideration and the Senate deferred the items requested in the amendment without prejudice.

The House bill reduced the funds authorized for engineering development to $100.0 million. The Senate amendment reduced the advanced development funding to $7.5 million and the engineering development request to $112.2 million. The Senate added $5.0 million for a backup turbofan engine for the tactical variant. The conferees deleted the backup turbofan engine, but authorized the $5.0 million for application to tactical options.

The conferees agreed to a SLCM funding profile of $12.551 million for advanced development and $107.250 million for engineering development. Specific reductions are as follows:

	Advanced development	Engineering development	Total
Alternate variant:			
Air vehicle	0	−23,000	−23,000
In-house	0	2,850	−2,850
Surface option	0	−21,100	−21,100
Land option	−2,900	−10,700	−13,600
B–52 launch	−7,100	0	−7,100
Fiscal year 1977 budget amendment	−15,300	0	−15,300
Total	−25,300	−52,650	−77,950

The conferees recognize the requirement for both tactical and strategic cruise missile capability for our naval forces. The conferees strongly emphasize that the basis for the reduction in this program emanates from the need to better tailor the funding profile and in no way reflects a lack of support for the cruise missile engineering development program. Since the strategic variant of the sea launched cruise missile and the Air Force air launched cruise missile can effectively use the same engine, navigation-guidance system, and warhead, the funding profile is adequate. Similarly, the tactical variant of the SLCM is intended to use the Harpoon engine, Harpoon guidance, the Bullpup warhead and an airframe that is common to the strategic variant.

The conferees believe that the date for initial operational capability can be met by this funding profile.

Sparrow AIM–7F missile

The House bill deleted all funds requested by the Navy and Air Force for the Sparrow AIM–7F product improvements. The Senate amendments authorized the full request.

The conferees included language in the bill that allows engineering development of the monopulse missile to proceed only if the missile test and evaluation results of the advanced development phase fully demonstrates the ability of the missile to satisfy the performance requirements and specifications established for the monopulse Sparrow missile. Further, engineering development may not proceed until the Air Force and Navy commence the hardware development of an adverse-weather, air-to-air, medium-range missile as a follow-on to the Sparrow series.

The Navy and Air Force are advised to insure a viable test program for the monopulse missile that will *clearly* demonstrate the ability of this missile to perform in an operational combat environment.

The Director, Test and Evaluation, is to provide a report to the Committees on Armed Services at the conclusion of the advanced development phase that describes the test plan, the environment (electronic countermeasures, etc.) the test conditions, and the test results and evaluations.

The conferees agreed to provide $2 million for completion of the advanced development phase, $15 million for the engineering development phase, and directed that $5.0 million be made available only for

use on the new, joint Navy/Air Force missile. The conferees intend that a competitive prototype program be established to provide advanced development hardware for evaluation within a one- to three-year period, and consistent with the current Air Force/Navy requirements definition effort.

Trident

The House bill authorized the entire Navy request of $522.5 million for the Trident missile system. The Senate amendment authorized $519.5 million and precluded the development of the Trident II missile.

In view of the current technical problems in the Trident program, the House accepted the Senate position to postpone the development of the longer-range Trident II missile. The Senate, however, agreed with the House recomendations that the Navy, within the authorized funding level, develop a backup propellant for this very essential program.

The conferees further authorized in Section 202 of the bill, $49 million in emergency funds for specific application to the development problems.

The conferees agreed to consider the Trident II as part of the fiscal year 1978 request for authorization.

Advanced ICBM technology (M–X)

The House bill authorized $80 million of the $84 million Air Force request. The Senate amendment reduced the authorization to $51.6 million. The conferees agreed to a total authorization of $69 million with the following considerations.

The rationale behind the development of a new missile system (M–X) is to provide a land based survivable strategic force. The development of an alternate basing mode as opposed to a fixed or silo based mode is the key element in insuring this survivable force. The conferees are in agreement that providing a survivable system should be the only purpose of this effort, that the design of this system should not be constrained for silo basing; that none of this program's funds shall be expended in fixed or silo basing for M–X; and that none of the program reduction shall reduce the Department's proposed investigations of mobile deployment.

The Senate in its Committee report directed a comprehensive study of our ICBM force and its role in our national strategic posture. The conferees agreed to this review with the stipulation that it be accompanied by a statment from the President certifying that the study reflects national policy.

Advanced Medium STOL Transport (AMST)

The House bill authorized the $29.3 million requested by the Air Force. The Senate Amendment reduced the request by $10 million.

The Senate receded to the House position with the understanding that the $10 million provided is to be used for requests for proposals, evaluations and analyses of these proposals, and such other plans and studies that may be necessary for considering full scale engineering development. These proposals and analyses shall include the improved C–130 aircraft as an active competitor for this intratheatre tactical airlift mission.

However, except for these above proposals, analyses and evaluations considered necesary to this transition effort, the conferees do not intend that the funds authorized shall be used to fund a third contractor to modify existing C–130 aircraft.

The Senate recedes.

Advanced attack weapon

The House bill deleted the entire Air Force request of $7.5 million. The Senate amendment authorized the full amount.

The conferees agreed that the efforts described in the request for the establishment of this new program are already underway in other Air Force research and development programs. The conferees believe that there is adequate funding to conduct the planned effort, and agreed to delete all funds without prejudice.

The Senate recedes.

Close air support weapons systems

The House bill reduced the Air Force request for $41,000,000 to $25,000,000. The Senate amendment authorized the total Air Force request.

Last year the conferees expressed concern over the cost and performance aspects of the imaging infrared seeker. The Air Force was requested to develop a plan that demonstrated the total system cost relative to the increased capability provided by such a seeker. The plan submitted by the Air Force was inadequate and did not address these issues. The issues were addressed on the basis of theoretical predictions without the incorporation of available test and experimental data. Cost was projected on the basis of significant fabrication advances and the cost of ancilliary equipment for the aircraft was ignored.

The conferees agreed to a funding level of $30,000,000 and again emphasized that no funds are to be utilized for engineering development of the imaging infrared seeker until a thorough and pertinent plan is presented to the Committees on Armed Services. This reduction by the conferees is not to be interpreted in any way as a lack of support for the laser seeker missile.

Compass Cope

The House provided all of the $6.0 million requested for this high altitude drone. The Senate deleted all of the funds, on the basis that the $4.9 million available in the FY 7T transition quarter should be adequate to continue the program during FY 1977 and because no mission or payload has been selected yet for the Compass Cope drone.

The conferees agreed to provide $6.0 million, $3.0 million to be available for FY 1977, and the remaining $3.0 million to be available only after a Department of Defense decision to select a mission for Compass Cope and to enter full scale development.

The Senate recedes, with an amendment.

Short Range Air-to-Air Missile (AIMVAL/ACEVAL)

The House reduced the Air Force request for $10.7 million to $4.3 million and the Navy request for $10.652 million to $6.652 million. The Senate amendment provided $2.7 million and $2.721 million, respectively, for this program, which is a joint effort to define the operational requirements for a new shortrange dogfight missile to follow the Sidewinder series.

The conferees agreed to provide $3.5 million for the Air Force and $2.721 million for the Navy for this program. The conferees reiterate the guidance given in prior years, that the purpose of AIMVAL/ACEVAL is to define the requirements for a common missile to replace the Sidewinder AIM–9L.

The House recedes, with an amendment.

Tactical expendable drones

The House bill provided the $7.0 million requested for two tactical expendable drone programs, a large size decoy drone and a small size mini-drone. The Senate amendment deleted $6.0 million of the request on the basis that full scale engineering development was premature for both projects.

The conferees agreed to restore $1.0 million to the mini-drone program to permit increased development efforts due to foreign interest in co-development of the concept. The authorization is $2.0 million.

The House recedes with an amendment.

F–15 squadrons

The House bill reduced the Air Force request of $51,000,000 by $45,000,000 authorizing a total of $6,000,000. The Senate amendment authorized the full request.

The House conferees recognize that a system as complex as a tactical fighter aircraft may require additional research and development following production. The F–15 program, however, received $184,000,000 in fiscal year 1975 for research and development and $35,000,000 in fiscal year 1976. No funds were even requested by the Air Force for the transitional period from July 1 to September 30, 1976. The request of $51,000,000 this year was not accompanied by a satisfactory explanation regarding F–15 needs or expenditures. Subsequent to House action, the Air Force identified the tactical electronics warfare system and AIM–9L sidewinder integration as two subsystems requiring additional funding and effort.

The conferees agreed to an authorization of $35,000,000. The conferees agree that further research and development funding will be authorized only after the Air Force presents an R&D completion plan to the Committees on Armed Services.

The House recedes with an amendment.

Surface defense suppression

The House bill resulted in a reduction of $6.0 million from the Air Force's request of $28.5 million. The reduction was intended to terminate efforts to develop a glide bomb system for the B–52D aircraft as well as any effort to integrate an imaging infrared seeker on the GBU–15 weapon. The Senate amendment authorized the full amount requested.

The Senate conferees were firm in their position that the B–52 has great utility in support of the sea control mission and felt the development of the weapons needed for that mission should not be discontinued. The conferees agreed that within the amount authorized, up to $2.0 million could be used to continue development of the B–52/GBU–15, along with an advanced development imaging infrared seeker. In addition, the conferees believe the potential armament considered for this mission should not be limited to one system and direct the Air Force to examine the utility of other weapons, such as Harpoon, Navy's MITOR and others. The Air Force must also address the cost of maintaining and operating such a force of aircraft for this mission and report that cost before requesting further funding for this program.

The Senate recedes.

Foreign weapons evaluation

The House bill reduced the combined three Services' requests, totaling $6.041 million, by $3.044 million to $3.0 million. The Senate bill approved full $6.041 million requested and added $10.0 million for a new program under the Director of Defense Research and Engineering.

The conferees agreed to restore the House reductions and add $1.5 million for each Service, making a total of $10.541 million ($3.5 million for each Service). The Senate conferees agreed to delete the $10.0 million included in the Senate bill for the new DDR&E program. The conferees directed the Secretary of Defense to conduct more vigorous oversight of this program to insure that these funds will be used effectively and for the purposes specifically provided.

Defense Advanced Research Projects Agency (DARPA)

The House bill authorized $231.4 million for DARPA, a reduction of $15.0 million from the $246.4 million requested. The Senate amendment authorized $237.8 million and made reductions in various program elements. The conferees agreed on a total authorization of $236 million, with the reduction of $10.4 million to be applied at the discretion of the Department of Defense.

TITLE III—ACTIVE FORCES

Active duty military strengths authorized in the House and Senate bills differed by a total of 20,200. The conferees agreed to compromise on strengths for each military service as follows:

	House bill	Senate bill	Conference request
Army	790,000	787,100	789,000
Navy	544,904	534,604	540,600
Marine Corps	196,000	190,000	192,000
Air Force	571,000	570,000	571,000

The conferees suggest that the reductions should be made in the general areas recommended in the Senate report with the following exceptions. The Senate reduction of Army and Air Force requested strengths in part was based on a withdrawal of U.S. forces than Thailand and a corresponding reduction in the overall strengths. The conferees agreed to permit the Army and Air Force to retain the strength authorization made available by the withdrawal from Thailand for improvement in combat unit strengths in the remaining force structure.

The conferees agreed that the Marine Corps should maintain high quality standards for recruiting and retention of personnel. They also

agreed that high overall strength targets could create pressure to sacrifice quality in order to achieve numbers. The authorized strength of the Marine Corps in the Conference Report reflects the conferees' determination that the Commandant should continue his policy of putting quality above quantity in the Marine Corps manpower program.

The authorized strength for the Navy reflects a shared concern of the conferees regarding the overall management of Navy manpower and personnel and the use of the Naval Reserve. This authorized strength would permit the Navy to fully man all new ships and to improve the manpower program in the individuals account which have been poorly managed in the past. The conferees agreed that the Navy should vigorously pursue its new man-the-ships-first policy which will substantially improve the manning of the fleet within current strength levels.

It can be expected that many new ships will be added to the fleet in the coming years. The Navy can be expected to request additional end strength, beyond the 540,600 authorized in this Conference Report, to man these additional ships. However, the conferees believe that quality standards should not be sacrificed and that manpower must be used efficiently and effectively. Therefore, the conferees wish to put the Navy on notice that appreciable additional increases in Navy manpower will receive unusually specific scrutiny until the Navy takes steps to manage its manpower more efficiently and to demonstrate persuasively that it is doing so. Accordingly, the Secretary of the Navy is directed to investigate and report to the Armed Services Committees by February 1, 1977 on the specific manpower-saving initiatives he proposes to take to achieve a more balanced Navy manpower program, including increased use of the Naval Reserve, as well as the steps he will take to adopt an effective manpower management system.

In addition, the conferees consider unsatisfactory the lack of progress by the Navy in understanding, defining, and explaining its manpower needs for the Navy shore establishment including individuals. The conferees are aware of the tentative steps now being taken in the Navy to improve the definition of shore requirements and standards, and to establish an adequate manpower planning system. The Navy is directed to accelerate this program with the aim of completion within two years, and further, that a progress report be provided to the Armed Services Committees every six months, beginning December 31, 1976.

Reallocation of compensation increases

The present law provides that when the Civil Service personnel receive a comparability pay increase, the military personnel are to receive a like increase in their Regular Military Compensation with the same percentage of increase applied in the three basic elements of RMC: basic pay, quarters allowance, and subsistence allowance. The President has submitted a legislative proposal which would provide for reallocating a greater portion of compensation increases into quarters allowance, and provide for a rebate of a portion of the reallocated compensation to bachelor personnel. The President's proposal would also have provided for a "fair market rental" system to allow varied levels of rent for married personnel living in government quarters.

Section 303 of the Senate amendment provided authority for reallocation of up to 25 percent of future increases in compensation into

quarters allowances. However, the Senate amendment did not include the bachelor rebate or the "fair market rental" portions of the President's proposal.

The House conferees concurred in a reallocation of compensation increases to more nearly meet the costs for which the increases are designed, and as a step in the direction of more adequate quarters allowances for military personnel. The House conferees also concurred in the Senate's position rejecting the "fair market rental" proposal of the Administration. However, the House conferees were adamant that reallocation of compensation increases would be inequitable without also authorizing the President to rebate to single personnel living in barracks and Bachelor Officers Quarters.

The Senate conferees, therefore, agree to include the bachelor rebate as part of the amendment to Section 109(b) of Title 37, United States Code, contained in Section 303 of the Senate amendment.

The House recedes with an amendment.

Payment for unused leave

Section 304 of the Senate amendment to the House bill would amend section 501 of title 37 of the United States Code to limit to 60 days the reimbursement for unused leave during a military member's career. This amendment would delete authority for payment of quarters and subsistence allowances as a part of this reimbursement for leave accrued after the enactment of this legislation. The Senate proposal will save $90 million in fiscal year 1977 and considerably larger amounts annually in future years.

The House bill had no similar provision; however, the House passed separate legislation (H.R. 9573) on November 17, 1975, to the same effect except that quarters and subsistence allowances at current rates were to be included in the reimbursement.

The House vigorously opposed the portion of this amendment deleting subsistence and quarters allowances from leave payments. However, the Senate was adamant.

The conferees agreed that the purpose of authorizing leave is to provide personnel rest and respite from the arduous duties of military service and not to encourage the accumulation of unused leave for additional pay. The Senate conferees argued that the provision, and particularly the elimination of the payment for quarters and subsistence in payments for unused leave, would encourage military members to take leave rather than accumulate it.

Under current law, officers and enlisted personnel are treated differently in the payment of quarters and subsistence for unused leave. By eliminating such payments, the Senate provision would treat all recipients of unused leave payments in the same manner.

The House reluctantly recedes.

Commissary store operations

The Department of Defense proposed in its FY 1977 budget request to phase out over a three-year period the appropriated fund support to commissary stores for labor-related costs and overseas utility costs. The House rejected this proposal and included language expressing congressional opposition to any change in the present method of providing financial support for military commissaries.

The Senate amendment, on the contrary, included a provision which would have required the phaseout of the appropriated subsidy for commissary operations over a three-year period.

The conferees discussed the commissary issue at great length. The conferees agreed that economies can be realized by improving the efficiency of commissary store operations. Such improvement would permit the commissary subsidy to be gradually reduced while retaining substantially the level of savings experienced by commissary patrons.

The conferees, therefore, direct the Secretary of the Department of Defense to institute management improvements and operational efficiencies for the purpose of reducing the present operating subsidies of the commissaries. The Secretary is further directed to inform the Committees on Armed Services of the House and Senate by February, 1, 1977, of the progress accomplished to improve the management of military commissary operations together with the savings achieved as a result of such improvements. Further, the Secretary should submit at that time plans for further improvements and projected savings in subsequent years.

The conferees agreed to strike from the bill both section 708 of the House-passed bill and section 305 of the Senate amendment.

The conferees of both Houses wish to make clear that their actions were intended solely to reduce the amount of appropriated fund support required by the commissaries and were not intended to eliminate commissary stores as such. The conferees of both Houses agreed that this important fringe benefit for military personnel should continue.

Legislative action is not required for improvement in the efficiency of commissary store operations or the gradual reduction of appropriated commissary subsidies. These issues are routinely reviewed in the annual appropriations process. The conferees agree that as less funds are needed for commissary subsidies they should be used for urgent military requirements such as improved readiness.

Bonus authority for military physicians

Section 306 of the Senate amendment extends until June 30, 1977, the section of Public Law 93–274 which provides authority to pay bonuses to physicians of the military services and the Public Health Service up to $13,500 per year. The House bill contained no such provision. The administrative proposal for extension of bonuses arrived subsequent to House consideration of the legislation.

Absent congressional action, the bonus authority of Public Law 93–274 will expire September 30, 1976. The conferees of both houses agreed on the continued need for the bonus authority to retain the minimum number of physicians for the Armed Forces.

The House, therefore, recedes.

The House conferees brought to the attention of the conference the problem which currently exists in the services because physicians included under the Berry Plan due to their initial active-duty obligation are not presently eligible for the bonus. These are specialists often in the position of teaching physicians who are eligible for the bonus. Therefore, a morale problem has been created and the retention among Berry Planners is far below what the Armed Forces medical departments desire. The conference rules prohibit inclusion of Berry Planners in the framework of the Senate amendment. The House conferees, in agreeing to the Senate amendment, therefore, indicated their intention to hold hearings on separate legislation to consider changes of law to authorize bonuses for Berry Plan physicians in the Armed Forces.

TITLE IV—RESERVE FORCES

Title IV of the bill contains the annual authorization for the strength of the Selected Reserve of each Reserve component of the Armed Forces for fiscal year 1977.

The House and Senate positions differed on the strengths for the Army Reserve and the Naval Reserve. There were no differences in the authorizations for any of the other Selected Reserve components.

For the Army Reserve, the Senate had authorized an average strength of 212,400 for fiscal year 1977 while the House had authorized 215,700.

The House receded in the case of the Army Reserve. The conferees noted that the Army Reserve strength has been maintained at a level below the current appropriated level of 212,400 for several months. The conferees agreed that an authorization of 212,400 represents a strength the Army Reserve can hope to attain in fiscal year 1977.

For the Naval Reserve the Senate had authorized 92,000 for fiscal year 1977 and the House had authorized 102,000.

The conferees agreed on 96,500.

The conferees are concerned with the lack of realistic mission assignments for the Naval Reserve as well as the degree of integration of active and Reserve naval manpower and missions. The conferees agree that the reduction of the paid drill strength of the Naval Reserve to 52,000 in the President's budget request for fiscal year 1977 was too severe and could have resulted in the loss of important personnel in technical and professional skill areas. At the same time, the conferees agree that the Navy should find improved ways to integrate and restructure the active and Reserve missions and manpower so as to increase the reliance on and reliability of the Naval Reserve.

The conferees note that real use of the Naval Reserve by the active Navy has decreased in recent years. The conferees recognize that the requirements of sea duty may make such integration more difficult than in the other services. However, the continuation of the Naval Reserve strength authorized for fiscal year 1977 will depend upon the ability of the Navy to assign vital missions to the Naval Reserve and integrate the Naval Reserve in the active forces.

It was agreed by the conferees that the 96,500 strength does not require reductions in the current number of Naval Reserve construction battalions (Seabee units).

Administrative-duty pay for Reserve and National Guard commanders

Section 402 of the Senate amendment to the House bill would repeal section 309 of title 37 of the United States Code which entitles Reserve and National Guard commanders additional pay in an amount not to exceed $240 a year for the performance of administrative duties.

The Senate amendment would repeal this entitlement based on the conclusion that conditions have changed since the time this authority was enacted since more paid drills are now provided reserve units and

full-time technician assistance is available which alleviate the commanders' administrative burdens.

The House opposed termination of this authority. This additional pay is provided to compensate reserve commanders for the extra time, outside of drill periods, they must spend to accomplish administrative duties. Further, a recent General Accounting Office report ("Need to Improve Efficiency of Reserve Training", June 26, 1975) was critical of the Reserve program because of the amount of administrative duties imposed on commanders because the time spent on these duties detracts from the commanders' availability to conduct unit training during drill periods. In light of this finding, the House considers it inappropriate to terminate this incentive for commanders to perform their administrative duties at other than paid-drill periods.

The Senate recedes.

TITLE V—CIVILIAN PERSONNEL

For fiscal year 1977, the Department of Defense requested an end strength authorization for civilian personnel of 1,035,800.

The House of Representatives authorized a Department-wide end strength of 1,040,981 or 5,181 above the Administration request.

The Senate authorized the end strengths for each of the Services as follows:

Army	373,500
Navy	318,581
Air Force	256,600
Defense agencies	79,200

The total of these strengths is 1,027,881 or 7,919 below the Administration request.

The conference agreed this year to provide for an overall Department of Defense-wide authorization for civilian personnel in FY 1977 of 1,031,000—a reduction of 4,800 from the Administration request. However, the conferees expect the Department of Defense to continue to request and justify civilian strengths by component.

The conferees believed that this reduction could be accomplished entirely by attrition rather than by means of a reduction-in-force.

The House conferees reluctantly agreed to this reduction of 4,800 from the Department's request in light of the fact that the legislation again provides authority (which has not been used to date) to exceed the authorized ceiling by ½% of the total, when the Secretary determines it is in the national interest to do so. One-half percent of this authority amounts to roughly 5,015 personnel which—when added to the authorized—is slightly above the original Department request.

Within this authorization the Secretary of Defense is given authority to allocate the personnel to the military departments and Defense agencies as he deems appropriate.

The conferees suggest that the reduction from the Department of Defense request of 4,800 which this agreement represents be made in the general areas recommended in the Senate committee report.

The conferees request that the Secretary of Defense report to the House and Senate Armed Services Committees within 60 days on the allocation of the reduction of the military services and manpower planning categories therein.

TITLE VI—MILITARY TRAINING STUDENT LOADS

Both the Senate and House authorized the Military Training Student Loads as requested by the Department of Defense and the numbers, therefore, were not subject to conference.

The Senate amendment to the bill however, incorporated a provision which would require the Secretary of Defense to adjust the Military Training Student Loads consistent with the manpower strengths in Titles III, IV, and V.

The House recedes.

Community College of the Air Force

The Senate bill included a provision (Section 602) which would authorize the Commander of the Air Training Command to confer academic degrees at the associate level for enlisted members graduating from the Community College of the Air Force. The Conferees believe that this authority could promote wider recognition and credibility of the Air Force's skilled training program both within the Air Force and within the civilian community.

The House recedes.

Naval ROTC Programs at Federal and State Merchant Marine Academies

The Senate bill included a provision (Section 603) stating it to be the policy of the United States that the U.S. Navy and Merchant Marine work to promote integration of the nation's seapower forces. The provision also encourages steps to be taken to maintain Naval Reserve Officer Training Corps programs at the merchant marine academies and expects that the training at these academies meet Navy standards.

The House bill contained no similar provision.

The conferees agreed that it is important that U.S. naval forces and merchant marines be able to fully integrate their operations in an emergency and that to do this it is important for officers of the merchant marine academies to be trained in naval matters in accord with the Navy's standards and needs. The Senate provision would see that such standards are maintained.

The House recedes.

Marine Corps platoon leader pay

Section 604 of the Senate amendment extends for one year the authority of Public Law 92–172 to provide for financial assistance to members of the Marine Corps Officer Candidate Program.

The House recedes.

TITLE VII—SUPPLEMENTAL AUTHORIZATION

USS BELKNAP cruiser (conversion)

The House bill provided $213.0 million to provide for rebuilding and conversion of the cruiser USS BELKNAP (CG–26) which was damaged by collision and fire. The President, subsequent to House action, requested $213.0 million as a supplemental to the FY 1976 Defense Appropriations Authorization. The Senate amendment would have authorized $213.0 million supplemental authorization for FY 1976;

however, this item was not included in the FY 1976 Defense Supplemental Appropriations Act. The Conferees agreed to authorize $213.0 million for this purpose.

The Senate recedes.

The House bill provided $8.0 million for Research and Development and $213.0 million shipbuilding funds to rebuild the Navy cruiser Belknap (CLG–26) which was damaged by collision and fire. The President, subsequent to the House bill, requested these funds in a fiscal year 1976 supplemental request which was authorized by the Senate amendment.

The House receded to the Senate position to authorize the $8.0 million R&D fund in the fiscal year 1976 supplemental request; the Senate receded to the House position to authorize the $213.0 million shipbuilding fund for fiscal year 1977.

TITLE VIII—GENERAL PROVISIONS

Certification of claims

The House bill provides for certification of all claims. The Senate amendment has no such provision.

The House recedes.

Escalation in Operation and Maintenance funds

The House bill provides that sufficient provision be made in future authorization requests for escalation for Operation and Maintenance funds. The Senate amendment had no such provision.

The Senate recedes with an amendment which would give effect to this requirement for a two year period on a trial basis.

Outside counsel

The House bill would allow the Navy to hire outside counsel on a trial basis for five years. The Senate amendment had no such provision.

The House recedes.

Appeals

The House bill provides that the Government may appeal from decisions of the Armed Services Board of Contract Appeals. The Senate amendment had no such amendment.

The House recedes.

Contracting procedures for technical data

The House bill contained a provision, Section 705, to require the Department of Defense to include in all contracts for major weapons systems a deferred ordering clause for technical data and computer software. Although favoring the House language, the Senate conferees felt that the provision should be effective for two years only. At that time, resulting experience could be reviewed before any extension of the provision. The House conferees agreed to limit the effective period to two years.

Training Program Adjustments

The House recedes on section 706 of its bill which would have imposed a statutory requirement on the Secretary of Defense to notify the Congress in a timely manner before modifying or altering a major

training program in a substantial manner. The conferees agreed that statutory language of this sort could be somewhat inflexible and difficult to interpret. However, the conferees did agree with the basic intent of this amendment that Congress be informed of Department of Defense plans, including changes of plans, relative to training. Therefore, the Secretary of Defense is expected to notify the Congress through the House and Senate Committees on Armed Services and Appropriations Committees in a timely manner when major modifications to a training program are to occur, as well as enumerate each change and its rationale in the annual Military Training Report required by § 138 of title 10, United States Code.

Junior Reserve Officer Training Corps units

Section 707 of the House bill contains a provision which would amend the present law (10 USC 2031(a)) to increase the total number of JROTC units nationwide from 1,200 to 2,000 and, thus, provide greater opportunity for participation. Also, the section would allow military institutes to establish more than one unit in the school and, thus, provide a choice of service unit and some exposure to all the military services for students enrolled in the institute.

The Senate bill contained no such provision, with the explanation that such an increase would take manpower from higher priority programs.

The conferees agreed to reduce the total number of units in the House bill to provide for a statutory total of 1,600 units and to retain the provision which would allow for more than one unit in military institutes.

With the amendment, the Senate recedes.

Annual authorization of appropriations

The House bill (Sec. 709) included an expanded annual authorization requirement from that presently contained in existing law (Sec. 138 of Title X, United States Code). Under the provisions of the House language, there would have been enacted into law a broad requirement for an annual authorization for all appropriations for military functions administered by the Department of Defense. This differed from existing law in a number of respects which now requires only a specific annual authorization for approximately one-third of the Defense budget and an indirect authorization for personnel appropriations for another one-third of the annual Defense budget.

The conferees on the part of the Senate objected to the House language. The Senate conferees insisted on continuing the limited authorization requirement of existing law. In addition the Senate conferees insisted on a provision in the Senate amendment for an annual manpower requirements report to identify the missions allocated to the existing military base structure and a justification of the relationship of these bases to the total military force structure, as well as an identification of all base operating support costs and evaluation of possible alternatives to reduce such costs.

The Senate conferees were adamant in their position on this matter, and the House, therefore, reluctantly receded and accepted the Senate amendment.

Civil defense

The House included language to amend the Federal Civil Defense Act of 1950 to accomplish several objectives: (1) to make clear the intent of Congress that federal grant funds from the Defense Civil Preparedness Agency (DCPA) may be used by state and local agencies for preparedness against disasters other than disasters caused by an enemy attack; (2) to require annual authorization of the civil defense budget by the Committees on Armed Services of the House and Senate; and (3) to delete the expiration dates of those specific programmatic authorities under the Federal Civil Defense Act which terminate on June 30, 1976.

The Senate amendment included similar provisions designed to accomplish the same objectives as the House language. The Senate amendment, however, went further by not only including similar language as in the House bill in the policy statement with respect to natural disasters, but also writing this authority into the body of the law itself.

The Senate and House conferees, recognizing certain minor differences in the House and Senate language, resolved their differences on civil defense by preserving the common aspects of both positions by adapting the Senate amendment with certain changes to recognize some elements of the House position. Essentially, both bodies favor incorporating into the permanent law, not just in policy, language which recognizes that the primary mission of the civil defense program is directed toward preparation of an enemy attack. The new language does not adversely impact on this primary mission of civil defense. The conferees agreed that it is to be clearly understood that civil defense remains the primary mission of the DCPA and that civil defense funds and resources for natural disaster preparedness are in the nature of assistance for a secondary mission. However, the conferees were equally strong in their position that the resources of the DCPA should also, to the extent that they can be helpful, be used in the event of a natural disaster by making available personnel, organizational equipment, materials, and facilities of the civil defense system for the purposes of furnishing emergency assistance for natural disasters. It is not the purpose of this provision to infringe upon or duplicate the programs and functions of the Federal Disaster Assistance Agency or any other existing federal agency. The House recedes to the Senate amendment as modified in the conference.

Naval Reserve training facilities

The House bill included in section 711 a provision expressing the sense of Congress that Naval Reserve Training Centers and facilities in active use on March 1, 1976, should not be closed until the authorization and appropriations legislation for fiscal year 1977 is enacted. The Senate had no similar provision.

The Senate recedes.

The action of the conference authorizing an average strength for the Naval Reserve of 96,500, a figure well in excess of the 52,000 strength requested by the Administration for fiscal year 1977, is ample grounds for withholding any further steps to close Naval Reserve training facilities until a final resolution of this year's Naval Reserve strength. At the point in time when the authorized and appropriated

strength of the Naval Reserve is established in law for fiscal year 1977 and the training requirements growing from this strength are clear, a decision as to which training facilities are excess will be appropriate.

Elimination of 1% "kicker" on retired-pay increases

Section 801 of the Senate amendment amends Section 1401(a) (b) of Title 10 of United States Code to eliminate the so-called 1% add-on to cost-of-living increases in military retired pay and retired pay under the special CIA Retirement Program. The Senate provision is contingent on the repeal of the similar "kicker" for civilian government retirees. The "kicker" provides that whenever retirees receive the automatic increases in retired pay, tied to increases in the Consumer Price Index, they also receive an additional increase of 1%.

While the House bill contained no similar provision, the House Committee in its report to the Budget Committee earlier in the year had supported the elimination of the 1% "kicker" for military retired pay subject to identical action being taken for Civil Service retirees. The elimination of the 1% "kicker" was requested by the President.

The House conferees brought to the attention of the Conference the importance of achieving consistency of actions relating to military and civil service retirees with regard to the 1% kicker. The conferees of both houses were concerned that if, in the elimination of the 1% kicker as a permanent add-on, actions were taken in the civil service system to provide an additional increase to account for the time lag between the rise in the Consumer Price Index and the initiation of retired pay increases, similar action be taken for military retirees. The conferees, therefore, agreed on language, which is contained in the Conference Report, which will assure that whatever action is taken modifying the retired pay increase formula, authority will be available to apply the change to military and CIA retirees, as well as to civil service retirees.

The House recedes with an amendment.

Standardization

Section 802 of the Senate bill contained an amendment which would state the policy of the United States relating to certain actions and reports on the part of the Secretary of Defense to increase standardization and interoperability. The House conferees were concerned that standardization should not become a means of bypassing prudent considerations in the procurement process.

After extensive consideration, the conferees accepted an amendment which requires the Secretary of Defense to take into consideration in Defense procurement procedures the cost, function, quality and availability of the equipment to be procured while carrying out the policy of standardization.

In addition, the conferees accepted revisions suggested by the Department of Defense which would eliminate duplication in the reporting requirement related to standardization. This amendment requires that the Secretary of Defense report whenever he initiates procurement action on a new major system which is not standard or interoperable with equipment of other members of the North Atlantic Treaty Organization.

The House recedes with amendment.

In addition, the Senate amendment contained language in section 803 which would express the sense of Congress relating to future development of standardization and interoperability with the NATO Allies. The Department of Defense suggested an amendment which would eliminate part of the reporting requirement relating to justification of programs where a common NATO requirement is not defined.

The House recedes with an amendment.

Tax Payments to NATO Countries

Section 804 of the Senate amendment would have prevented payment of taxes to any NATO country in which military units of the United States are regularly stationed, if those taxes were imposed directly or indirectly on the unit, its members or its property and equipment.

The House conferees were adamant in their refusal to accept this provision on the basis that the Department of Defense could not fully identify the amount of taxes that are paid to NATO countries for these purposes. The conferees were also concerned that this provision could overturn arrangements in the various NATO countries for services and utilities and thereby create tensions among the NATO allies. The conferees request the Secretary of Defense to furnish a report to the Committee on Armed Services of the House and Senate on the amount and purposes of taxes paid to European countries as a result of stationing United States forces in those countries.

The Senate recedes.

Repeal of title VIII

The Senate amendment contains a provision, section 806, which would repeal title VIII of Public Law 93–365, providing for nuclear-powered naval strike forces.

The Senate recedes.

Retirees' suggestions

Section 807 of the Senate amendment would direct the Secretary of Defense to request from retiring military and civil service personnel of the Department of Defense (GS–13 or above) suggestions for proving procurement policies of the Defense Department.

The conferees believe that military and civilian personnel who have served a full career in the procurement field may have many substantive suggestions for improvement of the effectiveness and efficiency of procurement regulations and procedures. They further agree that the Secretary of Defense should make a determined effort to solicit and consider such suggestions. However, the House conferees believed that the current suggestion programs provide an adequate opportunity to receive and consider suggestions and was concerned about creating duplicative administrative procedures in law. The House conferees, therefore, decline to yield on statutory language. The conferees on the part of both Houses, nevertheless, are in accord with view that the Secretary of Defense should inform Commander of the need to vigorously pursue helpful suggestions from retiring personnel in regard to procurement policies. To this end, the conferees direct that the Secretary of Defense report back to the Congress next year on the results of this effort.

The Senate recedes.

Joint House-Senate study of aircraft carriers.

Section 808 of the Senate amendment had a provision requiring a joint study by the Armed Services Committees of the House and the Senate on the costs and effectiveness of aircraft carriers and their task forces. The House bill had no such provision.

In view of the large number of studies that have already been made on carriers and their task forces, and in light of the inherent ability of either committee to study the role of carriers on its own, the House conferees opposed another joint study.

The Senate recedes.

Study of industrially funded activities

Section 809 of the Senate amendment to the House bill would require the Secretary of Defense to conduct a study of industrially funded activities to determine, among other things, the feasibility of removing day to day manpower ceilings and establishing specific criteria for using this funding concept.

The House position is that such a study is unnecessary and duplicative since a very similar study was directed by the Senate Appropriations Committee in its report on the FY 1976 Defense Appropriations Bill. This study will be submitted to the respective Armed Services and Appropriations Committees.

The Senate recedes.

Feed and Forage Act

The Senate amendment contained a provision to repeal the so-called "Feed and Forage" section of the revised statutes. This is contained in section 11 of title 41, U.S. Code, and provides authority to contract for various items without regard to prior authorization appropriation.

The House conferees were unwilling to accept this provision in the absence of an official report on the legal ramifications associated with the measure. As a result the conferees agreed that the Department of Defense should submit a report to both the House and Senate Armed Services Committees which would:

(1) specify what particular costs could be paid for under the authority of the "Feed and Forage" provision;

(2) identify the internal DoD procedures and authority in invoking the "Feed and Forage" provision; and,

(3) describe the procedures for notifying Congress when the "Feed and Forage" provision is used.

The Senate recedes.

Greater utilization of civilian faculty at the service academies

The Senate added a provision to the House bill which would require the Secretary of Defense to conduct a study as to how greater utilization of civilian faculty may be accomplished in the service academies and intermediate and senior war colleges. The study would require an equitable ratio between civilian and military faculty in general academic subjects and it would identify those subjects in the curriculum classified as being in the general academic area. In addition, professional military instructors would be retained for solely military

and naval subjects. The results of the study would be forwarded to the Committees on Armed Services of the House and the Senate.

The House conferees objected to the language in the Senate amendment which would require that the study produce findings as to how greater utilization of civilian faculty at the academies and the war colleges may be accomplished. Also, the House conferees objected to the requirement that the study recommend an equitable ratio between civilian and military faculty in general academic subjects. In addition, the House conferees objected to the language in the amendment which would imply that professional military instructors would be retained solely for military and naval subjects and not teach general academic subjects.

The Senate conferees agreed to amend the language to indicate that the study would determine whether greater utilization of the civilian faculty may be desirable and to delete the requirement for a recommendation as to an equitable ratio between civilian and military faculty. Also, deleted was the requirement that professional military instructors be retained for solely military and naval subjects.

With the amendments to the Senate provision, the House recedes.

Oceanographer of the Navy

Section 812 of the Senate amendments to the House bill provides authority for the Secretary of the Navy to assign Rear Admiral J. Edward Snyder, Jr. (retired) to command status as the Oceanographer of the Navy.

The House Committee on Armed Services had reported legislation (H.R. 7113) similar to this provision on November 6, 1975 except that the Committee limited authority to assign Admiral Snyder to this command position to a period of three years from the date of enactment of the legislation. On November 18, 1975, H.R. 7113 was objected to on the Private Calendar by two members and automatically recommitted to the Committee.

The House recedes with an amendment which would limit the authority to assign Admiral Snyder as Oceanographer to a period not to exceed three years from the date of enactment of this legislation.

Armed Forces Institute of Pathology

The Senate added a provision to the House bill which would establish a legislative charter for the Armed Forces Institute of Pathology and to provide a mechanism whereby the Institute can continue to contribute both to military and civilian medicine.

The Armed Forces Institute of Pathology will have a Board of Governors whose performance will be monitored carefully by the Congress to insure that the international stature of the Institute is maintained. Should changes become necessary to preserve the quality of the Institute, appropriate legislative action will be taken.

The House conferees were in full support of the amendment and after various minor adjustments accepted the Senate position.

The House recedes.

Bill Totals

The House bill authorized $33.3 billion under titles I and II for Procurement and Research, Development, Test and Evaluation. The Senate amendent to the House bill authorized $31.8 billion. The conferees agreed to a compromise authorization of $32.5 billion.

Conference procedural problem

The House and Senate conferees on this bill were confronted with a heretofore unprecedented procedural problem. The problem involved the insistence of Members of Congress not designated as conferees to nonetheless remain in closed conference sessions.

One of the House conferees, Congressman F. Edward Hébert, made a point of order that the conference proceedings in closed session, in the presence of Members not designated as conferees, constituted a violation of the House Rules.

The Senate conferees concurred initially as an organizational matter that the conference should be held in closed session. However, the Senate conferees did not participate in any subsequent House vote to go into closed session and therefore did not take a position on this procedural question.

Congressman F. Edward Hébert refused to continue to proceed with conference business in closed session in the presence of Members of Congress not designated as conferees and requested that his refusal be made a matter of record since he considered that this action by Members of Congress not members of the Conference Committee, constituted a violation of the Rules of the Conference Committee and the Rules of the House of Representatives.

Congressman F. Edward Hébert requested that his position on this procedural issue be made a matter of record as to "whether we were going to be a nation governed by laws or one governed by men who

could ignore the law when it suited their purposes." Mr. Hébert therefore signed the conference report with this reservation.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD W. CANNON,
THOMAS J. MCINTYRE,
HARRY F. BYRD, JR.,
SAM NUNN,
STROM THURMOND,
JOHN TOWER,
DEWEY F. BARTLETT,
WILLIAM L. SCOTT,
ROBERT TAFT, JR.,
Managers on the Part of the Senate.

MELVIN PRICE,
F. EDWARD HÉBERT (with reservation),
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
RICHARD H. ICHORD,
LUCIEN N. NEDZI,
WM. J. RANDALL,
CHARLES H. WILSON,
ROBERT L. LEGGETT,
BOB WILSON,
WILLIAM L. DICKINSON,
FLOYD SPENCE,
Managers on the Part of the House.

○

94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94-967

AUTHORIZING APPROPRIATIONS, FISCAL YEAR 1977, FOR MILITARY PROCUREMENT; RESEARCH AND DEVELOPMENT; STRENGTHS FOR ACTIVE-DUTY MILITARY COMPONENTS, RESERVE COMPONENTS AND CIVILIAN PERSONNEL OF THE DEFENSE ESTABLISHMENT; MILITARY TRAINING STUDENT LOADS; AND FOR OTHER PURPOSES

March 26, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PRICE, from the Committeee on Armed Services, submitted the following

REPORT

together with

SEPARATE, ADDITIONAL, DISSENTING, AND INDIVIDUAL VIEWS

[To accompany H.R. 12438]

The Committee on Armed Services, to whom was referred the bill (H.R. 12438) to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense and to authorize the military training student loads, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments are as follows:

On page 3, line 21, strike "$3,747,200,000" and insert in lieu thereof "$3,749,200,000".

On page 3, line 22, strike "$682,000,000" and insert in lieu thereof "$682,300,000".

On page 4, line 23, strike "549,904" and insert in lieu thereof "544,-904".

On page 14, after line 8, add the following new section:

SEC. 711. It is the sense of the Congress that the Secretary of the Navy shall not take any action with respect to closing, disestablishing, or terminating any Naval Reserve Training Center or Facility which was in active use on March 1, 1976 until the authorization and appropriation legislation establishing the average strength of the Selected Reserve in the Naval Reserve in fiscal year 1977 has been enacted into law.

EXPLANATION OF THE AMENDMENTS

The first three amendments are technical in nature and are to correct typographical errors in the clean bill.

The amendment on page 14 of the bill creating a new section 711 is to forestall a premature closing of Naval Reserve centers until enactment of the authorization and appropriation legislation which will establish the strength of the Selected Reserve in the Naval Reserve for fiscal year 1977. The committee, in the bill, has rejected the administration's proposed 50,000-man reduction in the Naval Reserve and recommended an authorized strength of the Naval Reserve equivalent to that maintained in fiscal year 1976. In view of the committee finding that the Naval Reserve strength should not be reduced, the committee believes that proposed closings of Naval Reserve centers by the Navy are not appropriate and must be deferred until a final decision is made on the reserve strength. The vote on this amendment was 34 to 2.

PURPOSE.

This bill would:

(1) Authorize appropriations during the fiscal year 1977 for (a) major weapons-systems procurement and (b) research, development, test and evaluation (R.D.T. & E.) by the Department of Defense;

(2) Authorize the personnel strength for each active-duty component of the Armed Forces for fiscal year 1977;

(3) Authorize the strength for the Selected Reserve for each reserve component of the Armed Forces for fiscal year 1977;

(4) Authorize the personnel strength of the Department of Defense for fiscal year 1977;

(5) Authorize the annual active military training student loads for each of the active and reserve components of the Armed Forces for fiscal year 1977;

(6) Extend the requirement for authorization prior to appropriation to all military functions administered by the Department of Defense beginning with the fiscal year 1978;

(7) Express the sense of Congress that the present method of providing financial support for military commissary stores shall be continued;

(8) Provide for annual authorization for programs of the Defense Civil Preparedness Agency and express the intent of Congress that support furnished to the states for civil defense purposes may take into account the needs of the states and their political subdivisions in preparing for other than enemy-caused disasters;

(9) Increase from 1,200 to 2,000 the number of training units authorized in the Junior Reserve Officers Training Corps;

(10) Impose certain other requirements and limitations with respect to procurement and personnel actions, and for other purposes.

The bill provides the specific authorizations for appropriations totaling $33,426,343,000 for fiscal year 1977. This includes $23,-066,500,000 for major weapons procurement and $10,359,843,000 for R.D.T. & E.

The bill authorizes a total active-duty military strength of 2,101,904, a total reserve strength of 898,200, and a civilian-personnel strength of the Department of Defense of 1,040,981.

H.R. 12438—A CLEAN BILL

H.R. 12438 is a clean bill superseding H.R. 11500 on which hearings were held.

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Summary of Major Revisions and Additions

The Committee on Armed Services made numerous revisions and additions in the request of the Department of Defense which are discussed in detail throughout this report. The following is the summary of major changes:

PROCUREMENT

The committee extensively restructured the shipbuilding program for the U.S. Navy, deleting five ships requested by the administration and adding nine ships not requested, for a net increase of four new ships. The committee added two conversions. The committee added $2.2 billion in shipbuilding authorizations and deleted $1.1 billion from various accounts in the ship-construction request, for a net increase of $1,088.8 million for ship construction.

The committee added $125 million to the Navy aircraft authorization to be used only for the procurement of the A–6E aircraft.

The committee reduced the authorization for missiles for the Navy by $17 million to reduce the planned procurement of the Sparrow missile.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The committee made reductions in numerous R.D.T. & E. accounts totaling $547.2 million and established an Emergency Fund of $49 million under the Director of Defense Research and Engineering, for a net reduction of $498.2 million. The $49 million Emergency Fund is to be used for:

Development of the F-401 engine or other viable alternatives for the F–14 aircraft ($15 million);

Development of a common all-weather, air-to-air missile for joint use by the Air Force and Navy ($15 million);

Required research and development in support of the Aegis weapon control system on the U.S.S. *Long Beach* ($11 million); and

Required research and development to refurbish the U.S.S. *Belknap* ($8 million).

STRENGTH AUTHORIZATIONS

The committee made two major changes in the authorizations requested:

The administration's proposal to reduce the Selected Naval Reserve to 52,000 was rejected and a strength of 102,000, the same strength as was funded in fiscal year 1976, was authorized.

(The active-duty military strength of the Navy was increased by 904 and the civilian strength of the Department of the Navy was increased by 181 to provide the additional personnel needed to support the Naval Reserve strength of 102,000.)

The civilian strength of the Department of Defense was increased by 5,000 with the additional authorizations to be allocated to the Air Force to allow a greater level of effort on vital maintenance work.

AUTHORIZATION RESTRICTIONS

AWACS

The committee added language to the bill to provide that the $474.7 million for the procurement of 6 E–3A Airborne Warning and Control System (AWACS) aircraft shall not be expended until a favorable decision is made by NATO allies to procure AWACS.

XM–1

The committee provided that $65.2 million shall be authorized for facilities expansion and modernization for future XM–1 tank production but provided that none of the funds authorized may be obligated on a specific production site until competitive testing between U.S. XM–1 tank contenders has been completed and a winner chosen.

GENERAL PROVISIONS

General provisions added to the bill by the committee include the following:

Annual authorizations.—The requirement for authorization prior to appropriation is extended to all military functions administered by the Department of Defense.

Commissaries.—The sense of Congress would be expressed that no change should be made in the present method of financial support for commissary stores and any move to eliminate this support is neither justified nor desirable.

Civil defense.—Funds provided for civil defense may be used for purposes other than defense against nuclear attack, as has been proposed by the Administration. Future annual authorization of the appropriations for civil defense would be required.

Naval Reserve Centers.—The sense of Congress would be expressed that the Secretary of the Navy take no action to close Naval Reserve Training Centers until the authorization and appropriate legislation establishing the strength of the Selected Reserve has been enacted into law.

Technical-data packages.—Beginning in fiscal year 1978 defense contracts for the development of major weapons systems must include the option for the government to procure a technical-data package as part of the contract.

Inflation estimate.—Requests for appropriations beginning in fiscal year 1978 for operation and maintenance for the Department of Defense must include amounts to cover expected escalation.

Junior Reserve Officers Training Corps.—The authorized number of units in the Junior Reserve Officers Training Corps would be increased from 1,200 to 2,000.

Prior notification.—The Secretary of Defense must notify Congress in a timely manner prior to any action to terminate, alter, modify or consolidate major training programs or training missions of any service.

COST TOTALS

The total dollar authorization recommended by the committee, $33,426,343,000, for fiscal year 1977 is $698,578,000 higher than the amount requested by the Department of Defense. This represents an increase of $1,196,800,000 over the $21,869,700,000 requested by the administration for procurement and a decrease of $498,222,000 below the $10,858,065,000 requested for R.D.T. & E. The following table compares the amounts requested, authorized and appropriated in fiscal year 1976 with the amounts requested by the Department of Defense for fiscal year 1977 and the amounts recommended by the committee in H.R. 12438.

TITLES I AND II.—COMPARISON OF AUTHORIZATIONS REQUESTED BY DOD FOR FISCAL YEAR 1977 WITH CONGRESSIONAL ACTION IN FISCAL YEARS 1976 AND 197T AND COMMITTEE RECOMMENDATIONS FOR FISCAL YEAR 1977

[In thousands of dollars]

Program	Fiscal year 1976			Fiscal year 197T			Fiscal year 1977 requested	Authorized by committee
	Requested	Authorized	Appropriated	Requested	Authorized	Appropriated		
Procurement:								
Aircraft:								
Army	362,300	337,500	333,500	59,400	59,400	59,400	555,500	555,500
Navy and Marine Corps	3,077,000	2,997,800	2,972,800	600,100	585,500	605,500	3,032,500	3,157,500
Air Force	4,575,500	4,119,000	3,933,700	1,087,100	858,000	818,400	6,344,800	6,344,800
Subtotal	8,014,800	7,454,300	7,240,000	1,746,600	1,502,900	1,483,300	9,932,800	10,057,800
Missiles:								
Army	460,800	431,000	422,600	56,500	56,500	42,600	552,400	552,400
Navy	1,000,500	985,500	963,000	309,100	305,600	298,100	1,914,900	1,897,900
Marine Corps	52,900	52,900	52,900	10,700	10,700	10,700	71,900	71,900
Air Force	1,791,400	1,765,000	1,723,900	277,400	252,200	233,000	1,599,400	1,599,400
Subtotal	3,305,600	3,234,400	3,162,400	653,700	625,000	584,400	4,138,600	4,121,600
Navy vessels: Navy	5,506,000	3,899,400	3,853,000	474,200	474,200	471,200	6,289,500	7,378,300
Tracked combat vehicles:								
Army	915,000	864,000	830,100	272,600	245,300	245,300	1,084,300	1,084,300
Marine Corps	101,500	101,500	101,500	400	400	400	29,700	29,700
Subtotal	1,016,500	965,500	931,600	273,000	245,700	245,700	1,114,000	1,114,000
Torpedoes: Navy	197,400	194,400	194,400	19,200	19,200	19,200	251,800	251,800
Other weapons:								
Army	74,300	74,300	51,300	9,700	9,700	9,700	63,600	63,600
Navy	26,300	17,700	15,200	4,400	4,400	4,400	73,000	73,000
Marine Corps	100	100	100				3,500	3,500
Air Force							2,900	2,900
Subtotal	100,700	92,100	66,600	14,100	14,100	14,100	143,000	143,000
Inventory replenishment: DOD	300,000							
Total, procurement	18,441,000	15,840,100	15,448,000	3,180,800	2,881,100	2,817,900	21,869,700	23,066,500
Research, development, test, and evaluation:								
Army	2,181,700	2,028,933	1,948,823	585,600	513,326	504,452	2,376,300	2,271,295
Navy	3,467,700	3,316,161	3,238,390	903,800	849,709	818,722	3,855,200	3,604,383
Air Force	3,903,200	3,737,001	3,591,266	1,034,000	965,783	901,014	3,916,600	3,749,200
Defense agencies	597,800	563,700	604,400	152,700	139,768	146,550	676,300	652,300
Director of T. & E., defense	28,500	25,000	25,000	6,800	5,000	5,000	30,000	30,000
D.D.R. & E. emergency fund								49,000
Subtotal, R.D.T. & E.	10,178,900	9,670,795	9,407,879	2,682,900	2,473,586	2,375,738	10,854,400	10,356,178
Special foreign currency program (Authorization under R.D.T. & E., Navy)	2,488	2,488	2,488	37	37	37	3,665	3,665
Total, R.D.T. & E.	10,181,388	9,673,283	9,410,367	2,682,937	2,473,623	2,375,775	10,858,065	10,359,843
Total, procurement and R.D.T. & E.	[1] 29,915,388	25,513,383	24,858,367	5,863,737	5,354,723	5,193,675	32,727,765	33,426,343

[1] Includes $1,293,000 military assistance, South Vietnamese Forces.

Relationship of Authorization to Appropriation

The $33,426,343,000 authorized for appropriation in this bill encompasses more than one-fourth of the total budget authority requested for the Department of Defense in fiscal year 1977. The total obligational authority requested for the Department of Defense for fiscal year 1977 is $112,709,000,000. While the personnel strengths, military and civilian, authorized in the bill have an impact on the budgetary requirements of the Department of Defense, authorization of specific dollar amounts for personnel is not carried in the present legislation.

The appropriations categories covered by the authorization in H.R. 12438 are R.D.T. & E. and that portion of procurement which, for the most part, affects major weapons systems.

Proposed Extension of Authorization Requirement Consistent with New Budgetary Procedure

The committee is recommending a revision of procedures next year which will require annual authorization prior to appropriation for all military functions administered by the Department of Defense. This will extend the authorization requirement to the following appropriation categories not now subject to prior annual authorization: military personnel, operation and maintenance, retired pay and that portion of procurement not now covered by authorization. Military construction is presently authorized in separate legislation.

The magnitude of the areas which have not had the benefit of full authorization review can be understood by examining the dollar amounts involved. For fiscal year 1977 the request for budget authority for these appropriation categories (including contingencies) is as follows: military personnel, $26,498,301,000; retired pay, Defense, $8,433,800,000; operation and maintenance, $32,355,870,000. In addition, the portion of the procurement category not presently governed by authorization includes a request for approximately $7.4 billion. This includes a vast range of procurements for the Department of Defense from ammunition and electronic equipment to commercial vehicles and base supplies.

The committee has found that the annual authorization process is the most effective means of carrying out its oversight responsibilities for the Department of Defense. The extension of the authorization procedures in the past have often resulted from a congressional desire for more vigorous oversight in problem areas.

The committee believes that the extension of the annual authorization requirement to the whole Defense budget is particularly appropriate at this time as it is consistent with the new budgetary procedures required by the Budget and Impoundment Control Act of 1974.

Under the new budgetary procedures the committee has the specific responsibility, among other things, of making a recommendation to the Budget Committee by March 15 on the total requirements for the National Defense Function. In order to carry out this requirement effectively, the committee must review not just those areas presently subject to authorization, but the whole range of Defense dollar requests. The committee has been analyzing broad defense requirements for years in its annual posture review which immediately precedes the authorization hearings. To make the necessary detailed recommendations to the Budget Committee this year, however, the Committee on Armed Services has had to examine the total Defense budget request more extensively than in the past.

The committee believes that by the institution of annual authorization for the entire Defense program, it will be able to make a more effective contribution to the new budgetary process and will aid in simplifying the consideration of Defense needs for both the Congress and the executive branch by considering legislation which corresponds with the request considered by the Appropriations Committee.

Hearings

The committee commenced its extensive consideration of the program needs which make up the present legislation with 10 days of hearings in December on "Overall National Security Programs and Related Budget Requirements." These hearings are available as House Armed Services Committee document No. 94–32 and cover 586 pages. The committee conducted detailed hearings beginning on January 27, after submission of the President's budget. These hearings are in five volumes covering defense posture, procurement, personnel, ship construction and R.D.T. & E. In all, the committee's consideration included 13 days of full-committee hearings and 33 days of subcommittee hearings this year.

COMMITTEE GENERAL OBSERVATIONS

In last year's report the committee observed that "détente cannot substitute for deterrence as the guarantor of peace in the nuclear age." This point is the more telling today when détente is a term in disrepute. The President has dropped it from his political vocabulary. Perhaps he senses a growing suspicion among the American people that détente serves as a smokescreen for Soviet ambitions and adventures, as in the Angolan situation.

Hopes for progress in Strategic Arms Limitations Talks (SALT) have not materialized. The whole issue of arms control has been thrown into confusion by uncertainties over the extent of Soviet adherence to treaty terms and commitments. It is not clear whether they are simply interpreting ambiguities in the agreements to their own advantage or engaging in outright violations. And the value of the basic agreements as such are at issue.

The Shifting Military Balance

The mounting evidence of Soviet arms expansion no longer is greeted with skepticism and scorn, especially by those who believe that the Soviet threat takes an upturn whenever the Department of Defense places its budget requests before the Congress. The fact is that the Soviet Union continues to build its war machine at a pace well ahead of ours. "The quantitative military balance since 1965 has shifted substantially in favor of the Soviet Union . . ." So finds the Congressional Research Service in its recent study, "United States/Soviet Military Balance." And the testimony taken by the committee documents the Soviet arms advantage in chapter and verse.

Secretary Donald H. Rumsfeld, in his first appearance before the committee as Secretary of Defense, drew upon the vast technical

and intelligence information in his Department to highlight the advances in Soviet arms during the decade. He pointed out that Soviet defense spending, in real terms, steadily has gone up. Men under arms have increased in number from 3.4 million to 4.4 million (not counting border guards and internal security forces). Soviet divisions have expanded in number from 141 to 168, with added tanks, artillery, and armored personnel carriers. Nearly 2,000 tactical aircraft have been added, including more sophisticated fighter attack aircraft. Soviet naval forces have grown in size and sophistication, with more nuclear attack submarines, greater missile firepower, improved fleet range and replenishment capabilities, and three small aircraft carriers under construction.

Strategic offensive forces in the Soviet Union have expanded during the decade from relatively small numbers to a heavy mass of striking power. Their Intercontinental Ballistic Missiles (ICBM's) have increased in number from 224 to 1,600; Sea-Launched Ballistic Missiles (SLBM's) from 29 to 730; strategic (nuclear) warheads and bombs from 450 to 2,500. The Soviets have more strategic missiles than we do, and they far surpass us in aggregate throw-weight. As we pointed out last year, if the Soviets exploit their throw-weight advantage by MIRVing their giant missiles (that is, mounting multiple warheads on each missile which can be independently targeted), then our Minuteman sites will become highly vulnerable. This explains why the Department of Defense is examining the possibilities for developing mobile, less vulnerable, missiles—land-based or airborne.

It is not the committee's desire or purpose to "talk down" the defensive strength of the United States. Our "triad" of missiles, bombers, and nuclear submarines represents enormous and flexible deterrent power. We are ahead in military technology. We have more MIRVed missiles and more nuclear bombs. We have the psychological benefits of strength associated with a free society and a Free World alliance. If we suffer by comparison in quantity, we have the advantages of quality.

The point we wish to stress, however, is that the advantages we have leave no room for complacency. The paramount consideration before us is the momentum and direction of Soviet arms development. The Soviets are moving from emphasis on sheer mass and weight to technical sophistication—"throw weight today, accuracy tomorrow." As General George S. Brown, Chairman of the Joint Chiefs of Staff, said in his posture statement to the committee: "The Soviet Union's focus is not simply on maintaining the current advantage in terms of delivery vehicles, megatonnage, and throw-weight, but it applies as well to accuracy, flexibility, survivability and MIRVing intercontinental missiles."

New Directions in Defense

It is time, in the committee's considered judgment, to stop indiscriminate budget-cutting which eats into the muscle and bone of national defense. We have to shore up our defenses where they are deficient. We have to provide for real growth. This means replacing our aging ships and planes and other obsolescent weapons and equipment. This means maintaining a high rate of research and development and exploiting our technical knowledge by building advanced systems. This means improving our combat readiness by providing the necessary skilled

manpower and the funds for servicing and repair of equipment. This means careful planning and systematic progress.

Illustrative of its determination to move forward in the defense area, this committee recommends ample increases in Navy ship construction—amounts sufficient to reverse to the downward trend of the past few years. More than $1 billion in net additional funds are authorized, as explained elsewhere in this report.

The Need for Real Growth in the Defense Budget

The Committee's judgment on the need for real growth was not arrived at lightly. Criticisms of past management practices in the development and procurement of major weapons systems are not without substance; there is—and will continue to be—significant room for improvement in the efficient utilization of defense moneys. But, even under ideal circumstances, certain basic realities must be acknowledged.

First, the level of defense appropriations cannot be influenced by wishful thinking about the underlying motives of Soviet military expansion. They must be determined, pragmatically, by an evaluation of what is necessary to maintain adequate deterrence against the threat.

Second, it must be recognized that there is an ultimate limit to the benefits to be derived by efficiencies. The real cost of defense like the real cost of everything else in our society, is going up. This results from two interrelated factors. The labor content of purchases from industry is increasing in real terms because the standard of living (as expressed in real wages) rises steadily in an expanding society. And this real growth in labor content is only partially offset by increases in productivity because of the growing cost of implementing governmental mandates on environmental and industrial safety.

The real cost of defense purchases in the specific area of modern weaponry also reflects another fundamental reality: The sophisticated weapons of the future simply do not equate in real cost terms with predecessor systems. Put in simplest terms, a modern F–16 fighter cannot be purchased for the same real cost that procured a counterpart system suitable to our needs in World War II or the Korean War. To conclude otherwise is to conclude that the cost of technology is free. The vast improvement in fighting power of modern systems must be paid for.

If, then, we are to maintain a deterrent force suitably modernized and ready to meet the threat which exists, the question which confronts the Congress is not whether there should be real growth in the defense budget, but rather, what constitutes an adequate level of real growth to maintain the requisite deterrent.

The balance of evidence considered by the Committee indicates that the level of purchases from industry must grow by at least 4 percent per year in real terms in order to maintain a constant level of deterrent. The Department of Defense believes that because of efficiencies in the personnel area, this purchase growth can be sustained within an overall real growth rate of 2 percent per year for the total defense function.

It will be pointed out that the real growth in purchases from industry proposed in the fiscal year 1977 budget is 16 percent. This is correct. The question arises, therefore, why do we need 16 percent in the fiscal year 1977 budget, rather than the 4 percent endorsed by this

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Committee as essential. The answer is that the 16 percent figure must be viewed in its proper context, rather than in a vacuum. It is essential to recognize that the 16-percent growth in purchases from industry results from a net real growth of only 7 percent in the total Defense budget—which presumes efficiencies in budget areas other than purchases from industry. It assumes, for example, some severe constraints in areas of personnel spending—some of which the Congress has already indicated it does wish to support.

Furthermore, the real growth in purchases proposed by the Department of Defense this year constitutes a four-year bill which is coming due. Between 1973 and 1976, modernization was continuously deferred as funds were re-allocated to domestic priorities deemed more pressing. As the following table indicates, the vital areas of RDT & E and procurement—the areas of the defense budget which reflect the cost of weapons acquisition—remained at a static level for a period of three years. And as the Committee has noted, non-growth in these areas translates into deterioration rather than maintenance of a status-quo.

BASELINE TOTAL OBLIGATIONAL AUTHORITY

[Constant fiscal year 1977 prices]

	1973	1974	1975	1976	1977
Procurement	22.1	22.0	21.1	21.5	27.7
R.D.T. & E	10.8	10.2	9.9	10.2	11.0
Total	32.9	32.2	31.0	31.7	38.7

Viewed, then, in the four year context, a 16 percent growth in fiscal year 1977 purchases from industry translates into 4 percent for the current year and 12 percent in accumulated growth deferrals for the three preceding years, the minimum growth rate necessary to maintain a modern deterrent capability.

It is reasonable to ask whether, with a host of other national priorities, some portion of this year's program might safely be spread out over a number of years instead of trying to make up a 4-year deficiency in one year.

The answer is that, four years after the end of our involvement in Vietnam, the materiel shortages that arose from the natural course of fighting that war have yet to be made up. In fact, those deficiencies have been compounded by a series of budget deferrals in the post-war years. And many of the major weapons systems in our depleted inventory are nearing the end of their useful life.

Far from being a panacea that will cure all the ills of our deterrent force, the fiscal year 1977 budget should be accepted for what it is—a reasonable step in the right direction at a point in time when we still have such an option. The budget however, in the judgment of the committee, requires modification and adjustment as is reflected in the committee's recommendation in this report.

Civil Defense

This year, the committee also addresses a long-neglected defense issue—civil defense. It deserves special attention for three reasons:

(1) Civil defense is an important element in a posture of strategic deterrence. The Soviet Union is devoting to civil defense 10 times as much effort (both in budgetary and physical protection terms) as the United States. It is important that we acquire the same options the Soviets have, to evacuate populations in time of crisis, or to afford them shelter in place in the event of imminent nuclear attack. Without these options we are considerably more vulnerable to nuclear blackmail.

(2) The Department of Defense has recommended, or acquiesced in, a substantial cut in the civil defense budget. The Defense Civil Preparedness Agency (DCPA) requested $123 million for fiscal year 1977; the administration cut it back to $71 million, or $14 million less than was appropriated last year. This committee has recommended both to the Committee on the Budget and the Committee on Appropriations that the civil defense component of the budget be raised to $110 million as a step toward a more adequate civil defense.

(3) The administration's budget cut was accompanied by a policy restriction: State and local civil defense organizations no longer would be able to use DCPA grant funds for dual-use preparedness; that is, for natural disaster or other peacetime emergency functions as well as for attack-oriented planning. Such a restrictive policy is seriously detrimental to State and local civil defense organizations, and the committee provides amendatory language in section 710 to make clear the intent of Congress to foster the dual-use concept while preserving the primacy of the civil defense mission in the enabling law.

Commencing in fiscal year 1978, civil defense, along with all other military functions administered by the Department of Defense, will be subject to *annual* review and authorization, if the committee's recommendations are enacted by the Congress.

SHIP CONSTRUCTION—THE NAVY OF THE 1980s AND BEYOND

A successful and effective navy must be related to conditions which exist in the world, including the naval and military power possessed by potential adversaries and their perceptions as to how that power may be used to further their objectives. The structure of an effective navy must take into consideration the importance and location of allies, the sources of the country's raw materials, its own technology and that of its potential adversaries. The Navy must be structured so that the country will be exposed only to prudent risks to its interests and any doubt as to these risks should be resolved in favor of more caution rather than more risk.

U.S. Navy Requirements

Since the interests of the United States are global in character, a navy adequate to protect those interests is necessary. The committee interprets "adequate," in this sense, to mean a sufficient number of ships of the appropriate types, equipped with the weapons necessary to deter hostilities and to assure a reasonable margin of success if an enemy must be engaged in order to maintain open sea lanes.

Our national interests involve multilateral defense treaties with more than 40 nations, all but two of which are overseas. One State and two American territories are overseas, and another state must be supplied primarily by sea. We are currently considering Commonwealth

status for Trust Territories in the Pacific, which lie at great distances from the continental United States and will require naval protection.

We are dependent upon the freedom of the sea lanes to import many of the strategic and critical materials upon which our industrial base and military security depend. Since the countries in the Middle East/Persian Gulf area hold about 60 percent of known oil reserves much of our future imported oil must come from that area. Our NATO allies are 100 percent dependent upon OPEC oil, while the situations of Australia, New Zealand, and Japan are not appreciably better. Thus, the security of the American industrial base, as well as that of our allies, depends upon freedom of the sea lanes including those in the Indian Ocean.

General Purpose Naval Forces

The Navy of the 1980s and beyond must, to some extent, rest on the foundation of the present fleet. Most of the ships in the fleet today will continue their service well into the 1980s, while those of more recent construction will serve into the next century. The committee believes that an overview of today's fleet will serve to illustrate the magnitude of the job which lies ahead.

The committee also believes that a distinction should be drawn between "general purpose" naval forces and "strategic" forces. While the 41 fleet ballistic missile submarines represent an important part of the nuclear deterrent triad, they contribute nothing to the Navy's ability to conduct prompt and sustained combat operations at sea.

A similar distinction should be drawn between the combatant ships of the Navy and those which are in the support and auxiliary categories. Support ships, such as oilers, tenders, ammunition ships, and others are necessary to supply a fleet while operating at sea far from its land bases; however, these ships have no offensive or defensive capabilities. The same is true of our amphibious warfare ships, which are designed for the special mission of projecting power ashore. Auxiliary ships, such as fleet tugs and submarine rescue ships have no offensive or defensive capability.

While these noncombatant ships are indispensible to the performance of the Navy's many missions, and contribute to the Navy's overall seapower posture, they require the support of combatant ships to enable them to carry out their missions.

General purpose naval forces are those which are designed to operate in a hostile environment which does not include the unrestrained use of nuclear weapons.

Composition of Navy General Purpose Forces

In 1968, there were 975 ships in the active fleet. There are now only 478 ships of all types in the active fleet. Since 1968, many World War II era ships have been scrapped without replacement. Other ships were retired without replacement in order to devote operating funds to the effort in Southeast Asia. Too few ships were requested and insufficient funds have been authorized and appropriated to stabilize the fleet at a number larger than its current size.

Surface Combatants (173).—There are only 173 surface combatant ships in the Navy's active inventory. These are as follows.

Aircraft Carriers (13).—During fiscal year 1976, the Department of Defense has reduced the aircraft carrier force level from 15 to 13 ships. Of these, only 12 will have full attack carrier capabilities and dedicated air wings, while the 13th carrier will be used for training. Three carriers are now more than 29 years old, and four other *Forrestal* class ships are between 17 and 21 years old. While the number of carriers is significantly below that recommended by the Joint Chiefs of Staff, DOD plans will barely replace the older ships on a one-for-one basis. For example, U.S.S. *Midway* will be 41 years old before it is replaced. No carrier has ever operated for more than 31 years.

Cruisers (26).—Of the 26 cruisers in the active inventory, four are more than 30 years old and represent World War II technology. The age and scarcity of repair parts for the weapon systems on these ships greatly reduce their military value. The committee believes that these ships should be replaced as soon as possible.

Destroyers (70).—With the recent addition of two DD–963 *Spruance* class ships, the destroyer force has been increased to 70 ships. Of these, however, 16 *Gearing* class ships are an average of 31 years old and are of limited military value. Two *Mitscher* class ships are 23 years old, 2 *Decatur* class ships are 20 years old and 9 *Forrest Sherman* class ships average 19 years old. Aside from the 2 *Spruance* class ships, the youngest destroyers in the fleet are 15 years old. Thus, 16 of these ships are beyond their expected service lives, and 13 others are too old to economically modernize. Another 39 ships are at mid-life and in need of modernization. DOD has no current plans to replace these ships on a one-for-one-basis. Unless this is reversed, the destroyer force will rapidly decline to about 30 ships within 10 to 12 years.

Frigates (64).—Comprising more than one-third (37 percent) of the Navy's surface combatants are the 64 relatively small and relatively short range frigates which were designed primarily for antisubmarine warfare and escort duties in low-threat areas. Forty-six of the 64 frigates are *Knox* class ships which have little firepower, poor seakeeping qualities and little redundancy in their systems and machinery.

Attack Submarines (75).—The remaining category of combatant ships are the 75 attack submarines. Of these, 65 are nuclear and 10 are obsolete diesel-powered vessels. The diesel-powered submarines are of very limited military value, since they are slow, noisy, must surface periodically, and use obsolete sensors. The oldest group of nuclear-powered attack submarines will reach the end of their designed service lives in the 1980s. Therefore, it will be necessary to increase the building rate for these ships for replacement purposes and to maintain the minimum required force of 90 ships.

Strategic and Support Forces

Ballistic Missile Submarines (41).—Included within the total fleet numbers are 41 ballistic missile submarines, which are designed solely to support the undersea portion of the nuclear deterrent triad. They are not capable of supporting any of the Navy's ordinary missions. In addition, 5 tenders are devoted solely to the support of these submarines. Approximately 20 percent of the DOD 5-year new shipbuilding plan is devoted to replacement of these strategic ships.

Amphibious Warfare Ships (61).—These 61 ships are designed primarily for the mission of projecting power ashore and, in a hostile environment, require the protection of combatants.

Underway Replenishment Ships and Auxiliaries (117).—Underway replenishment ships supply oil, ammunition and stores to the fleet while at sea. Nine of these ships are oilers (AO), three of which are over 30 years old and six of which are over 20 years old. There are also nine destroyer tenders (AD), six of which are more than 31 years old. The 76 auxiliary ships, such as tugs, rescue ships and others, have no effective offensive or defensive capability.

Gunboats (8).—Eight very small patrol gunboats, primarily suited for coastal patrol, are included in the 478 Navy ship inventory.

An Appraisal of Combatant Ships

The committee believes that the number of capable combatant ships now in the Navy's inventory is insufficient to permit the Navy to perform its mission during a war with anything more than a slim margin of success. The following table indicates that a 478 ship fleet should be little cause for comfort.

How many combatant ships do we have?

Total fleet	478
Less—	
Ballistic missile submarines	41
Amphibious warfare ships	61
Replenishment ships	41
Auxiliary ships, and others	79
Gunboats	8
Total combatant ships	248
Total surface combatants	173
Attack submarines	75

When the total is adjusted for ships which should be retired because of age or obsolescence, the number of combatants is further reduced, as follows:

Total combatant ships	248
Less—	
30-year-old carriers	2
31-year-old cruisers	4
31-year-old destroyers	16
Diesel-powered submarines	10
Total combatant ships	216

A percentage of the Navy's inventory of ships is under overhaul and modernization at any one time. As hearings were being held on the fiscal year 1977 Naval shipbuilding and conversion request, 43 combatant ships were being overhauled and were not available for service. This reduces the number of combatants available to fleet commanders, as follows:

Total	216
Less ships in overhaul	43
Total combatants available	173

The Commander-in-Chief, Atlantic Fleet is responsible for keeping open the sea lanes of communication in the North Atlantic and South Atlantic Oceans and in the Mediterranean Sea, including our NATO commitments. The Commander-in-Chief, Pacific Fleet has similar responsibilities in the Pacific and Indian Oceans. Each Commander,

at this time, would have a maximum of only 87 combatant ships of all types available to him in the event of hostilities in both areas of responsibility at the same time.

The Soviet Naval Threat

Witness after witness has testified before the committee, during this year's hearings and in past years, indicating alarm concerning the sharp upward trend of Soviet naval power, while the United States Navy erodes in capability and numbers. This concern is not confined to the military community. For example, Professor Eugene Rostow, of the Coalition for a Democratic Majority recommends an additional $10 billion in Naval construction. The editors of *Janes Fighting Ships* have pointed out that Soviet Naval forces have grown far larger and more sophisticated than can be justified by any legitimate defensive need. One of those editors, Captain John Moore, states that the Soviet Navy has now surpassed our Navy in numbers and firepower and that, perhaps, our Navy is not now second to none, but is *second only to the Soviet Navy.*

The Soviets are turning out Delta class submarines with 4,000 mile range missiles at a high rate. They have caught and surpassed our Navy in attack submarines. The Soviet Navy has 220 of these ships, 86 of them nuclear-powered. A considerable number of these ships are able to fire anti-ship cruise missiles.

The Soviet surface fleet contains about 229 combatants capable of open ocean operations. The Soviet Navy has not only increased in numbers, but qualitative improvements have also been made. The Soviet Navy contains 33 major combatant ships equipped with the anti-ship cruise missile, while not a single ship in the U.S. Navy is so equipped. The deployment of our Harpoon missile will not begin until 1977.

In addition to the torpedo and cruise missile threat posed by Soviet submarines, and the missile threat of their surface combatants, Soviet Naval aviation is capable of converting millions of square miles of ocean into high threat areas. Soviet Naval aircraft are now equipped with antiship missiles of several different ranges. As these older aircraft are replaced with the longer range supersonic Backfire bombers, the Soviet Naval air threat will extend farther and farther into the open ocean areas. Soviet BEAR D aircraft operate from Guinea, Somalia on the Indian Ocean, and from Cuba, as well as from the homeland. Used as reconnaissance aircraft and to target long-range anti-ship missiles, these aircraft can cover most of the Atlantic, Indian and North Pacific Oceans.

The problem that the Congress must begin to address, and which the committee has addressed in its fiscal year 1977 shipbuilding and conversion recommendations is this: United States Naval forces deployed in most ocean areas of the world now face a combination of submarine, surface and air delivered weapons. These include sophisticated, relatively short-range cruise missiles to air-launched missiles from 150 miles distant. The threat will increase during the 1980s.

It is in the context of the threat outlined above that the committee recommends the conversion of the *Long Beach* to an Aegis ship, the

construction of highly capable nuclear-powered Aegis ships (CSGN's), and the acceleration of a follow-on carrier. The committee agrees with the Chief of Naval Operations that we must not only improve the defensive capability of our ships, but we must also improve their offensive capabilities.

Admiral Holloway, as Chief of Naval Operations, has testified several times that a balanced fleet consisting of approximately 600 capable ships is urgently required to meet the Soviet threat of the mid-1980s. A shipbuilding rate of 35 new ships each year would be required if that number is to be reached. The building rate of the past 10 years will result in the reduction of the fleet to about 400 ships, while the building rate proposed by the DOD five-year program will only maintain the present inadequate number of ships.

In his appearance before the committee in 1975, Admiral Holloway answered the question as to whether our Navy could carry out its mission if opposed by the Soviet Navy with a "qualified yes". In the future, however, he said, "Further erosion of our force levels or even maintenance of the status quo in the face of the continued growth of Soviet maritime capability, could reverse the balance for success which currently resides in our favor."

During his appearance before the committee this year, Admiral Holloway said, "In the broadest sense, for the foreseeable future, we believe that the U.S. Navy will be able to control any ocean or major connecting sea *unless directly opposed by the Soviet Navy.*" [Emphasis added.]

Admiral Holloway went on to say, "In assessing the maritime balance, it is more important to focus on trends than raw statistics. Three points deserve emphasis. First, over the past decade, Soviet naval construction has progressed at a rate four times that of the United States. Second, the growing Soviet fleet increasingly has been making its presence felt in areas more distant from the Soviet Union. Third, the dependence of the United States and its allies on the sea lines of communication (SLOC) will continue to be more crucial than that of the Soviet Union and its allies. Our dependence upon the SLOC is especially significant when one considers that a sea denial capability requires a much smaller investment than the sea control capability required to defend against it.

"The Soviets have not only developed a numerical advantage and qualitative improvements—which combine to create a true worldwide open ocean capability—they have manifested increased awareness of the value of naval power and confidence in its employment.

"The recent Soviet *Okean 75* exercise demonstrated advanced command, control and surveillance, and anti-carrier and anti-ballistic missile submarine operations on a worldwide basis. For the first time, we observed the Soviet Navy exercising interdiction of sea lines of communication—combined submarine, ship and aircraft operations against convoys—and operational employment of the new and highly capable Backfire aircraft. The growing maturity of the Soviet naval threat and the confidence of the Soviet hierarchy in employing maritime power must give us pause. We face a serious threat to our free use of the seas for the first time in more than 30 years.

"We must weigh the capability of our naval force structure to carry out U.S. strategy in the face of an expanding maritime threat."

Shipbuilding and Conversion, Fiscal Year 1977 Recommendations

The Congress included a provision in the 1976 Defense Appropriations Authorization Act which directed the Secretary of Defense to provide the Congress with a 5-year shipbuilding plan concurrent with the next annual budget request. This part of the law originated as a result of concern by the House Armed Services Committee that there is too little commitment on the part of the government toward rebuilding a Navy second to none in the world.

In response to the law, the Secretary of Defense provided, in his posture statement, a 5-year program calling for 111 new ships during fiscal years 1977 through 1981. As presented, the Secretary's program does not show much of a commitment to rebuilding the Navy since, according to testimony before the committee, the 111 ships will only exceed the attrition of old ships by seven at the end of the 5-year period.

The committee was pleased to hear Secretary Rumsfeld testify that the shipbuilding program is being restudied. The committee was disappointed, however, that no new program for fiscal year 1977 was requested, nor was a new 5-year program provided in time for consideration along with the authorization bill.

FISCAL YEAR 1977

The fiscal year 1977 administration request for 16 ships, in the committee's view, does not reverse the trend in the declining Naval force structure. Neither does the request address the need to restore an offensive punch to the fleet. Because of these factors, the committee has reordered the priorities in naval shipbuilding from those requested in the budget.

The shipbuilding and conversion program recommended by the committee for fiscal year 1977 would be the first step in reversing the downward trend of our Naval forces.

The bill provides for:

$6.8 billion for new ship construction and conversion instead of $4.6 billion as requested.

20 new ships instead of 16 as requested.

The conversion of two cruisers, one of which will be converted to an Aegis equipped strike cruiser.

Long lead items for an aircraft carrier, one year in advance of DOD plans.

Long lead items for the CSGN nuclear powered strike cruiser requested in the budget, and long lead items for two additional strike cruisers not contained in the budget request.

$541.1 million for other items associated with the Naval shipbuilding program.

The committee's recommendations would delete $858.5 million requested for a small oil-fired Aegis ship, confirming the national policy that all major combatant ships for the Navy's strike forces should be nuclear powered. The committee also recommends reduction of the 8 requested FFG–7 class frigates to four and substitution of 4 DD–963 class destroyers.

The following table shows the committee's action.

FISCAL YEAR 1977 SHIPBUILDING AND CONVERSION

[In millions of dollars]

Item	Authorization request				Committee action				Difference			
			Fiscal year 1977 budget impact				Fiscal year 1977 budget impact				Fiscal year 1977 budget impact	
	Quantity	Amount	BA	Outlays	Quantity	Amount	BA	Outlays	Quantity	Amount	BA	Outlays
New construction and conversion:												
Trident SSBN	1	791.5			2	1,520.3			+1		728.8	
SSN-688	3	958.7			4	1,315.7			+1		357.0	
Attack submarine						350.0					350.0	
CVNX aircraft carrier												
Advance procurement:												
CSGN cruiser (nuclear)		170.0				302.0					132.0	
DDG-47 AEGIS destroyer	1	858.5							−1		(858.5)	
FFG-7 frigate	8	1,179.5			4	590.0			−4		(589.5)	
USS Long Beach						371.0					371.0	
Cruiser conversion:												
USS Belknap						213.0					213.0	
DD-963 class destroyer					4	940.0			+4		940.0	
AD destroyer tender	1	260.4			2	508.0			+1		247.6	
AS submarine tender	1	260.9			2	509.0			+1		248.1	
AO fleet oiler	1	102.3			2	204.7			+1		102.4	
Service craft		6.0				6.0						
Assault craft		7.5				7.5						
Subtotal, new construction and conversion	16	4,595.3	4,595.3		20	6,837.2	6,837.2		+4		2,241.9	
Other:												
Outfitting		35.7				35.7						
Post delivery		35.3				35.3						
Cost growth		533.7				213.7					(320.0)	
Escalation		1,089.5				256.4					(833.1)	
Subtotal, other		1,694.2	1,694.2			541.1	541.1				(1,153.1)	
Total, Navy shipbuilding and conversion program		6,289.5	6,289.5	427.0		7,378.3	7,378.3	579.2			1,088.8	152.2

NUCLEAR-POWERED NAVAL VESSELS

Title VIII of Public Law 93–365 states the policy of the United States that all major combatant vessels for the strike forces of the United States shall have nuclear power. These forces are defined as all submarines, carriers and the cruisers, frigates and destroyers which accompany them in carrier task groups, and those combatant vessels designed for independent combat missions where unlimited high speed endurance is of significant military value.

The Congress, rather than the Department of Defense, has always been in the lead where nuclear powered naval vessels are concerned. It was the Congress which discerned the need for the advantages of nuclear power in our submarines, aircraft carriers and cruisers.

Nuclear powered vessels are limited only by the endurance of their crews, ammunition and stores. Secondary advantages of nuclear power include the elimination of oilers and the ability to remain on the battle line or in the high threat zone without exposing themselves to attack while refueling. Also, since these ships do not carry great quantities of fuel oil, they are able to carry more ammunition, aviation fuel, and other supplies. Nuclear-powered vessels are much more responsive to operational requirements, they are more reliable, and are less vulnerable to attack than oil-fired ships. Because of their reduced vulnerability and lesser dependence on supply operations, the probability of loss of life is less and the probability of success in the accomplishment of assigned missions is greater.

Since the 1973 Middle East War, another reason for nuclear-powered naval vessels has emerged. That war, and the political actions which followed it, demonstrated the paralyzing effect of the denial of oil to our naval strike forces. Admiral Moorer, then Chairman of the Joint Chiefs of Staff, viewed this experience as a "providential warning" that the Navy's strike forces "must not continue to be dependent on oil for propulsion in an actual war situation."

The aftermath of the 1973 war should have taught us other lessons. First, the quadrupling of the price of oil by the OPEC countries has impacted heavily upon the operating costs of the Navy. In order to reduce these costs, steaming times for oil-fired ships have had to be reduced.

The most important lesson of the 1973 war, however, was the realization that our domestic oil reserves are being rapidly depleted. Moreover, it appears that worldwide oil reserves, especially those which are most accessible to the United States, are being rapidly depleted.

The National Academy of Sciences recently responded to an inquiry by the Joint Committee on Atomic Energy as follows:

> American reserves of petroleum and natural gas are apparently smaller than we had believed earlier and significant gains in annual production rates now seem most unlikely. Moreover, worldwide petroleum and natural gas supplies may be deemed reliable for perhaps only another 30–50 years. As King Hubbert has summarized this situation: "A child born

in 1930 will have lived through the period during which 85–90 percent of all the petroleum and natural gas underlying the 50 American states will have been consumed; a child born in 1960 will probably live through the period when a similar fraction of all of the petroleum and natural gas on the planet will be consumed." By his analysis, worldwide production of petroleum and natural gas will peak at about the year 2000 after which relatively rapid decline is inevitable.[1]

The Oak Ridge National Laboratory has stated that, "If domestic oil production were to continue at the 1974 rate, known and undiscovered recoverable resources would be exhausted shortly after the year 2000." [2]

The major ships which the Congress authorizes this year will not enter the fleet until 1984 or 1985. If these ships were to be oil fired, they would only be at their mid-lives in the year 2000. If they were to operate at all, they would do so in an oil-short world on imported oil and, if OPEC price increases continue at current rates, their fuel will more than double. On the other hand, fissionable materials are available domestically or from friendly sources sufficient to provide nuclear energy for the Navy and for the United States, if used properly, for thousands of years.

The committee believes that prudent planning for the Navy of the future, in view of the uncertainty of future oil supplies, requires that the Congress continue the national policy that future major combatants be nuclear powered.

TRIDENT BALLISTIC MISSILE SUBMARINE (SSBN)

The bill includes $1,520.3 million for two Trident ballistic missile submarines (SSBN), an increase of one ship and $728.8 million over the budget request.

Trident SSBNs and the Polaris/Poseidon submarines, which Trident will replace, are the undersea portion of our nuclear deterrent triad. The Trident's larger size will permit these ships to carry 24 missiles with a 4,000-mile range. The extended range missiles and quieting incorporated into these ships provide a highly survivable nuclear deterrent. The present SSBN fleet of 41 Polaris/Poseidon ships will reach the end of their service lives between 1979 and 1987 and must be replaced.

In adding an additional ship, the committee would restore the Trident building schedule to 2–1–2–1, as it was established in 1974. Past DOD changes in this program have already added $1.05 billion to its cost. This further delay, which was made solely for fiscal reasons, would add $225 million to the Trident program cost.

The committee's actions this year do not constitute its support of a Trident program of more than 10 ships. That decision will be made, if justified by the Department of Defense, in connection with the fiscal year 1979 program.

[1] Committee Print: Issues For Consideration—Review of National Breeder Reactor Program. (94th Congress, 1st session.)
[2] Ibid.

ATTACK SUBMARINE (SSN–688)

The committee recommends the authorization of $1,315.7 million for four attack submarines, an increase of one ship and $357 million more than the budget request.

The Navy has a requirement for 90 to 100 nuclear-powered attack submarines in order to meet the Soviet SSBN, attack submarine and surface threat. The SSN–688 class submarine will also replace older attack submarines which will reach the end of their designed service lives in the 1980s. In order to maintain the attack submarine fleet at the minimum size of 90 ships, a building rate of four or five per year is required and, until 1974, the building rate was five per year.

The committee added the additional submarine in fiscal year 1977 in order to establish a more realistic building rate.

AIRCRAFT CARRIER (CVNX)

The committee recommends the authorization of $350 million in order to fund long lead nuclear propulsion items for an aircraft carrier.

The committee learned that the Department of Defense had intended to include these funds in the fiscal year 1977 budget, but they were deleted shortly before the budget was submitted. A Navy study shows that the deferral of these long lead funds to fiscal year 1978 will needlessly increase the cost of the next carrier by $178 million and delay the introduction of the carrier into the fleet until 1985. At that time U.S.S. *Midway*, which the carrier would replace, would be 40 years old.

Following a comprehensive study, the Navy has recommended to the Department of Defense that the *Nimitz* class carried be continued. The study shows that a smaller carrier would cost about the same, with required R. & D. and engineering costs, as a *Nimitz* class but would be of considerably less military value. The *Nimitz* class ship would be about twice as cost effective as the smallest ship considered in the study, and could operate all of the Navy's modern aircraft.

The Navy now has an authorized force level of 13 aircraft carriers. The Joint Chiefs of Staff, however, project a need for a force level considerably higher. The following table shows the carriers which will be in commission on July 1, 1976, and their ages, along with the two new carriers still under construction:

Name	No.	Commissioning date	Age as of July 1, 1976
Carl Vinson	CVN–70	1980	
Dwight D. Eisenhower	CVN–69	1977	
Nimitz	CVN–68	May 3, 1975	1
John F. Kennedy	CV–67	Sept. 7, 1968	8
America	CV–66	Jan. 23, 1965	11
Enterprise	CVN–65	Nov. 25, 1961	15
Constellation	CV–64	Oct. 27, 1961	15
Kitty Hawk	CV–63	Apr. 29, 1961	15
Independence	CV–62	Jan. 10, 1959	17
Ranger	CV–61	Aug. 10, 1957	19
Saratoga	CV–60	Apr. 14, 1956	20
Forrestal	CV–59	Oct. 1, 1955	21
Midway	CV–41	Sept. 10, 1945	31
Coral Sea	CV–43	Oct. 1, 1947	29
Franklin D. Roosevelt	CV–42	Oct. 27, 1945	31

The *Eisenhower* and the *Vinson* will be available in 1977 and 1981 to replace the *Franklin D. Roosevelt* and the *Coral Sea* which are now 31 and 29 years old, respectively. If long lead items are included in the fiscal year 1977 budget, the next carrier will be available in 1984 to replace the *Midway*, which will then be 39 years old.

The committee's action reflects not only its concern that the older carriers be replaced in a timely fashion but also for the industrial base for these ships. Even by funding long lead items in fiscal year 1977, a 4-year gap will exist between the start of this ship and the start of U.S.S. *Vinson*. A larger gap will cause widespread disruption in work forces of both the shipyard and the contractors who must supply the nuclear components and other large components for the ship. Highly skilled workers would be lost and others would need to be trained when the ship is finally started.

NUCLEAR POWERED STRIKE CRUISER (CSGN)

The budget request contained $170 million for long lead nuclear propulsion items for a nuclear powered strike cruiser. The remaining funds for this ship, to be equipped with the Aegis air defense system will be requested in fiscal year 1978. The committee recommends an increase in long lead funds of $132 million in order to most economically fund long lead nuclear items for two strike cruisers (CSGNs) in the years following fiscal year 1978.

These ships, equipped with the Aegis air defense system, long-range air defense missiles, a long-range 8-inch gun, long- and medium-range anti-ship cruise missiles, two vertical take-off and landing aircraft, and the unlimited high speed endurance of nuclear power, will be the most powerful surface combatants in the world other than the modern aircraft carrier. The CSGN will be capable of operating with carrier strike forces, with surface strike forces, or in independent operations.

The CSGN will be provided with many passive protection features including protection against shock and air blast damage, fragmentation armour around crucial spaces and protection against chemical and biological attack. In addition, each CSGN will contain, in its nuclear reactor cores, the equivalent of 3 million barrels of oil—enough for 15 years of operation.

The committee recommends that the Congress authorize the start of this new line of ships as a means of reversing the downward trend of American seapower and regaining naval superiority.

GUIDED MISSILE DESTROYER (DDG–47)

The budget contained a request for $858.5 million for a conventionally powered ship to be equipped with the Aegis air defense system. The committee recommends the deletion of the entire amount and the redirection of those funds into other fiscal year 1977 programs.

As a nonnuclear major combatant intended to operate with the Navy's strike forces and with aircraft carriers, the DDG–47 is contrary to the intent and purposes of title VIII of Public Law 93–365. Title VIII requires that the President fully advise the Congress, when he proposes to build a nonnuclear major combatant and to submit at the same time, an alternative nuclear program along with cost and schedule data. The purpose of this requirement is to provide the appropriate committees of Congress sufficient information in advance of the request to compare alternatives and arrive at a decision which will best suit the national interest.

Presidential Determination

On February 13, 1976, 23 days after the submission of the defense budget to the Congress, the President signed a determination that the first Aegis ship should be the gas turbine powered DDG–47, and there should be eight DDG–47's with only two nuclear-powered strike cruisers. The President's plan and its nuclear alternatives are:

[Dollar amounts in millions]

	Fiscal year									
	1977		1978		1979		1980		1981	
	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
Conventional/nuclear program:										
Conventional	1	$858			2	$1,100	3	$1,729	2	$1,209
Nuclear		170	1	$1,201		76		125	1	980
Total	1	1,028	1	1,201	2	1,176	3	1,854	3	2,189
All nuclear option		302	1	1,612	2	2,340	2	2,382	2	2,492
All nuclear option cost difference (cumulative)		−726		−315		+849		+1,377		+1,680

The funding plan of the President included $598 in long lead items for later strike cruisers, thus overpricing the nuclear program by that amount, an error which the Office of Management and Budget and the General Accounting Office also found.

As the General Accounting Office has pointed out, the two ships do not have the same characteristics, the nuclear-powered strike cruiser being far more powerful. If the eight conventional-powered DDG–47s were to be given the same military characteristics as the nuclear-powered strike cruiser, $2,002 million would have to be added to the cost of the DDG–47s.

The price of the nuclear-powered strike cruisers includes the initial nuclear cores which have the equivalent of 3,000,000 barrels of oil. When the cost of buying, storing and delivering 3,000,000 barrels of oil is added to the price of the DDG–47 program, in order to make it equivalent, then the cost of that program would have to be increased by at least $700 million. When these corrections are made, the cost differential tends to disappear.

COMPARISON OF CSGN AND DDG-47

MILITARY CHARACTERISTICS

Feature	CSGN	DDG-47	Difference/comments
Missile launchers	2-MK26 Mod 2	2-MK26 Mod 1	45 percent more missiles in CSGN.
Antiship missiles	16 Harpoon	8 Harpoon	Twice as many in CSGN.
Cruise missile	8 Tomahawk	None	CSGN has 5 times Harpoon range and can cover about 25 times the area.
Guns	1—8 in	2—5 in	CSGN can cover about 9 times the area with gunfire as DDG-47.
Aircraft	VTOL or Helo	Helo only	VTOL increases long-range trageting sensor projection.
Task force coordination center and unit commander facilities.	Yes	No	
Toxological protection	Yes	No	Provides isolation from chemical and biological attack.
SSES	Yes	No	Electronic intelligence and analysis system.
Air-blast resistance	Twice DDG-47		Increased protection against air-blast.
Propulsion	Nuclear	Gas turbine	Nuclear cores expected to last 15 yr, equivalent to 3,000,000 barrels of oil.
Fragmentation armor	Yes	No	Over 1,000 tons added to CSGN displacement.
Length	660 ft	529 ft	
Beam	77 feet	55 ft	
Displacement	17,210 tons	9,055 tons	
Manning	563	312	CSGN includes 73 embarked for air, SSES, unit commander DDG-47 includes 21 embarked for air, 1 flag officer.
Sonar	SQS 53	SQS 53	
Radars:			
2 dimensional	SPS 49	SPS 49	
3 dimensional	SPY 1	SPY 1	

The committee is not convinced that the DDG–47 is a suitable Aegis platform. Nor does it believe that the costly Aegis system and associated weapons should be placed on a ship which is as vulnerable as the DDG–47. Considering the vast differences in military characteristics between the DDG–47 and the CSGN, we believe that, over the lifetime of the ship, the CSGN is the most cost-effective Aegis platform.

U.S.S LONG BEACH CRUISER CONVERSION

The committee recommends authorization of $371 million for long lead items necessary to convert the cruiser U.S.S. *Long Beach* to a strike cruiser equipped with the Aegis air defense system.

The *Long Beach*, a nuclear-powered cruiser, was commissioned in 1961 and is now badly in need of modernization. Its older air defense weapons are one-of-a-kind and are not able to counter the threat of Soviet antiship missiles. The Department of Defense plans to overhaul the *Long Beach* in 1978 at a cost of $140 million and to convert the ship to an Aegis ship in 1984. The $140 million spent on the overhaul of older weapons would contribute nothing to the conversion, since these weapons would be replaced.

It is the opinion of the committee that the conversion of the *Long Beach* to strike cruiser status is the most logical and cost effective way to most expeditiously introduce the Aegis system into the fleet and to modernize and convert the present relatively ineffective ship into a first class fighting unit.

U.S.S. BELKNAP CRUISER CONVERSION

The bill provides $213 million for the rebuilding and conversion of the cruiser U.S.S. *Belknap*.

On November 22, 1975, this ship was damaged in a collision and fire at sea involving the carrier U.S.S. *John F. Kennedy*. The severity of the damage to *Belknap's* superstructure rendered the ship unfit for further service until extensive rebuilding is accomplished.

The committee agrees that this ship should be restored to the fleet as soon as possible to prevent further deterioration and to provide a badly needed surface combatant. Also included in the rebuilding plan is the modernization of the *Belknap* by providing a more modern air defense system, Harpoon anti-ship missiles and a more modern command and control system.

FFG–7 FRIGATE AND DD–963 DESTROYER

The bill provides $590 million for four FFG–7 class frigates. This is $589.5 million and four ships less than the request.

The bill provides $940 million for four DD–963 class destroyers which were not contained in the budget request. The committee redirected $589.5 million from the FFG–7 program, and $350.5 million from the DDG–47 program to the DD–963 class ships.

The committee's action reflects its very great concern about (a) the tremendous cost increases in the FFG–7 program, and (b) the future military value of these ships. The committee is of the opinion that, while the FFG–7 was a "design to cost" program and therefore was to be cost effective, it is now perhaps the least cost effective of the Navy's shipbuilding program.

The fiscal year 1973 design-to-cost goal for these ships was $50 million per unit, while the December 31, 1975, Selected Acquisition Report (SAR) indicates a unit cost of $168.7 million. Even in constant dollars, unit costs have increased 161 percent. Cost estimates for the 50-ship program have increased from $3.2 billion to $8.5 billion.

The committee closely examined the FFG–7 issue and is of the opinion that, in following the design-to-cost principle, the Department of Defense has compromised away most of the military characteristics which a warship should possess. The single attribute claimed for this class of ships is a good air defense system. On the other hand, these ships are lacking in size and capacity, permitting no growth and possibly no mid-life modernization. They also lack firepower, sensors and redundancy of systems necessary to operate in a high threat area.

The committee believes that we should build more capable and survivable ships. Also, there is sympathy within the committee for the idea that our allies should shoulder more of the burden of providing escorts and anti-submarine warfare ships.

For the above reasons, the committee has substituted four DD–963 class destroyers for the same number of FFG–7 frigates this year. The committee will continue to assess the need for frigates of this type and consider ending the program with the 14 which (with this bill) will have been authorized.

The DD–963 class destroyer is now under series production in a modern shipyard. They are twice as large as the FFG–7 and are capable of mounting either 5-inch or 8-inch long-range guns. They are equipped with excellent anti-submarine weapons and are capable of carrying the most modern aid defense missiles. The committee believes that the continuation of the DD–963 line is most cost effective. The

committee has received information from the Deputy Secretary of Defense that the unit cost of future DD–963 ship would range between $229 and $241 million. Since the unit cost of those now being produced is reported to be $123.1 million, the committee believes that the four authorized in the bill can be produced within the funds recommended for authorization.

ATTACK SUBMARINE TENDER (AS)

The bill provides $509 million for two attack submarine tenders (AS). The committee added an additional ship for an increase in the authorization of $248.1 million over the $260.9 budget request for one ship.

If the second such ship were to be authorized in fiscal year 1978 instead of fiscal year 1977, the cost would be $309.5 million, rather than $248.1 million. Thus, authorization in fiscal year 1977 will result in a saving of approximately $61.4 million.

The current attack submarine tender inventory consists of two modern ships and four World War II ships which average 35 years of age. These old ships were designed to support diesel submarines and their capability to support nuclear submarines is marginal. They have almost no capability to support the new SSN–688 class submarines. The two ships which the bill provides will be the third and fourth ships designed to replace the four World War II tenders. The first two replacement ships are under contract.

DESTROYER TENDER (AD)

The committee recommends the authorization of $508 million for two destroyer tenders, an increase of one ship and $247.6 million over the budget request.

Only two of the Navy's nine destroyer tenders are modern ships capable of repairing today's complex weapons, sensors and machinery, and providing services to nuclear ships. Of the other seven ships, one is 26 years old and the remaining six are 31 to 36 years old and must be replaced.

Authorizing a single AD in fiscal year 1977, as requested, would require $260.4 million. A second ship planned for fiscal year 1978 would cost $289.1 million—a total of $549.5 million. Authorization of both ships in fiscal year 1977 at a cost of $508 million results in a cost reduction of $41.5 million.

Two replacement AD's are now under contract. The two ships recommended in the bill by the committee would provide the third and fourth replacement ships for the seven very old tenders.

FLEET OILERS (AO)

The bill provides $204.7 million for two fleet oilers (AO), one additional ship and $102.4 more than the request.

The fleet oiler is part of a rebuilding program designed to introduce modern, efficiently manned, 20 knot ships into the active fleet. The first two ships of the program were approved in fiscal year 1976, and bidding for these ships is now in progress.

The Navy's fleet oilers now have an average age of over 25 years. They are manpower intensive and relatively slow. An adequate fleet oiler force is needed to support a mobile fleet, and the wartime requirements for fleet oilers exceed 20 under the most likely scenarios. The present force consists of 8 active fleet ships and 8 ships operated by the Military Sealift Command.

The committee noted that the procurement of fleet oilers is planned as follows:

Fiscal year:	*Millions*
1977 (1)	$102.3
1978 (1)	144.2
1979 (1)	153.7
1980 (1)	165.0
1981 (2)	320.0

Considering the urgent need to replace the older oilers, and the large anticipated cost increases, authorizing two of these ships in fiscal year 1977 will not only provide one oiler a year earlier but will result in a cost reduction of $41.8 million.

CRAFT

The bill provides $7.5 million in fiscal year 1977 for the procurement of 25 LCM–6 landing craft. These craft will be assigned to amphibious ships and training units where they will replace similar craft which have reached the end of their useful service life.

The bill also provides $6 million in fiscal year 1977 for the procurement of three harbor patrol boats (YP). These craft will be used at the Surface Warfare Officer's School for junior officer shiphandling training.

OUTFITTING

The bill provides $35.7 million for outfitting materials for new ships in fiscal year 1977. The committee recommends that the full amount of the request be authorized.

POST DELIVERY

The bill provides $35.3 million for post delivery correction and acceptance trial discrepancy correction in fiscal year 1977. The committee recommends that the full amount of the request be authorized.

COST GROWTH

The Shipbuilding and Conversion, Navy authorization request contains a $533.7 million item to fund "cost growth" on fiscal year 1975 and prior year programs. Of the amount requested $320 million was to provide a reserve against claims settlements and $213.7 million is to fund the increased costs incident to contracts for ships authorized in fiscal year 1975 and prior years.

The committee wishes to point out that all of the cost growth funds requested for fiscal year 1977 are not a result of program cost increases which occurred over the past year. The fiscal year 1976 budget requested $1,119.5 million for cost growth. Of this amount, $932.4 million was appropriated and $293.2 million was deferred since that amount was not needed for obligation in fiscal year 1976 or fiscal year 197T.

The current request includes $273.8 million of the deferred amount. Within the deferred amount is a request for $140 million for claim reserves which the Congress specifically disapproved in fiscal year 1976.

The current request contains $259 million for so called "emergent" cost growth, i.e., increases in the cost of fiscal year 1975 and prior year programs which have occurred since the fiscal year 1976 budget cycle. Of this amount, $79.9 million is for contract changes on programs and $180 million is for an additional claims reserve.

The cost growth request breaks down as follows:

COST GROWTH

[In millions of dollars]

	Requested fiscal year 1976	Appropriated	Deferred	Deferred rebudgeted	Emergent cost growth	Total
Program	969.5	932.4	143.2	133.8	79.9	213.7
Claims	150.0	0	150.0	140.0	180.0	320.0
Total	1,119.5	932.4	293.2	273.8	259.9	533.7

Testimony before the committee shows that of the emergent, or new, cost growth requested, $20.7 million results from Navy program changes in the FFG–7 frigate program. The remainder has been caused by economic change. The principal changes have been:

Higher than expected inflation on government-furnished material (GFM)

Inflation of the basic award price due to—

Lack of competition (in the FFG contract).
Less favorable contract terms.
Higher contractor overhead.
Higher contractor profits.
No learning curve.
Higher labor settlements.
Inflated claims.
Negotiations which require that the ceiling price be reflected in the budget rather than the target price.

Since the Department of Defense does not control the shipbuilding market place and must live with inflation, as do other consumers, the committee can find no reason to blame the cost increases brought about by economic change on program management. On the other hand, the committee considers the cost increase incident to the FFG–7 sonar to be predictable and a direct result of the "design-to-cost" principle.

The committee recommends approval of $213.7 million of the $533.7 million requested for cost growth.

The committee recommends that the $320 million requested as a reserve against claims be disapproved, since there was insufficient evidence that these funds would be required for obligation in fiscal year 1977. The committee would have the Navy submit request for funds for any unfunded settlements for authorization and appropriation once the claims are agreed upon.

SHIPBUILDING CLAIMS BACKLOG

The committee is deeply concerned about the backlog of shipbuilding claims and how they are being handled. Although Navy officials have indicated they have made considerable progress in this area, the backlog of shipbuilding claims is currently about $1.7 billion—an all-time high.

The Navy statistics show a lower claims backlog but this is apparently due to an administrative decision to categorize many large claims as "Requests for Equitable Adjustment" or REAs. No matter what they are called, claims or REAs, the same problems exist and the same safeguards must and should apply.

Basis for Settlement of Shipbuilding Claims

In its 1974 report on the Current Status of Shipyards, the Seapower Subcommittee stated the following on the subject of shipbuilding claims:

> One of the items which has caused the most friction between the Navy and the shipbuilders has been the claims matter. At one time, there was a reported backlog of over $1.2 billion in claims that had not been settled or adjudicated by the Navy. Today, that backlog has been reduced and great effort is being put on further settlement of these claims. While the Subcommittee wishes to see the claims process speeded up, it has time and again stressed that claims should not be settled merely to run up statistics. Each claim must be looked at squarely and fairly to see whether it is a matter for which the Navy should be responsible.
>
> There is a large amount of preparation of detailed information that is necessarily involved in the preparation of the Navy's side of each claim. This preparation must be accomplished if the Navy is not to give away the taxpayer's money merely on the unilateral demand of the shipbuilder. There has to be a full examination of each claim to ascertain that the responsibility really lies with the Navy. This is going to be even more important now that the Navy has established a pattern of paying, on the average, about 30 cents on each dollar of claim. In this situation, the shipbuilders could be tripling their claims in order to get merely what they want in the first place.

The committee once more strongly endorses the position expressed in the 1974 subcommittee report. The Navy should pay its just debts as promptly as possible but not pay more than what it legally owes under the contract.

There have been suggestions the Navy should settle such claims on a so-called "management" basis rather than on the basis of strict legal entitlement in order to eliminate the shipbuilding claim backlog and to provide financial relief to shipbuilders. Some contractors, when faced with cost overruns, apparently submit claims based on how much more money they need to make a profit, without regard to whether the government or the contractor is responsible for the overrun.

The committee reemphasizes that any settlement in excess of amounts owed under the contract is illegal. Moreover, efforts to settle claims on a lump sum, "management" basis in advance of a complete legal and technical analysis of the amount legally owed undermines the entire system of government contracting, and destroys the morale of those government employees who are responsible for enforcing government contracts.

In those rare cases where the Defense Department determines that providing financial assistance in excess of amounts legally owed is necessary to facilitate the national defense, the Department has authority under Public Law 85–804 to do so, subject to the prescribed safeguards.

ESCALATION

Under the "full funding" policy, the Navy is required to budget for the basic cost of each new ship *plus* all existing or predicted cost growth, *plus* all predicted escalation payments under the terms of the contract, for the full construction period. Under the "full funding" policy all funds for the above purposes must be in hand prior to contract award. Since even the more simple ships require construction periods of 3 to 4 years and more complicated ships such as carriers may require 8 to 10 years to complete, the Congress is asked to appropriate large sums each year as a reserve against escalation payments. These sums remain on the books of the Department of Defense as unobligated balances, since escalation payments are earned by the contractor and obligated by the Navy only as labor and material indices increase. Due to the fact that the prediction of inflation rates is beyond the ability of man, no one knows whether a particular shipbuilding program is overfunded or underfunded at a particular time.

The committee's suggestion, in its fiscal year 1976 report, that escalation should only be authorized and appropriated two years in advance was opposed by the Department of Defense and in other quarters. While we are still of the opinion that the "full funding" policy needlessly builds up unobligated balances, the fiscal year 1977 bill contains all of the escalation funds to fully fund the ships in the recommended new ship construction program.

Escalation for Fiscal Year 1975 and Prior Years

The bill contains $256.4 million to fund escalation which will arise under shipbuilding programs authorized in fiscal year 1975 and prior years, and which will be obligated in fiscal year 1977. This is a reduction of $833.1 million in the $1,089.5 million requested. The $833.1 million was redirected to other shipbuilding programs. This action is consistent with the action taken by the Congress in acting on the fiscal year 1976 authorization and appropriation bills.

For fiscal year 1976, the Defense budget requested $1,149.8 million to cover the cost of the escalation deficit on the fiscal year 1975 and prior year shipbuilding programs. This deficit was caused by the use of inflation estimates which were too low during a period when labor and material rates were increasing at unprecedented rates.

The Congress in fiscal year 1976 appropriated only $420.3 million of the $1,149.8 million request and deferred the remaining $729.5 million which would not be obligated in that fiscal year to later years. The Department of Defense has rebudgeted the $729.5 million of deferred escalation and has identified $360 million in "emergent," or new escalation which has occurred due to labor and material increases since the fiscal year 1976 budget was prepared.

The request for escalation breaks down as follows:

Escalation request

Fiscal year:	*Millions*
1976 (requested)	$1,149.8
1976 (appropriated	420.3
1976 (deferred)	729.5
Deferred rebudgeted	729.5
Emergency budgeted	360.0
Total request	1,089.5

There are those who imply that escalation payments are "cost overruns" which are the result of mismanagement. In the committee's view this misstates the facts. It is true that escalation increases result in costs which were not originally budgeted. But these costs were highly unpredictable at the time the original budget requests were prepared.

Since high rates of annual inflation have become a way of life, shipbuilding contractors have insisted that they be protected by contracts which provide for additional payments when labor and material rates rise. When these rates rise above those predicted, either deficits must be funded or the contracts canceled.

COMMITTEE COMMENT ON SPECIFIC PROGRAMS

B–1 Bomber

The committee recommends authorization of $1,532.2 million for the B–1 aircraft for fiscal year 1977, the amount requested in the budget. This request consists of $948 million for procurement, $89 million for advanced procurement, $12.5 million for initial spares and $482.7 million for research and development. The Air Force's B–1 bomber program has been and continues to be a controversial subject. The committee, during its review of the fiscal year 1977 budget, investigated all aspects of this program.

The committee reviewed the B–1 program in the context of both an individual weapons system as well as its relationship to the total U.S. strategic program. It is in this latter context that the importance of the B–1 is realized. The U.S. strategic bomber force today carries about half of our total megatonnage. Assuming that the U.S. does not proceed with the B–1 program, this country would have a twenty-plus year old B–52 bomber for the 1980–1990 timeframe. More importantly, the B–52 with its large radar cross-sectional area and low altitude constraints cannot provide the penetration capability of the B–1.

The committee believes that the B–1 is the most cost-effective weapons system to support the submarine and ICBM legs of the triad. This belief was confirmed in the General Accounting Office study of this past year.

In its review of the B–1 this year, the committee evaluated the data provided by the Department of Defense, General Accounting Office

and the Brookings Institution. The general conclusions reached by the committee are described in the Research and Development section of this report. The committee identified one finding however, that is common to all studies—that the U.S. strategic arsenal must contain a bomber force. The point of departure relates to the identification of the bomber. Brookings Institution, for example, advocates continued use of the B–52 bomber. As stated earlier, the B–52 in itself will not be adequate for the 1980–1990 timeframe. Upgrading the B–52, that is adding new engines, a supercritical wing, better electronic counter measures capability, etc., is estimated to cost over $40 million per aircraft. The large radar cross-sectional area would be unchanged.

The Brookings study suggested the use of cruise missiles launched from standoff aircraft. It should be noted here that a delivery system such as a currently available commercial aircraft is not built to military specifications and would cost in excess of $30 million. After all the factors have been considered a cruise missile carrier with the necessary equipment built to military specifications would cost in excess of $50 million per aircraft. At this cost, it would still not provide the capability afforded by the B–1. The general committee finding concerning the Brookings Institution study was that its conclusions were derived from rather simplistic assumptions. For example, the study states, "We believe that in buying its bomber force the U.S. can safely assume that ballistic missiles can be used to suppress air defenses . . . as long as an effective mobile . . . SAM defense . . . is not deployed." The committee wishes to point out, however, that today mobile SAMs are deployed in the Soviet Union that are capable of intercepting low altitude cruise missiles flying at normal enroute altitudes.

The committee has investigated all the alternatives presented by the various studies and concludes that the B–1 bomber armed with its planned ordnance is required, is essential to our national security, is complementary to the other legs of our triad, is cost effective in terms of both reasonable and possible scenarios, and is meeting its major milestones.

On this latter point recent studies have surfaced and highlighted technical difficulties in the program. The committee has investigated the allegations and to date has been unable to identify any problems that are not typical of a development program at a comparable point in time. It is the opinion of the committee that there are no technical reasons that will preclude the successful development of the B–1 bomber.

Finally, the General Accounting Office has recently indicated that there were no performance thresholds identified for the system. This assessment was accurate; however, performance thresholds have now been established. In summary, the committee is convinced that there is high probability that the Department of Defense in November of this year will have all of the data necessary to make a decision on procurement of the aircraft.

A–6E

The committee has added to the bill $125 million for procurement of the A–6E aircraft for the Navy. No authorization was requested by the Department of Defense.

Last year the House Armed Services Committee added $14.3 million to the fiscal year 1976 budget request, in order to provide long lead items for a fiscal year 1977 buy of A–6E's for the Navy and Marines. Subsequently, the Office of the Secretary of Defense deleted the Navy's request for continued A–6E procurement by a Program Budget Decision (PBD) dated December 5, 1975.

In the Conference Report on the authorization bill for fiscal year 1976 and 197T, the House and Senate Armed Services committees concurred that the A–6E line should remain open. There were a number of cogent reasons for this action. First, the Navy and Marine Corps force levels were considered to be the minimum required to meet the best estimates of threat probabilities. There is strong evidence that items for a fiscal year 1977 buy of A–6Es for the Navy and Marines under the present circumstances, there will be an unacceptable shortage of jet-attack aircraft with day/night all weather capability in the early 1980s.

Second, the A–6E is the only aircraft still in production in the Free World which provides a unique, capable and highly reliable, all-weather operational jet attack system. There is no follow-on aircraft imminently available for that role. Furthermore, the full systems reliability and the direct maintenance man hours per flight hour figures for the A–6E are exceptional among U.S. jet attack aircraft.

The committee strongly recommends that the Secretary of Defense heed the carefully considered conclusions of the Congress and favorably reconsider the action taken concerning this Navy and Marine Corps all-weather jet attack aircraft.

The $125 million added to the bill by the committee for fiscal year 1977 is consistent with the congressional position for fiscal year 1976 and will allow continued production at a minimum sustaining rate.

The committee wants to reiterate its concern over our dwindling, all-weather jet attack resources. The monies authorized again this fiscal year will provide a discrete hedge against the gap in all-weather attack capabilities which is projected for the future, until a replacement aircraft reaches the inventory.

E–3A (AWACS)

The Air Force requested for the E–3A Airborne Warning and Control System (AWACS) in fiscal year 1977 a total of $584.3 million. This figure breaks down into $384.6 million for procurement, $42 million for advanced procurement, $48.1 million for initial spares, and $109.6 million for R. & D. The committee recommends approval of the amount requested.

The Air Force convinced the committee of the importance of the six aircraft requested in fiscal year 1977 and pointed out that any reduction would adversely impact on implementation of the Joint Surveillance System/Regional Operation Control Centers (JSS/ROCC) concept for CONUS air defense. This concept was predicated on having the E–3A available to perform the crisis/wartime air defense command and control function.

The committee was impressed by the Air Force statement that implementing the JSS/ROCC concept will result in a cost avoidance

of over $100 million per year and will reduce our manpower needs by 5,000 spaces.

The committee, in providing the funds as detailed above, added language to the bill to prevent the expenditure of the procurement funds authorized for the AWACS aircraft until a favorable decision is made by NATO for procurement of the AWACS system.

The purpose of this language is to ensure that the United States does not buy more AWACS systems than are necessary for our own defense without some commitment on the part of NATO to participate in the purchase of the AWACS systems necessary for NATO deployment. In other words, the Committee suggests that the costs of the AWACS System necessary for the defense of NATO countries should perhaps be shared by the NATO countries somewhat the same as the cost of installations and facilities are shared through the existing NATO infrastructure.

Tank Procurement

The legislation contains $1,084,300,000 for procurement of tracked combat vehicles for the Army. Included in this total is $460.9 million for procurement and $11.9 million in advanced procurement toward the fiscal year 1978 buy of the M60 tank. The bill also carries in Title II $9.1 million for R.D.T. & E. on the M60. The authorization will allow procurement of 886 M60 tanks or roughly the equivalent of 74 tanks a month.

Of these 886 tanks, 627 will be procured as the M60A1 model and 259 will be built as the M60A1E3 (designated as M60A3 when accepted). The improved M60A3 model differs from the standard M60A1 because of improvement in the gunnery capability of the former. This increased capability is due to the incorporation of a laser rangefinder and ballistic computer into the fire control system. These improvements in fire control afford a relatively small but critical improvement in daylight hit capability at short ranges and much more dramatic improvements as range increases and the visibility decreases.

The committee authorized procurement of the M60A3 version last year, despite insufficient analysis of cost-effectiveness test data because it considers that U.S. tank shortages and the disparity in quantities between the U.S. and the U.S.S.R. may be offset to a degree by technical improvement in the U.S. tanks. Now that sufficient cost effectiveness and operational test data exist to amply demonstrate the significant increase in gunnery capability afforded by the M60A3-associated equipment, the committee urges that there be no further delay in getting these improved vehicles into the hands of active and affiliated reserve component units.

There is also included in the bill $105,356,000 for R.D.T. & E. and $35.6 million in the procurement account for advanced procurement for the XM–1 tank.

The committee is deeply concerned about the efficacy of our tank program.

XM–1 production site

The committee has included language in the bill which provides that of the funds authorized for tracked combat vehicles for the Army

$65.2 million shall be authorized for appropriation for plant-facilities expansion and modernization for future XM–1 production; the language provides, however, that none of the funds authorized to be appropriated may be obligated on a specific production site until such time as competitive testing between possible U.S. XM–1 tank contenders has been completed and a winning contractor designated.

The committee has inserted this language to preclude the Army from prematurely expending funds on site preparation which may not be necessary when the final decision is made on a winner between the U.S. contenders. The winner among the U.S. competitors will be designated in the August–September 1976 timeframe. The use of the funds herein authorized for preparation of a specific production site would not be required until January 1977, at which time a U.S. winner will have been designated. Because of this time sequence, the Army can make a reasonable production-site selection decision in a timely manner without experiencing any delays due to restrictions in the bill.

It should be noted that this provision in no way impacts selection or producibility of the German Leopard II (American version) contender which could be built at either site should it win the competition.

Tank inventory

The committee continues to be concerned about the level of the tank inventory of the Army, particularly in view of the pronounced imbalance in tanks between the United States and the Soviet Union.

The committee has, in the past, approved actions to increase the production base for tank procurement but is concerned that there are disturbing indications that the Army will allow the production rate of M60 tanks to decrease prior to the commencement of procurement of the XM–1.

The committee is mindful that the tank inventory was depleted in response to the request to resupply the Israelis during the Middle East War; and even with the procurements authorized by this bill for fiscal year 1977, the Army will still be at less than 75 percent of its inventory objective for tanks. The committee is also aware that the tank inventory is especially susceptible to such depletion on the call of allies should crises develop.

The committee is concerned with the rate at which production is being maintained to reach the inventory objective and, indeed, as to whether the inventory objective is adequate.

The committee intends to follow closely the continued procurement levels of M60 tanks as well as the development of the XM–1, and it believes the Army should take steps to assure that tank production is maintained at maximum capacity until such time as at least present inventory objectives are met.

C–12 Utility Aircraft

The Army has procured 40 twin engine C–12A aircraft for itself and 30 for the Air Force. The C–12A has been procured as an "off the shelf" aircraft with the aircraft sub-components being furnished to the government by the prime contractor (Beech Aircraft Corp.).

The Army has options to procure 80 additional C–12As at the rate of 20 per year in fiscal year 1977–80. For fiscal year 1977, the committee recommends authorization of $16.2 million, the amount requested, for 20 C–12As.

The turbo/prop engine for the C–12A is currently being assembled by Pratt & Whitney Aircraft of Canada, Ltd. in Montreal, Canada. In approving the Army's request for the C–12A, the committee wishes to state very clearly that it expects the engines for the aircraft to be assembled in the United States.

Cruise Missile

The committee recommends reduction of $64.9 million from the Navy's request of $164.9 million for the cruise missile.

The committee recognizes the urgent requirement for both tactical and strategic cruise missile capability for our naval forces. In the past, the committee has encouraged the Navy to expedite the development of suitable long range cruise missiles.

The committee strongly emphasizes that the basis for the reduction in this program emanates from the need to better manage the program and in no way reflects a lack of support for the cruise missile engineering development program. The strategic variant of the Sea Launched Cruise Missile and the Air Force Air Launched Cruise Missile can effectively use the same engine, navigation-guidance system, and warhead. The tactical variant of the Sea Launched Cruise Missile is intended to use the Harpoon engine, Harpoon guidance, and the Bullpup warhead. Further, the strategic and tactical variants use a common airframe.

In view of the prospects for commonality and the fact that many of the sub-systems are "on the shelf," the committee believes that the Department of Defense has not provided adequate justification for a $260 million request for the development of the Air Launched and Sea Launched Cruise Missiles.

It is the view of the committee that a carefully tailored program will permit the Navy to effectively develop both variants within the confines of the recommended funding. The committee further believes that the date for initial operational capability can be met with the funding provided. If for any reason, and none can be foreseen at this time, the Department of Defense finds that the limits of authorization unduly restricts timely and efficient progress, the committee upon submission of adequate justification will give prompt consideration to a reprograming action.

US–3A (COD Aircraft)

The committee recommends authorization of the requested amount of $170.9 million to buy 12 new carrier on-board delivery aircraft (COD). This consists of $137.8 million for procurement, $29 million for advanced procurement, $3.1 million for initial spares, and $1 million for research and development.

This is an advanced version of the S–3A anti-submarine aircraft now in production. This aircraft is to replace the aging C–1 COD,

and together with the C–2 COD airplane will perform the mission now being done by the C–1 and C–2. The Navy particularly desires this aircraft because of the extended range provided by the US–3A. With current operations being conducted over wide ocean areas, extended range is an absolute necessity.

Since the US–3A will not replace both C–1 and C–2, the committee recommends that for the future, the Navy should begin to look for one aircraft that will do the job now being done by two.

F–16

The F–16 program is in full-scale development with a production decision not scheduled until September, 1977. For fiscal year 1977 the Department of Defense requested $619.7 million. RDT&E funds requested amount to $259.1 million, and $360.6 million is requested to fund long lead items in January 1977 and 16 aircraft in September 1977.

While approving the requested funds, the committee wishes to exdecision not scheduled until September 1977. For fiscal year 1977 the Department of Defense requested $619.7 million. R.D.T. & E. funds repress concern that the Department of Defense has not followed normal weapon system acquisition management and report procedures in the F–16 program. For example, the General Accounting Office (GAO) pointed out that as of December 1975, a Required Operational Capability document had not been prepared for the F–16. Further, the development contracts, containing production options, were awarded in January 1975, before the program was reviewed by the Defense Systems Acquisition Review Council (DSARC). The DSARC did not review this program until March 11, 1975. In addition, the Air Force did not issue a SAR on the F–16 until December 31, 1975.

The committee notes that the Department of Defense apparently by-passed its established development planning and management control procedures in the program, and has not as yet received an adequate explanation as to the reasons why these established procedures were not followed.

The committee serves notice to the Air Force that any change in the scheduled milestones for this program arising from potential problems must be reported immediately to the Committees on Armed Services of the Senate and the House of Representatives.

Minuteman Production

The authorization contained in the present bill for the Minuteman intercontinental ballistic missile is for the continuation of the program known as Force Modernization, designed to increase the survivability of the missile, and for spares and R.D.T. & E. There is $366.5 million in the bill for Force Modernization, $2.7 million for initial spares, and $102.4 million for R.D.T. & E.—a total request of $471.6 million.

The committee is deeply concerned over the lack of any plans in the administration's fiscal year 1977 budget request to retain production capability for the Minuteman III. The production line is scheduled to close down at the end of fiscal year 1976. When this line closes

down, there will no longer be a production line in the free world producing strategic missiles.

In fiscal year 1976 the committee agreed to a request for a reprograming for purchasing long-leadtime items to retain the option to keep the Minuteman III line open in fiscal year 1977. However, the Administration did not request funds to continue production in the fiscal year 1977 submission.

It seems to the committee to be shortsighted in the extreme to close this production line as we approach the end of the five-year lifetime of the Interim Agreement on Offensive Weapons entered into with the Soviets in 1972. With no new SALT agreement assured and with the Soviets vigorously continuing production of a number of strategic missile systems, including some newer missiles, termination of our only production facility will appear to the world as a sign of weakness and uncertainty.

In addition, many of the Minuteman missiles now in the inventory are considerably older than their originally projected lifetime; and although we have an inventory of practice and replacement missiles for a number of years, there will inevitably be a need for further production capability.

The committee has determined that the most critical portion of the production line required to be maintained is that which manufactures the guidance systems. The committee also understands that with funding of approximately $50 million in fiscal year 1977 the guidance line could be kept open and the Department could thus retain the ability to produce the Minuteman III when conditions warrant further production.

While the committee has not added money to the bill, it wishes to express its concerns in the strongest terms and directs the Department of Defense to reconsider this omission from the budget proposal. The committee will be prepared to entertain a reprograming request at the appropriate time to free sufficient funds to assure retention of this critical strategic production capability.

F–16 Eagle

The committee recommends authorization of 108 F–15 aircraft for $1,540.4 million in fiscal year 1977, as requested in the budget. This breaks down into $1,335.2 million for procurement, $51.4 million for advanced procurement, $102.8 for initial spacers, and $51 million for research and development.

The F–15 is an advanced tactical fighter being developed and procured for the air superiority mission. It will replace the F–4 as the primary air superiority aircraft. It is a twin engine, single crew, fixed swept-wing aircraft. It is characterized by high thrust to weight and low wing loading for maximum turnability, acceleration, and agility. The F–15 is the first U.S. fighter aircraft to possess a takeoff thrust-to-weight ratio of greater than one-to-one.

Since the F–100 production engine (used in the F–15 and F–16) entered the operational inventory, some problems have occurred which

have required special attention. These involved second-stage turbine blade failure, low power compressor stalls, and production and field engine trim settings. The Air Force informed the committee that these problems appear to have been successfully eliminated on the lot IV production engines on which deliveries start in April 1976.

Demonstrated performance is well within established thresholds and in some important areas exceed the estimated performance envelope. Based on our latest review, the F–15 is expected to satisfy its mission requirements.

F–14A Tomcat

The committee recommends authorization of $708.2 million for the F–14A aircraft program for fiscal year 1977, the amount requested. This is comprised of $571.2 million for procurement, $122.5 million for advanced procurement and $14.5 million for initial spares.

The F–14A is a high performance, air superiority/fleet air defense fighter, with both close-in visual and long range all-weather attack capability. The aircraft is a two place, tandem seat, variable sweep wing, supersonic, carrier-based airborne weapon system.

The F–14A has performed exceedingly well in initial operating deployments to the Pacific and Mediterranean. This fighter provides the fleet an air superiority and anti-missile capability not matched by any other system in the world today.

The F–14A with its Phoenix missile system has had an impressive array of successes. In one multiple launch exercise of four missiles, four separate targets were destroyed. In another multiple firing of six Phoenix missiles against six separate targets, four were destroyed. To date the Navy has achieved an impressive 89 percent success rate with 92 Phoenix firings from the F–14A.

TITLE I—PROCUREMENT

Following are brief descriptions of the specific aircraft, missiles and weapons systems, not discussed elsewhere, which are to be procured by the dollar amounts authorized in the bill:

Army Aircraft

Helicopter, Attack, AH–1S (Cobra/TOW).—The AH–1S is a single turbine engine, two place attack helicopter which delivers the anti-tank TOW missile as well as conventional weapons fire. The AH–1S conducts anti-tank operations as well as a variety of escort, fire support and reconnaissance-by-fire missions.

Utility Tactical Transport Aircraft (UTTAS).—The UTTAS is a single rotor, twin turbine engine, utility helicopter capable of transporting 11 combat equipped troops and a crew of 3 at 4,000 feet pressure altitude and 95° temperature. The UTTAS will be the Army's first true squad carrying utility helicopter. It was designed to lift an infantry squad in tactical assaults and related combat support missions now performed by the UH–1 series helicopters.

Army Missiles

Chaparral.—The Chaparral missile system consists of a missile and launch control unit mounted on a tracked vehicle. It is a fair weather, low altitude air defense system, used in the division area, as well as for the defense of selected installations.

Hawk.—The improved Hawk missile system is used in the Corps area, as well as for the defense of air bases and rear area logistical complexes. The improved Hawk system, replacing basic Hawk, provides faster reaction time, greater range, and increased lethality. Conversion of European based Basic Hawk batteries to improved Hawk configuration is underway.

Roland II.—The Roland II system is an all-weather surface-to-air missile system to provide air defense of the division area and critical, high value assets located to the rear of the division area. This system will replace the clear weather Chaparral/Vulcan units presently performing this function. The Roland II (formerly SHORAD), a single vehicle system, which can track targets either optically or by radar, was selected after extensive evaluation of three foreign and one U.S. system.

Stinger.—The Stinger is a manportable, shoulder-fired, air defense system developed as a follow-on to Red Eye. Stinger is less vulnerable to enemy countermeasures, has greater engagement capability, and is better able to intercept and destroy high-speed aircraft at longer ranges.

Dragon.—The Dragon is a lightweight weapon employed at the infantry platoon level. It is guided to the target by a tracker which issues electronic commands by a wire link to the missiles. Effective against moving targets; it can also provide assault fire against hard point targets such as weapons emplacements and field fortifications.

TOW.—TOW means tube-launched, optically tracked, wire-guided missile used to defeat the heaviest known armored vehicles and for assault of bunkers and other hard point targets. It can be manpacked and employed from a tripod or mounted on a variety of military vehicles. The missile also can be fired from helicopters.

Lance.—The Lance missile system is a surface-to-surface inertially guided missile with prepacked liquid propellants, launched from a self-propelled tracked vehicle or lightweight towed launcher. It is designed to provide general fire support to Army Corps. The fiscal year 1977 authorization is to provide a nonnuclear capability for Lance.

Navy Aircraft

A–4M Skyhawk Attack Aircraft.—The A–4M is the latest model of the A–4 line and features state-of-the-art avionics and ECM, angle rate bombing system, laser spot tracker and an improved engine. The A–4M is a single seat, single engine high performance carrier or land-based jet aircraft used by the Marines for close in ground support missions.

EA–6B Prowler Electronic Warfare Aircraft.—The EA–6B is crewed by a pilot and three electronic warfare officers. It is equipped with a computer controlled electronic surveillance and control system and eleven high power jamming transmitters in various frequency bands.

A–7E Corsair II Attack Aircraft.—The A–7E is a light attack aircraft capable of delivering nearly every type of conventional ordnance in the Navy inventory. It is a single seat, single engine, high performance carrier-based aircraft which contains a weapons delivery computer and heads-up-display.

CH–53E Super Stallion Heavy Lift Helicopter.—The CH–53E is an enlarged three engine 7 rotor blade version of the CH–53. It requires a crew of three and can accommodate up to 56 troops. The CH–53E will meet the heavy-lift requirements of the Navy and Marines.

UH–1N Iroquois Helicopter.—The UH–1N utility helicopter carries a crew of three and has two M–60 (7.62 mm) or two 50 caliber machine guns. It is a versatile aircraft whose missions are command and control, troop transport, medical evacuation and courier liaison.

AH–1T Sea Cobra Helicopter.—The AH–T helicopter is an improved version of the AH–1J which incorporates an uprated twin-pack engine and improved dynamics for increased performance, reliability and hot day performance. It includes provisions for firing the TOW missile, a 20mm nose-mounted turret gun and wing stores. The AH–1T is a helicopter gun ship whose mission is enroute escort and protection of troop assault helicopters, landing zone fire suppression, and support during ground escort operations.

P–3C Orion ASW Patrol Aircraft.—The P–3C is a land-based, four engine, turboprop anti-submarine warfare patrol plane. The Orion normally carries a crew of 12 for a 10–12 hour mission, typically at operating radii of 1,000–1,500 miles from home base. Its primary mission is to detect, classify, track, localize and destroy conventional and high performance submarines in all weather conditions.

E–2C Hawkeye Early Warning Aircraft.—The E–2C is an all weather, carrier based, airborne early warning aircraft which is manned by a crew of five. The E–2C extends task force defensive perimeters by providing early warning of approaching enemy units and by vectoring interceptors into attack position.

T–34C Mentor Training Aircraft.—The T–34C is a tandem two place, single engine, turbo-prop powered derivative of the T–34. The primary mission of the T–34C is to train student aviators in primary flight including presolo, solo, acrobatic maneuvers, instruments, navigation, formation and night flying.

VTAMX Training Aircraft.—The VTAMX will be a commercial, in-production, FAA-certified aircraft employed by the Naval Air Training Command in the advanced multiengine pilot training syllabus. The aircraft will be used to train pilots for patrol and transport aircraft.

Navy Missiles

AIM–9L.—The AIM–9L Sidewinder is a solid-state, short-range, air-to-air, heat-seeking missile carried by U.S., NATO, and Allied aircraft for use against all enemy aircraft. The all-aspect launch capability of the AIM–9L is a significant improvement over prior

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Sidewinder versions and greatly increases lethality. The AIM–9L mission is to destroy a broad spectrum of airborne targets in a close-in "dogfight" situation.

AIM–54.—The AIM–54 Phoenix missile is the primary armament of the F–14 fighter aircraft. It is a long-range, all-weather, air-to-air supersonic weapon with semi-active, mid-course and active terminal guidance. The Phoenix provides a potent stand-off capability to the F–14 which can launch these weapons against six targets, nearly simultaneously, in an all-weather, heavy jamming environment.

AGM–45B.—The AGM–45B Shrike missile is fired by the A–4, A–6, and A–7 aircraft. It is an all-weather, supersonic, anti-radar, air-to-surface guided missile.

AGM–53B–1.—The AGM–53B–1 Condor is a versatile, highly capable air-to-ground stand-off missile. It employs a programmable autopilot and inertial mid-course guidance system for en route navigation and utilizes electro-optical (television) guidance. The missile has a unique capability against shore, inland, and seaborne targets, particularly those of high value which are located in heavily defended areas, where the weapon can be delivered without exposing the launch aircraft to the destructive envelope of any known or currently predicted enemy surface-to-air defense systems.

AGM–84A.—The AGM–84A Harpoon is an anti-ship cruise missile which provides an effective stand-off capability against enemy ships of all types. The Harpoon is an air, surface, and subsurface-launched weapon powered by a turbo jet engine.

RIM–66B.—The Standard (SM–1) medium range missile is fired from guided missile destroyers, frigates, and cruisers. It is a supersonic, semi-active, medium range weapon which provides an all-weather, anti-aircraft, and anti-ship capability to a task force or to own ship.

RIM–67B.—The Standard (SM–2) extended range missile is an all-weather, supersonic, surface-to-air, semi-active homing, solid propellant weapon which is fired from guided missile cruisers.

Navy Torpedoes

MK–48 Torpedo.—The MK–48 Torpedo has been developed to replace all other submarine-launched torpedoes, such that eventually only one such weapon will need to be logistically supported. The MK–48 Torpedo is a dual purpose (anti-submarine and anti-ship) high speed, acoustic homing and wire-guided torpedo.

MK–60 Captor.—The MK–60 Captor mine will interdict and restrict the movement of submerged submarine forces. It can effectively deny enemy submarine access to ocean areas as well as ingress to their home ports. It is deliverable by aircraft, surface ships, and submarines on extremely short notice and is designed to detect, classify and attack the most advanced diesel and nuclear submarines.

MK–30 Mobile Target.—The MK–30 mobile target provides basic underwater target services for all fleet submarine, surface and airborne anti-submarine warfare (ASW) units. The MK–30 mobile target is a self-propelled target similar to a torpedo in size and shape.

It provides opportunities to exercise all ASW torpedoes, all surface ship and submarine sonars, and airborne Magnetic Anomaly Detection (MAD) equipment.

MK–38 Miniature Mobile Target.—The MK–38 miniature mobile target is a small, inexpensive, expendable, underwater mobile target for use in open ocean training for anti-submarine warfare (ASW) fleet surface units. It is of relatively simple design and is hand launched. Its low cost and accessibility make it an excellent device for providing increased ASW training opportunities.

Air Force Aircraft

A–10.—The A–10 is a single place, twin jet aircraft designed for the close air support mission. It will have a high velocity, rapid fire 30mm internal cannon and can carry up to 16,000 pounds of external ordnance.

Advance Tanker/Cargo Aircraft (ATCA).—The Advance Tanker/Cargo Aircraft will be a derivative of currently available wide-bodied aircraft modified as necessary to provide air refueling capability, and to exploit fully the cargo-carrying potential inherent in the existing aircraft design.

HH–53 Helicopter.—The HH–53 is a large twin-engine helicopter. It has an all-weather capability to perform its primary mission of recovery of personnel. It also provides rapid transportation for logistic support and airlift of personnel and cargo into areas inaccessible to other means of transportation.

U–4B.—The U–4B is a commercially available, twin-engine utility transport aircraft. The aircraft will be used to provide jump (parachute) training to academy cadets as part of the Airmanship program.

Air Force Missiles

SRAM.—The SRAM is an inertially guided air-to-ground missile with a nuclear warhead. The SRAM can be launched from the B52–G/H, the FB–111, and the B–1 aircraft from outside the effective range of enemy defenses against soft and medium-hard military and urban-industrial targets. The new longer life motor being developed for the SRAM/B–52 inventory will be incorporated into the SRAM/B–1. The fiscal year 1977 buy is for use with the B–1.

Shrike.—The Shrike is an anti-radiation, rocket propelled air-to-ground missile. It is carried by the F–4 and F–105 aircraft to suppress or destroy enemy ground radar installations.

Maverick.—The Maverick is an air-to-ground missile for use against hard targets such as armored vehicles, tanks and field fortifications. This year the laser guided Maverick is being introduced to the inventory to provide a 24-hour strike capability under low visibility conditions to enhance the tactical force effectiveness. The Maverick is carried on the F–4D/E, A–7, A–10 and F–16 aircraft.

Sparrow.—The Sparrow is a supersonic, all weather, air-to-air missile that uses a solid-state radar homing guidance system for target interception. It is carried by the F–4E and F–15 aircraft.

Sidewinder.—The Sidewinder is a single stage, infrared, air-to-air "dogfight" missile. An improved model, the AIM–9L, will be common to the Air Force and Navy. Initially, the AIM–9L will be deployed with the F–15 aircraft.

Target Drones.—The Target Drone program includes the Firebee and the PQM–102. The Firebee drones are used as subscale targets for many missile evaluations. The PQM–102 is an advanced Air Force target used in the test and evaluation of advanced missile weapon systems and air superiority aircraft.

Tactical Drones.—The BGM–34C is a multi-mission recoverable drone that can be launched from the air or ground. It is designed to fulfill the tactical roles of reconnaissance, electronic warfare and possibly tactical weapons delivery.

Army Tracked Combat Vehicles

Carrier, 81mm Mortar M125A1.—The M125A1 is a full-tracked, standard M113A1 vehicle modified to carry an 81mm mortar. The weapon has a 360° traverse while retaining the M113A1 silhouette. Basic differences with the M113A1 are welded mortar beam reinforcing the vehicle floor, and a three-part circular hatch cover.

Carrier, Armored Personnel, M113A1.—The M113A1 is a full-tracked, lightly armored vehicle designed to provide personnel with mobility and protection against small arms fire and shell fragmentation. It transports mechanized infantry and combat engineer squads in the forward battle area.

Howitzer, Medium, SP, FT, 155mm, M109A1.— The M109A1 155mm self-propelled howitzer is a full-tracked, aluminum armored vehicle mounting a 155mm Howitzer. The hull of the vehicle is constructed of ballistic aluminum and provides crew protection from small arms fire and shell fragments.

Howitzer, Heavy, SP, FT 8-Inch, M110A2.—The M110A2 howitzer is a full tracked, self-propelled vehicle mounting a new longer tube with an extended range capability. M110A2 howitzers will be employed as general support weapons for light and heavy divisions and will be organic to separate field artillery battalions assigned to corps. Procurement of this weapon is expected in fiscal year 1978.

Mechanized Infantary, Combat Vehicle (MICV).—The MICV is a lightly armored tracked vehicle which provides cross-country mobility, mounted firepower, communication, and protection to mechanized infantry squad in mounted and dismounted combat. It will have an inherent swim capability. Procurement is planned for MICV in fiscal year 1978.

Weapons Station Trainer for MICV.—The Weapons Station Trainer for MICV is a complete functional system intended for instructional purposes for both crew and support maintenance personnel. Procurement will begin coincident with that of the vehicle.

Recovery Vehicle, Medium, FT, M88A1.—The Medium Recovery Vehicle is a full-tracked, armored, medium tank recovery vehicle with an "A" frame boom, two winches, and a spade dozer. It performs hoisting, winching, towing, and bull-dozing operations in the recovery and rescue of medium tanks and renders limited repair support. An additional four M88A1's have been requested by the Marine Corps in fiscal year 1977.

Recovery Vehicle, Light, FT, M578.—The M578 is a lightly armored, self-propelled, full-tracked, air transportable wreaker. The M578 performs the recovery role for vehicles up to 30 tons, has a tow-winch capability of 60 tons and is operated by three crew members. This vehicle has a cruising speed of 34 MPH and cruising range of 450 miles utilizing a 405 HP diesel engine and mounts a .50 caliber machine gun as its only armament.

Army, Other Weapons

Howitzer, Lt, Towed, 105mm, XM204.—The XM204 howitzer is a new 105mm towed weapon, with a single trail extending forward under the tube and no trails extending to the rear. It has a 360 degree traverse capability utilizing a roller device walking beam located at the end of the trail.

Howitzer, Med. Towed 155mm, XM 198.—The XM198 howitzer is a weapon which employs new lightweight, high strength weapon materials and design techniques and is air-transportable.

Lightweight Infantry Mortar.—The lightweight infantry mortar system is an improved 60mm mortar with conventional fire control equipment and ammunition. The mortar consists of the 60mm cannon, mortar mount, standard baseplate, auxiliary baseplate (hand-held firing) and sight unit. The weapon weights 45 pounds. Initial procurement is expected in fiscal year 1978.

Armor Machine Gun (AMG).—The AMG will provide increased reliability over the weapon presently in the hands of troops. The AMG will be used on a wide variety of armored vehicles.

Firing Port Weapon (MICV).—The Firing Port Weapon is a small, lightweight, magazine fed, ball-mounted, automatic weapon designed for use in the Mechanized Infantry, Combat Vehicle (MICV). In fiscal year 1978, procurement is expected to begin.

Air Force, Other Weapons

M–203 Grenade Launcher.—The M–203 is a lightweight, compact, breech loading, pump action (sliding barrel), single shot manually operated weapon used in conjunction with the M16 and M16A1 rifles. It is capable of firing a variety of 40mm ammunition.

Machine Gun, 7.62mm, M–60.—The M–60 is an anti-personnel/anti-materiel machine gun with 550 round per minute rate of fire. The overall length is 43.5″ and the weight is 23 lbs. The M–60 machine gun uses the 7.62mm cartridge.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The following tabulation compares the amounts authorized and appropriated for research, development, test, and evaluation

(RDT & E) in fiscal year 1976 with the amounts requested and recommended by the committee for fiscal year 1977. A summary of the committee's adjustments for fiscal year 1977 R.D.T. & E. authorization is also provided.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—COMPARISON FISCAL YEARS 1976, 1977

[In thousands of dollars]

Department	Fiscal year— 1976 request	1976 authorization	1976 appropriation	1977 request	1977 committee recommendation
Army	2,181,700	2,028,933	1,948,823	2,376,300	2,271,295
Navy (including Marine Corps)	[1] 3,470,188	[1] 3,318,649	[1] 3,240,878	[2] 3,858,865	[2] 3,608,048
Air Force	3,903,200	3,737,001	3,591,266	3,916,600	3,749,200
Defense agencies	597,800	563,700	604,400	676,300	652,300
Director, test and evaluation, Defense	28,500	25,000	25,000	30,000	30,000
D.D.R. & E. emergency fund					49,000
Total, R.D.T. & E.	[1] 10,181,388	[1] 9,673,283	[1] 9,410,367	[2] 10,858,065	[2] 10,359,843

[1] Includes $2,488,000 for Navy special foreign currency program.
[2] Includes $3,665,000 for Navy special foreign currency program.

SUMMARY OF ADJUSTMENTS TO FISCAL YEAR 1977 R.D.T. & E. AUTHORIZATION REQUEST RECOMMENDED BY THE HOUSE ARMED SERVICES COMMITTEE

[In thousands of dollars]

Department	Fiscal year 1977 request	Recommended change	Recommended authorization	Percentage change
Army	2,376,300	−105,005	2,271,295	4
Navy (including Marine Corps)	[1] 3,858,865	−250,817	[1] 3,608,048	6
Air Force	3,916,600	−167,400	3,749,200	4
Defense agencies	706,300	−24,000	682,300	3
Subtotal	10,858,065	−547,222	10,310,843	5
D.D.R. & E. emergency fund		+49,000	49,000	
Total	[1] 10,858,065	−498,222	[1] 10,359,843	5

[1] Includes $3,665,000 for Navy special foreign currency program.

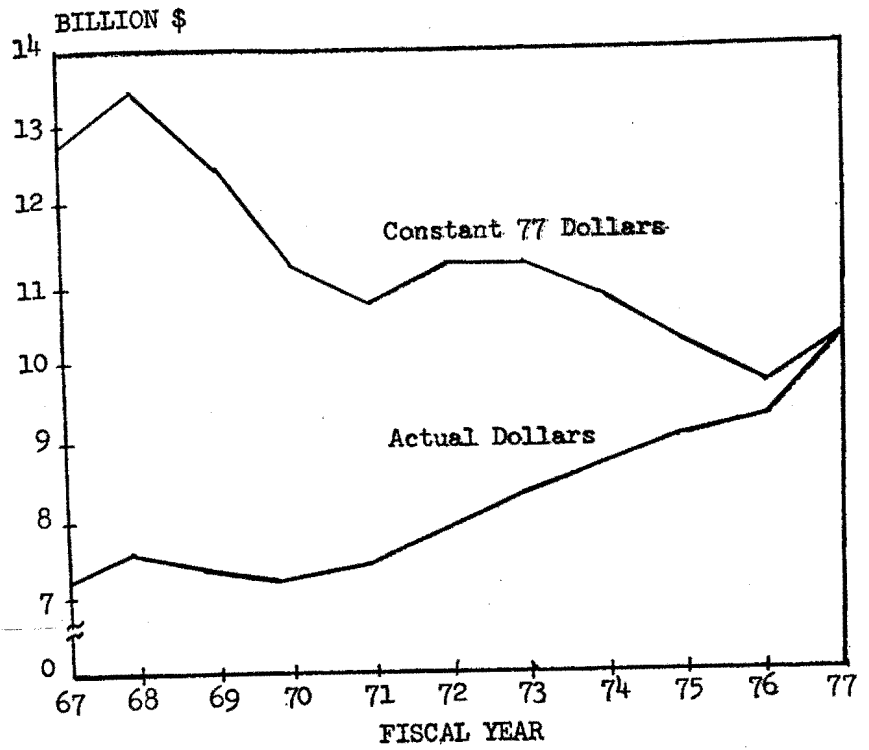
The Authorization Request

The fiscal year 1977 Research, Development, Test, and Evaluation Total Obligational Authority (TOA) request totals $10,945,965,000. Included in this amount are R&D surcharge recoveries from foreign military sales totaling $87.9 million. The R.D.T. & E. budget authority request amounts to $10,858,065,000.

Analysis

The fiscal year 1976 Department of Defense Authorization Act, Public Law 96–106, authorizing R.D.T. & E. appropriations, amounted to $9,673,283,000. Fiscal year 1976 R.D.T. & E. appropriations totaled $9,410,367,000. Fiscal year 1977 budget authority exceeds fiscal year 1976 appropriations by $1,447,698,000. In terms of fiscal year 1977 dollars, the Department of Defense estimates that approximately

$750 million of this growth will be consumed by inflation, the balance representing a real growth over fiscal year 1976 R.D.T. & E. appropriations of approximately 8 percent and only parity with respect to the fiscal year 1975 R.D.T. & E. appropriations. The eroding effects of inflation on the R.D.T. & E. program are shown in the following graph:



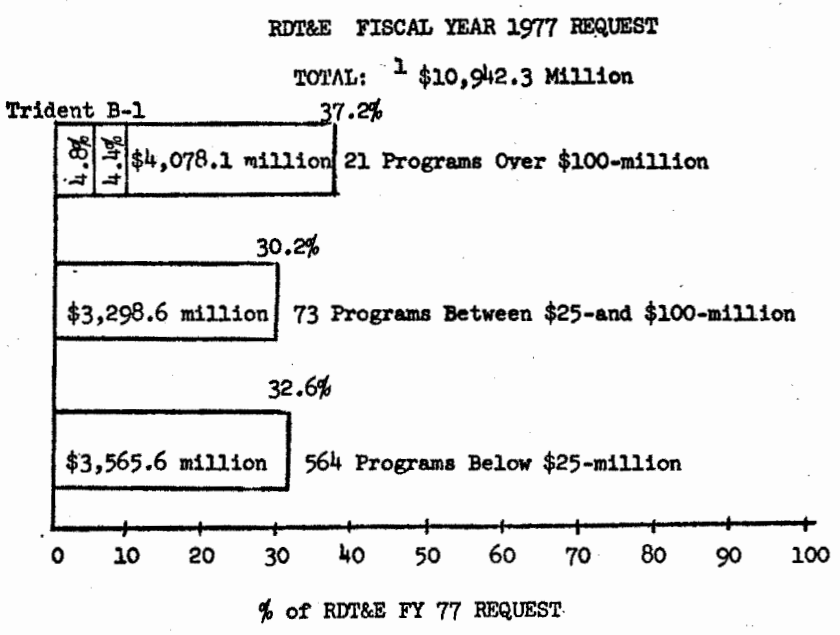
Although the current R.D.T. & E. program represents an all time high in actual dollars, it is readily apparent that in terms of buying power, the fiscal year 1977 program is, with the exception of fiscal years 1975 and 1976, lower than that of any year during the past decade.

Composition of the Request

The R.D.T. & E. program is complex. It consists of several thousand projects that includes disciplines such as food technology, electronics, electromagnetics, electro-optics, computer sciences, medical research, ship design and many others. The programs fall into several categories of R.D.T. & E. ranging from Basic Research through full scale Engineering Development.

This year, nearly 16 percent of the R.D.T. & E. request will be applied to Basic Research and Exploratory Development—the technology base. Twenty percent of the request will be directed toward Advanced Development—programs that will develop hardware for experimental or operational tests. Almost 40 percent of the request will be expended for Engineering Development—development programs being engineered for Service use, but not yet approved for procurement. The B–1 program, for example, is in this category. The remaining 25 percent of the request will be divided almost equally between operational Management and Support.

There is a general tendency to focus attention on the larger programs such as the B–1, Trident, Airborne Warning and Control System, etc. The committee, however, as in previous years, closely scrutinized the entire R.D.T. & E. request. The need to do so is pointed out by the following graph:



As shown, there are only 21 programs that exceed $100 million, for a total of 37.2 percent of the entire request. Nearly 63 percent of the R.D.T. & E. program is directed toward programs less than $100 million in scope.

Committee Review of the Request

The committee's review of the R.D.T. & E. request was, as in previous years, extensive. In most areas, the review extended far beyond

[1] This total includes $87.9 million for R&D surcharge recoveries on Foreign Military Sales. Not included is $3.665 million in Special Currency. Requested Budget Authority is $10,858.065 million.

consideration of a single weapon system per se—into the requirement for the system, the Soviet threat, the interrelationship of the system with other weapon systems and a total assessment of the options and alternatives. For example, the committee spent several days reviewing the entire U.S. strategic program and options. The requirements were evaluated, the Soviet threat and capabilities were examined, the concept of the triad was reassessed and the weapon systems under development to meet the threat were carefully evaluated and verified. Other total mission areas reviewed by the Committee included Army area air defense, tactical command and control, guided ordnance systems, helicopter systems and others.

The committee reviewed the findings of studies—studies conducted not only by the Department of Defense, but by the Government Accounting Office and independent activities such as the Brookings Institute. The findings of these studies were factors in the committee's deliberations; hence the decisionmaking process included considerations that extended well beyond data provided by the DOD.

General Findings

The committee's review of the fiscal year 1977 R.D.T. & E. program surfaced and highlighted several significant findings. They include: the need for improved R.D.T. & E. management within the DOD; alarming trends in U.S. R.D.T. & E. vis-a-vis Soviet R.D.T. & E.; the continued need for U.S. strategic programs and options; and the fiscal year 1977 R.D.T. & E. program leaving many needs unsatisfied

The following sections offer a brief summary of these issues:

The Need for Improved Management Within the DOD

The committee has emphasized and reemphasized over the years, its objective to work with the DOD to establish and structure an R.D.T. & E. program that is tailored to our national security needs. The responsiveness of the Office of the Director, Defense Research and Engineering is in consonance with this objective; however, service responsiveness to the committee's guidance and requests are less than satisfactory. This is especially true of the Navy.

In fiscal year 1975, the committee directed the Navy to place greater emphasis on their gunnery programs since these weapons are cost and performance effective. Further, our naval fleet has far too many World War II vintage gun and gun fire control systems aboard its surface ships. The Navy's response during the course of fiscal year 1975 was unsatisfactory.

A second case in point is the directive in the committee's report (No. 94–199) for the fiscal year 1976 R.D.T. & E. program concerning the Navy Air Combat Fighter program. The report requested the Navy to maximize avionics and weapons suite commonality with the Air Force F–16 program. The Navy failed to respond to this directive and proceeded with its plan to build an entirely new radar.

In the Joint Explanatory Statement of the Committee of Conference (No. 94–488), the conferees requested the Navy to provide the

Committees on Armed Services, by November 15, 1975, a plan to convert the U.S.S. *Long Beach* to an Aegis platform. The plan was submitted two months late and only after the committee made numerous repeated requests for it. This along with other factors has necessitated reductions based in the Navy's R.D.T. & E. program during fiscal years 1976 and 1977.

In the aforementioned joint statement, the conferees directed a flyoff between the Army and Navy guided projectile candidates. Subsequently, Army and Navy representatives have indicated their intention to avoid full round commonality. The committee reaffirms the language of Report No. 94–488 and trusts that the Services will carry out the directives described therein.

In this same report, the Army was advised to terminate its Long Path Infrared (Lopair) program. It was, however, on stated progress permitted to submit a request for reprogramming to conduct a side-by-side test with a Forward Looking Infrared (Flir). It is the committee's understanding, however, that the Army has expended several hundred thousand dollars on Lopair for other than a direct side-by-side test.

The committee believes that the DOD must do a better job in selecting out programs that are too costly for the performance they will provide or are not showing progress. The committee terminated twenty programs requested by the DOD for fiscal year 1977. Continued R&D for the AIM–7F Sparrow missile is an example. The Sparrow missile has been in the inventory for over 25 years. Historically its performance has not been satisfactory. It is the committee's understanding that it will continue to leave much to be desired. The Services allege that the new series is working rather well; yet there was over twenty million dollars requested in fiscal year 1977 R.D.T. & E. funds to improve it.

The committee comments concerning the management aspects of the DOD are once again intended to be constructive. The committee emphasizes the fact that it will not tolerate service indifference or nonresponsiveness to directives, requests or guidance without prior explanation. As in the past the committee objective has been and will continue to be to work cooperatively with the DOD in serving the best interests of our national security.

Alarming Trends in U.S.-Soviet R.D.T. & E.

In his testimony before the committee, the Director of Defense Research and Engineering stated: "Our competition with the Soviet Union is real and it is urgent." He proceeded to present the threat from a technological point of view and indicated those areas where the Soviets had surpassed the United States. The following list, while not complete, provides his assessment of several significant, comparative areas of technology:

TECHNOLOGY	*STATUS*
High-pressure physics	*USSR leads;* major investment in equipment, investment in programs of intrinsic scientific interest and speculative military applications.
Integrated-circuit fabrication	*U.S. leads.*
Welding	*USSR leads,* with an extensive basic research program leading to many innovations.
Computers	*U.S. leads,* especially in civil, commercial fields.
Titanium fabrication	*USSR has a strong lead.*
High-yield nuclear weapons	*Parity*—USSR has made several unique developments.
High bypass-ratio turbofans	*U.S. leads.*
High frequency radio-wave propagation	*U.S.S.R. appears to have a strong lead* in several application areas.
Air-to-Air missiles	*U.S. has a strong lead;* no foreseeable USSR counterpart to some systems.
Numerically controlled machine tools	*U.S. leads;* USSR designs around needs.
Avionics	*U.S. has a strong lead* in radars for surveillance, bombing, and air-to-air combat.
Magneto-hydrodynamic power generation	*U.S.S.R. leads.*
Composite materials	*U.S. leads;* Soviets are making a strong effort to catch up.
Aerodynamics	*Mixed;* U.S. leads in use of computers for design and simulation, but Soviets have developed unusual low-altitude configurations.
Inertial instrumentation	*U.S. leads;* technology is maturing and any significant lead is diminishing.
Anti-ship missiles	*USSR leads* in deployed systems.
Chemical warfare	*USSR lead* is stable.
Precision guided weapons	*U.S. leads.*
Satellite-borne sensor technology	*U.S. has strong and increasing lead* in areas where comparisons are possible.
High-energy lasers	*Uncertain;* USSR has large program involving approaches not being pursued by the U.S.
Artillery technology	*USSR leads* in many areas.

The committee concurs that there is strong evidence that the Soviets have a massive commitment to defense R.D.T. & E. The rather alarming dangerous trends show that—

U.S. R. & D. in 1961 accounted for nearly three-quarters of the free world R. & D. but only two-thirds in 1969. The downward trend continues.

During the period 1970–1974, Soviet Union engineers engaged in R. & D. increased from 600,000 to 750,000. During this same period, the U.S. R. & D. force decreased from 550,000 to 528,000.

Approximately one-quarter of the U.S. R. & D. work force is engaged in military R. & D. while the estimate for the Soviet Union is nearly 70 percent.

U.S. total R. & D. is about equal to the Soviets; however, 60 percent of their R. & D. is devoted to military, space and atomic energy *vs* about 40 percent for the United States.

The committee has evaluated the evidence and concurs with the Department of Defense that the trends are not in our favor. It is indeed difficult to escape the conclusion that the Soviets have a far greater appreciation, than many critics of U.S. defense spending, of the importance of technological leadership. This is the leadership that enables a country to control its destiny.

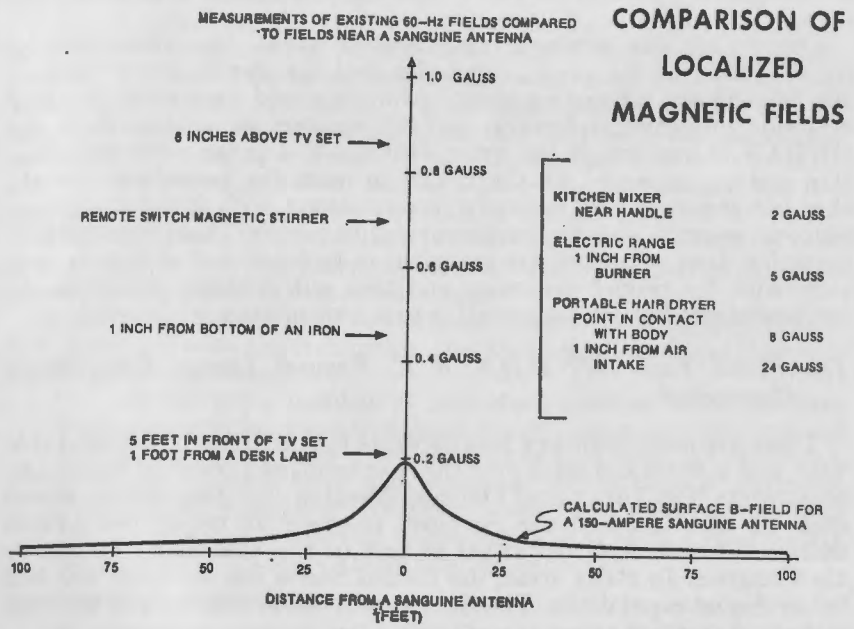
The Continued Need for U.S. Strategic Programs

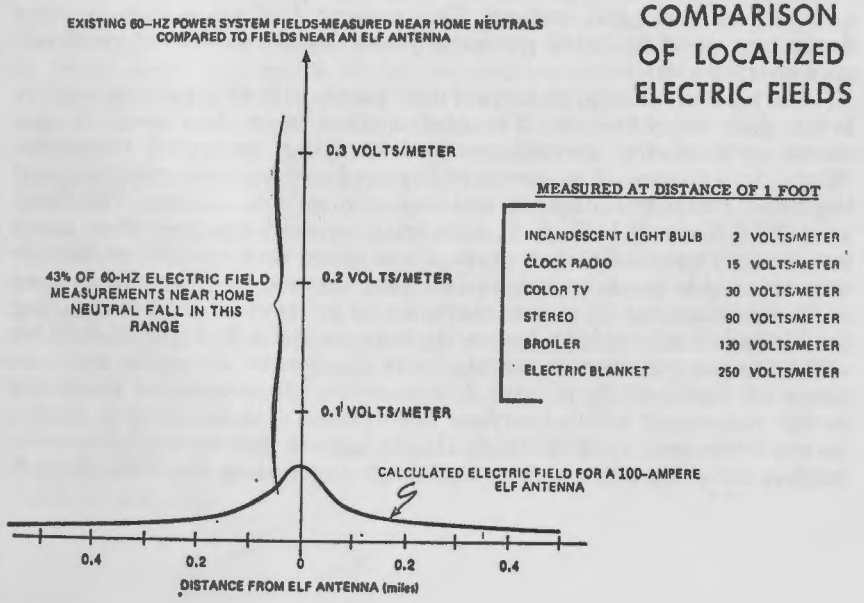
The committee conducted a two and one-half day intensive review of the U.S. strategic program and options. The committee wishes to direct attention to Part 5 (Research and Development) of the committee's printed hearing that provides a comprehensive treatise on the entire U.S. strategic program. The review extended into the offensive, defensive, and command, control and communications (C^3) aspects of the strategic programs. The overall conclusion reached was that our strategic program is necessary, is based on a real threat, and is essential to our present and future national security. The 22 percent of the fiscal year 1977 R.D.T. & E. request for our strategic programs, if anything, is sufficient only to maintain the gap, be it to the U.S. or Soviet advantage. Soviet improvements in accuracy only expedite the potential vulnerability of our ICBM silos. Contrary to popular belief, silos can be hardened only to a limited extent. Because of this and other factors the U.S. must pursue land mobile concepts and developments. These and other factors such as accuracy, etc., associated with the ICBM force are discussed in detail in the Appendix of this report.

The importance of the strategic bomber leg and submarine leg of our Triad is ever increasing. In consideration of the high percentage of payload carried by our bomber force, the B–1 is not just a capable airplane—it is essential to our national defense.

The committee examined the alternatives to the B–1 again—only in far greater depth than in previous years. This was largely due to the fact that there were more studies this year than in the past—studies that offered more alternatives this year than in the past. The results of the Brookings Institute B–1 Study were evaluated. The general conclusion reached by the committee was that their recommendations were based on rather simplistic assumptions that resulted in inaccurate cost estimates for the alternatives they proposed.

Finally, the committee concluded that many allegations against our strategic programs are based on ill-founded assumptions, theories, speculation or incomplete data. The Navy's Seafarer or Sanguine program is a case in point. Our national command authorities are in need of systems that will provide improved communications with our submarine forces. Many of even the most vociferous critics of the Seafarer program concur with this assessment. Today, our submarine forces must reduce speed and approach the surface in order to receive communications. This constraint, in a time of crisis would jeopardize these forces. The Navy has justified the need for a Seafarer-type system on the basis of the limitations of the current system coupled with the capability that Seafarer with its Extreme Low Frequency (ELF) bandwidth would afford. The opposition to Seafarer comes largely from those who allege the system is detrimental to the civilian population. Included in the claims is the belief that Seafarer produces harmful radiation. The committee has compiled the following information that compares the electric and magnetic field strengths of ELF with frequently used household items and appliances:





The committee would naturally be in opposition to any military system that would inadvertently endanger our civilian population. In the case of Seafarer, however, all the data is not in yet and the Navy is taking every possible step to insure that the system is safe through exhaustive studies.

Concerning our strategic programs in total, the committee, in consideration of the input, concludes that the Soviet threat is real; the Soviets are advancing their technology and capability in their strategic offensive, defensive, and C^3 systems as evidenced in the OKEAN 75 exercise of last year; that the B–1 is the most cost effective system, as stated by the GAO, to meet the postulated threat; that our strategic programs are in consonance with maintaining our national security and our continued ability to deter; that our expenditures for these programs are marginal in terms of our ability to keep pace with the Soviet program; and that our strategic programs do not contradict but are an incentive to a continuation of détente.

The Fiscal Year 1977 R.D.T. & E. Request Leaves Many Needs Unsatisfied

There are many military requirements that will not be satisfied this year, and in some instances over the near term, as a result of budgetary constraints. The Director of Defense Research and Engineering stated that his office reduced the Services' requests by nearly one billion dollars before it was forwarded as part of the President's budget to the Congress. In many areas, the United States has fallen or will fall below Soviet capabilities. The Soviets will either maintain or increase their lead in these areas.

The Army, for example, has an urgent requirement for a forward area air defense gun system. The present Vulcan system is very dependent upon operator proficiency and lacks the desired performance characteristics.

This year the Navy, as in previous years, will be unable to satisfy many fleet requirements. The surface fleet is in dire need of new sensor systems for surveillance and tracking, increased firepower, "fixes" to enhance ship survivability and reduce vulnerability, and improved command, control, and communications systems. The fiscal year 1977 Navy R.D.T. & E. authorization will advance some areas but at an alarmingly slow pace. Data show that the Soviet fleet is now more able to carry out its intended mission to deny our control of the seas than our Navy is to carry out its primary mission of insuring the United States ability to use the seas, anytime and anyplace. Our ability to deter emanates largely from the carrier forces in conjunction with the F–14, E–2C and A–6 aircraft. The absence of firepower in the remainder of the surface fleet places a large burden on the carrier force and in effect "puts all our eggs in one basket." The data further show that the Soviet fleet is younger than the U.S. fleet, is more dynamic, has excellent firepower, and is becoming more evident due to the Soviet acquisition of facilities away from home. The committee recognizes the need to reestablish the naval superiority that our surface fleet previously enjoyed.

It is the opinion of the committee that the fiscal year 1977 request is, in general, responsive to Air Force needs. One Air Force deficiency, however, is the need for an all-weather air-to-air missile for use on their highly capable tactical aircraft. The committee recognized this requirement and consequently added funds for this purpose to the committee-established Emergency Fund (Title II, section 202 of the bill).

The Air Force share of the strategic program, exclusive of the B–1 program, represents a rather restrained budget in light of Soviet R. & D. in this area. The fiscal year 1977 strategic program will do little if anything to halt the alarming rate at which the Soviet strategic forces are surpassing ours in effectiveness.

In discussing the budgetary constraints confronting the U.S. R.D.T. & E. program with the committee, the Director of Defense Research and Engineering stated:

> ". . . shown are a number of important systems which we have purposely held back and sustained in early advanced development rather than proceeding more rapidly at this time. As indicated, still other systems have been stretched out in time or deferred. While all of these programs are necessary and even urgent, their full implementation cannot be accommodated at this time within the priorities and scope of the funding requested."

Conclusion of Committee

The committee concurs with the Department of Defense on the requirements, needs and approach for most major weapon systems under development. At the same time, the committee believes that the Services can do a better job in managing the R.D.T. & E. program and in being more responsive to the committee concerns and requests.

The committee's recognition that the fiscal year 1977 R.D.T. & E. request leaves many needs unsatisfied and the committee recommended reduction of nearly one-half billion dollars, is not a paradox. Clearly, just spending money on defense doesn't guarantee the purchase of a viable defense. Funds must be spent effectively and efficiently. The committee was faced with a rather rigorous schedule in reviewing the Department of Defense R.D.T. & E. request. While there was time to highlight military deficiencies, there was not adequate time for the DOD to restructure programs to satisfy many of the deficiencies or for the committee to redistribute the reductions to fund the programs. The committee was able to provide recommendations and funding for the development of an all-weather air-to-air missile to replace the Sparrow for use by the Air Force and Navy, to refurbish the U.S.S. *Belknap*, convert the U.S.S. *Long Beach* to an Aegis platform, and continue the R.D.T. & E. for an engine to repower the F–14 aircraft.

The committee recommendations for the fiscal year 1977 R.D.T. & E. program are identified in the tables that follows:

Adjustments to Fiscal Year 1977 Research and Development Authorization Request Recommended by House Armed Services Committee

R.D.T. & E., ARMY

[In thousands of dollars]

Program element	Fiscal year 1977 request	Change	Recommendation
Military science	128,199		128,19
Aircraft and related equipment:			
Aerial scout	26,000	−26,000	
Aircraft survivability concepts	3,620	−620	3,0
Advanced VTOL	9,894	−2,894	7,0
Other programs approved	280,740		280,74
Total, aircraft	320,254	−29,514	290,74
Missiles and related equipment:			
Chaparral/Vulcan	10,184	−2,184	8,000
Advanced forward area air defense system (AFAADS)	2,000	−1,800	200
Ballistic missile defense systems technology program (BMDSTP)	118,040	−18,040	100,000
High energy laser components	26,490	−5,490	21,000
Heliborne guidance technology	1,095	−1,095	
Army/Navy area surface to air missile technology	4,000	−2,000	2,0
Stinger	19,949	−6,500	13,4
Other programs approved	590,467		590,46
Total, missiles	772,225	−37,109	735,11
Military astronautics and related equipment	16,794		16,7
Ordnance, combat vehicles and related equipment:			
Armament technology	20,178	−2,000	18,178
Advanced concept laboratory	4,000	−4,000	
Fuze technology	5,132	−500	4,6
Munitions technology	8,485	−500	7,9
Ballistic technology	18,453	−1,000	17,4
Advanced multipurpose missile system	3,000	−3,000	
Vehicle rapid fire weapon system—Bushmaster	22,512	−3,512	19,0
Mechanized utility vehicle (MUV)	4,130	−4,130	
Other programs approved	299,683		299,6
Total, ordnance	385,573	−18,642	366,9
Other equipment:			
Communications-electronic	6,345	−500	5,845
Combat surveillance, target acquisition and identification	5,331	−1,100	4,231
Electronics and electronic devices	14,206	−400	13,806
Combat support technology	3,677	−500	3,177
Night vision investigations	5,585	−500	5,085
Countermine and barrier techniques	4,420	−500	3,920
Nonsystems training devices technology	2,600	−100	2,500
Remotely piloted vehicles (RPV) supporting technology	2,500	−1,500	1,000
Antiradiation missile countermeasures (ARM/CM)	4,140	−3,140	1,000
Advanced electronic technology	1,500	−1,500	
Command and control	9,581	−8,990	
Evaluation of foreign components	2,010	−1,010	1,0
Other programs approved	472,094		472,0
Total, other equipment	533,989	−19,740	514,2
Programwide management and support	229,163		229,1
Reimbursements from foreign military sales	−9,897		−9,8
Total, Army R.D.T. & E. authorization	2,376,300	−105,005	2,271,2

Adjustments to Fiscal Year 1977 Research and Development Authorization Request Recommended by House Armed Services Committee—Continued

R.D.T. & E., NAVY

[In thousands of dollars]

Program element	Fiscal year 1977 request	Change	Recommendation
Military science:			
Center for Naval Analyses	8,235	−1,000	7,235
Other programs approved	166,032		166,032
Total, military science	174,267	−1,000	173,267
Aircraft and related equipment:			
A-6 squadrons	5,630	−5,630	
F-401 engine	1,000	−1,000	
V/STOL helicopter development	4,127	−1,127	3,000
Advanced aircraft propulsion systems	13,706	−4,000	9,706
Aircraft systems (advanced)	3,264	−972	2,292
All-weather attack	1,000	−1,000	
Aerial target systems development	14,477	−3,632	10,845
CH-53E	14,043	−4,043	10,000
Navy air combat fighter (F-18)	346,900	−46,000	300,900
Other programs approved	324,071		324,071
Total, aircraft	728,218	−67,404	660,814
Missiles and related equipment:			
Strike warfare weaponry technology	42,400	−8,400	34,000
Advanced surface-to-air weapon system	3,000	−1,000	2,000
Shipboard intermediate range combat system (SIRCS)	16,100	−16,100	
Air launched/surface launched antiship missile	1,049	−1,049	
Air-to-air missile systems engineering	29,200	−27,015	2,185
Hi-speed antiradiation missile (Harm)	33,495	−13,495	20,000
NATO Seasparrow	11,502	−6,502	5,000
Cruise missile (engineering)	164,900	−64,900	100,000
Vertical launched standard missile (VLSM)	5,515	−5,000	515
Other programs approved	933,319		933,319
Total, missiles	1,240,480	−143,461	1,097,019
Military astronautics and related equipment	24,509		24,509
Ships, small craft and related equipment:			
Advanced identification techniques	4,300	−4,000	300
High performance underwater vehicle	3,000	−2,000	1,000
Advanced command data system	9,884	−6,026	3,858
Combat system integration	3,516	−2,079	1,437
Test bed development and demonstration	22,217	−2,217	20,000
Nuclear powered aircraft carrier (CVNX)	11,472	−11,472	
Other programs approved	696,420		696,420
Total, ships, small craft and related equipment	750,809	−27,794	723,015
Ordnance, combat vehicles and related equipment:			
Lightweight ASW torpedo	8,438	−8,438	
Gun system improvement program (GSIP)	9,300	+5,000	14,300
Other programs approved	131,560		131,560
Total, ordnance	149,298	−3,438	145,860
Other equipment:			
Directed energy programs	3,736	−3,736	
Advanced electronic components	973	−973	
Laser countermeasures and counter countermeasures	1,980	−1,980	
Foreign weapons evaluation	2,031	−1,031	1,000
Other programs approved	512,922		512,922
Total, other equipment	521,642	−7,720	513,922
Programwide management and support	335,980		335,980
Reimbursement from foreign military sales and other assets	−70,003		−70,003
Total, Navy R.D.T. & E. authorization [1]	[1] 3,858,865	−250,817	[1] 3,608,048

[1] Includes $3,665,000 for Navy special foreign currency program.

Adjustments to Fiscal Year 1977 Research and Development Authorization Request Recommended by House Armed Services Committee—Continued

R.D.T. & E., AIR FORCE

[thousands of dollars]

Program element	Fiscal year 1977 request	Change	Recommendation
Military sciences	159,300		159,300
Aircraft and related equipment:			
F–15 squadrons	51,000	−45,000	6,000
Aerospace propulsion	37,700	−2,000	35,700
Aerospace avionics	58,600	−2,600	56,000
Low cost aircraft	500	−500	
Advanced tactical fighter (ATF)	1,000	−1,000	
Advanced aerial target technology	9,100	−3,100	6,000
Other programs approved	1,067,000		1,067,000
Total, aircraft	1,224,900	−54,200	1,170,700
Missiles and related equipment:			
Tactical air intercept missiles	4,700	−3,000	1,700
Tactical air to ground missile	2,000	−2,000	
Tactical drone support	1,500	−1,000	500
Lightweight radar missile prototype program	5,000	−5,000	
Advanced ICBM technology	84,000	−4,000	80,000
Advanced short range air-to-air missile component technology	10,700	−6,400	4,300
Other programs approved	352,000		352,000
Total, missiles	459,900	−21,400	438,500
Military astronautics and related equipment	558,400		558,400
Ordnance, combat vehicles and related equipment:			
Conventional munitions	19,000	−2,800	16,200
Advanced attack weapons	7,500	−7,500	
Close air support weapon system	41,000	−16,000	25,000
Other programs approved	150,600		15,600
Total, ordnance	218,100	−26,300	191,800
Other equipment:			
Personnel utilization technology (formerly human resources)	3,500	−1,000	2,500
Electronic warfare technology	9,300	−1,500	7,800
Advanced computer technology	4,100	−1,100	3,000
Electrooptical warfare	8,000	−1,500	6,500
Reconnaissance/electronic warfare equipment	14,200	−1,500	12,700
E–4 advanced airborne command post (AABNCP)	79,000	−19,000	60,000
Surface defense suppression	28,500	−6,000	22,500
Foreign weapons evaluation	2,000	−1,000	1,000
Applications of information processing technology	2,800	−1,300	1,500
Precision location strike system (PLSS)	30,000	−10,000	20,000
Low life cycle cost avionics	3,100	−2,100	1,000
Airborne warning and control system (AWACS)	109,600	−9,500	100,100
Other programs approved	487,900		487,900
Total, other equipment	782,000	−55,500	726,500
Programwide management and support:			
Acquisition and command support	202,200	+500	202,700
Test and evaluation support	306,400	+1,500	307,900
Advanced systems engineering planning	12,000	−12,000	
Other programs approved	1,400		1,400
Total, program management	522,000	−10,000	512,000
Reimbursements from foreign military sales and other assets	−8,000		−8,000
Total, Air Force R.D.T. & E., authorization	3,916,600	−167,400	3,749,200

R.D.T. & E., DEFENSE AGENCIES

[In thousands of dollars]

Defense Advanced Research Projects Agency (DARPA)	246,400	−15,000	231,400
Defense Communications Agency (DCA)	31,005	−1,500	29,505
Defense Nuclear Agency (DNA)	[Deleted]		[Deleted]
Defense Intelligence Agency (DIA)	[Deleted]		[Deleted]
Defense Mapping Agency (DMA)	15,719	−1,500	14,219
Defense Supply Agency (DSA)	14,665		14,665
National Security Agency (NSA)	[Deleted]	−6,000	[Deleted]
OSD/JCS Technical Support (OSD/JCS)	20,800		20,800
Uniformed Services University of the health sciences program (USUHS)	750		750
Director, Test and Evaluation, Defense (D.T. & E.)	30,000		30,000
Total	706,300	−24,000	682,300

Committee Action on Selected Subjects in the R.D.T. & E. Authorization Request

R.D.T. & E. FISCAL YEAR 1977 PROGRAMS WITH EXCESS FUNDS

The committee recommends reductions totaling $164,919,300 for fiscal year 1977 in the programs listed in the following table:

[In thousands of dollars]

Program element	Fiscal year 1977 request	Change	Recommendation
Army:			
Aircraft survivability	3,620	−620	3,000
Advanced VTOL	9,894	−2,894	7,000
Chaparral/Vulcan	10,184	−2,184	8,000
Heliborne guidance technology	1,095	−1,095	
Army/Navy area surface-to-air missile technology	4,000	−2,000	2,000
Armament technology	20,178	−2,000	18,178
Advanced concept laboratory	4,000	−4,000	
Fuze technology	5,132	−500	4,632
Munitions technology	8,485	−500	7,985
Ballistic technology	18,453	−1,000	17,453
Mechanized utility vehicle	4,130	−4,130	
Communication—Electronics	6,345	−500	5,845
Combat surveillance, target acquisition and identification	5,331	−1,100	4,231
Electronics and electronic devices	14,206	−400	13,806
Combat support technology	3,677	−500	3,177
Night vision investigations	5,585	−500	5,085
Countermine and barrier techniques	4,420	−500	3,920
Nonsystems training devices technology	2,600	−100	2,500
Antiradiation missile countermeasures (ARM/CM)	4,140	−3,140	1,000
Advanced electronic technology	1,500	−1,500	
Evaluation of foreign components	2,010	−1,010	1,000
Navy:			
Center for Naval Analyses	8,235	−1,000	7,235
F–401 engine	1,000	−1,000	
V/STOL helicopter development	4,127	−1,127	3,000
Advanced aircraft propulsion system	13,706	−4,000	9,706
Aircraft systems	3,264	−972	2,292
All weather attack	1,000	−1,000	
CH–53E	14,043	−4,043	10,000
Air launched/surface launched ASM	1,049	−1,049	
Vertical launched standard missile	5,515	−5,000	515
Advanced identification techniques	4,300	−4,000	300
HI performance underwater vehicle	3,000	−2,000	1,000
Advanced command data system	9,884	−6,026	3,858
Combat system integration	3,516	−2,079	1,437
Test bed demonstration and development	22,217	−2,217	20,000
Nuclear powered aircraft carrier (CVNX)	11,472	−11,472	
Lightweight ASW torpedo	8,438	−8,438	
Gun system improvement program	9,300	+5,000	14,300
Directed energy program	3,736	−3,736	
Advanced electronic components	973	−973	
Laser countermeasures and counter-countermeasures	1,980	−1,980	
Foreign weapons evaluation	2,031	−1,031	1,000
Air Force:			
Aerospace propulsion	37,700	−2,000	35,700
Aerospace avionics	58,600	−2,600	56,000
Low cost aircraft	500	−500	
Advanced tactical fighter	1,000	−1,000	
Tactical air to ground missile	2,000	−2,000	
Tactical drone support	1,500	−1,000	500
Advanced ICBM technology	84,000	−4,000	80,000
Advanced short range air-air missile	10,700	−6,400	4,300
Conventional munitions	19,000	−2,800	16,200
Advanced attack weapons	7,500	−7,500	
Personnel utilization technology	3,500	−1,000	2,500
Electronic warfare technology	9,300	−1,500	7,800
Advanced computer technology	4,100	−1,100	3,000
Electro optical warfare	8,000	−1,500	6,500
Reconnaissance/electronic warfare equipment	14,200	−1,500	12,700
Foreign weapons evaluation	2,000	−1,000	1,000
Applications of information processing technology	2,800	−1,300	1,500
Advanced systems engineering/planning	12,000	−12,000	
Low life cycle cost avionics	3,100	−2,100	1,000
Airborne warning and control system	109,600	−9,500	100,100
Acquisition and command support	202,200	+500	202,700
Test and evaluation support	306,400	+1,500	307,900
Defense agencies:			
Defense Mapping Agency	15,719	−1,500	14,219
National Security Agency		−6,000	
Defense Communications Agency	31,005	−1,500	29,505

Analysis of available data and testimony by defense witnesses indicated that these funds are excess to fiscal year 1977 requirements because of incomplete data, similar efforts being accomplished in other programs, non-responsiveness to the committee request for substantive data, or disparity between the planned effort and the funding requested.

As an example, the committee terminated the Army's request for fiscal year 1976 funds for Heliborne Guidance Technology because the merits of the costly imaging infrared seeker were not justified by the Army. Without explanation, the Army requested fiscal year 1977 funds for this same effort. Another example is the Navy request for $14,043,000 for fiscal year 1977 for the CH–53 at a time when the development process will be nearly complete and the most significant effort late in the fiscal year will be the operational evaluation. The Air Force requested $500,000 for the development of a low cost aircraft. The committee deleted the funds for this new start since it was not apparent that the Air Force coordinated with the Navy to investigate the possibility of using the T–34C for Air Force needs.

These with other factors formed the basis for the above recommendations.

Committee Rationale for Other Reductions

AERIAL SCOUT HELICOPTER

Committee Recommendation

The committee recommends deletion of the entire $26 million request by the Army.

Basis for Committee Action

The committee expressed concern over the entire Army helicopter program including the Scout. The Advanced Attack Helicopter (AAH) has had cost overruns for two consecutive years. This is difficult to comprehend since the Army investment into the development of an attack helicopter during the past several years exceeds one-half billion dollars. Surely the technology derived from the Cheyenne program has been beneficial. Further, the Army is developing, in effect, several gear boxes, transmissions and dynamic systems for two helicopters—the AAH and the Utility Tactical Transport Aircraft System (UTTAS)—that will operate in essentially the same environment. The committee believes that there are more prospects for commonality than the Army is working toward.

The committee does not recommend interrupting either the AAH or UTTAS programs in light of the urgent requirements. The committee, however, is unwilling to authorize any funds for the development of future helicopters until the Army addresses the committee's concerns. In the specific case of the Scout, the committee does not question the requirement for it, but cannot support the request because of the Army's lack of a viable development plan. The Army has had literally dozens of plans during the course of the past few years and, in the opinion of the committee, has not determined what it wants. The plans varied from using off-the-shelf sensors in an existing helicopter to building a completely new Scout system.

The committee recommends deletion of all funds for fiscal year 1977 and will reconsider the program in fiscal year 1978 provided that the Army can allay the aforementioned concerns and develops a viable plan. The Army has ample time, and fiscal year 197T funds to use for this purpose.

ROLAND MISSILE SYSTEM

Committee Recommendation

The committee recommendation authorizes the entire $85.001 million requested by the Army but places a ceiling limitation of $220 million on the total development program. In addition, the $85.001 million authorization is contingent upon the Army identifying funds for fiscal year 1977 to develop an adverse weather capability for the Chaparral missile.

Basis for Committee Action

The purpose of this program is to provide the Army with an adverse weather missile system for use in the forward battle area.

In fiscal year 1975 the committee cautioned the Army to exercise good judgment in Americanizing the foreign developed Roland missile system. Contrary to this recommendation, the Army initiated a number of changes to the system resulting in both problems and increased cost. There were other contributing factors as well.

The committee recognizes the need for a forward area missile system but is seriously concerned about this program. However, the committee recommends continuation of the program with the following reservations:

No funds will be expended until the Secretary of the Army provides written assurance to the committee that the system design is firm; that he has high confidence that the total R.D.T. & E. cost will be $220 million or less; and

No funds will be expended until the Army identifies $3 million of fiscal year 1977 R.D.T. & E. funds and a firm plan to develop with those funds a brassboard/prototype command guided or RF guided Chaparral missile(s) for test and evaluation.

ADVANCED FORWARD AREA AIR DEFENSE SYSTEM

Committee Recommendation

The committee recommends a reduction of $1.8 million from the Army's request of $2 million.

Basis for Committee Action

Last year the committee recommended a substantial reduction in the Army's request for this program since the Army lacked a viable plan for the development of a gun system. Just as last year, the committee recognizes the deficiencies in the present Vulcan system but again doesn't understand why the Army has not proceeded with the Vulcan improvement program. The Army is now "studying" the problem when in fact they can be replacing the system servos, i.e., electronics, adding an automatic track capability and significantly improving Vulcan performance. The Army, counter to the committee

recommendation of last year, has not explained why the GAU–8 or other gun coupled with the Phalanx fire control system will not satisfy their future requirements.

The reduction in this year's program is intended to terminate the Army's evaluation of the foreign-developed Flakpanzer gun system. The committee encourages the use of foreign-developed systems in order to save time and money. However, savings have thus far not been apparent in the case of Roland. Further, the Department of Defense track record in "Americanizing" foreign systems is poor. The committee cannot concur in the selection of another foreign-developed major weapon system until the Department of Defense satisfactorily "brings home" and complete the Roland system.

HIGH ENERGY LASER COMPONENTS

Committee Recommendation

The committee recommends a reduction of $5.49 million from the Army's request of $26.49 million.

Basis for Committee Action

High Energy Laser development programs are conducted by all three Services and the Defense Advanced Research Projects Agency. The committee supports the work in this area and recognizes the potential of weaponized high energy laser systems. The committee has, however, identified several areas where work presently under way and planned by the Navy would provide the identical data that is essential to the Army. These included device technology, pointing and tracking, and propagation and effects. The committee recognizes that each Service will have to address unique application problems such as the Army's requirement to operate from vehicles on or close to ground level as opposed to the Air Force application where the laser would be used at high altitudes. However, Department of Defense witnesses have testified that at the present state of development, many of the technological problems that have to be solved are of such a nature that the solutions will be applicable to all three Services. The reduction in the Army program is intended to eliminate those areas that are presently being addressed in other programs and is not intended to reduce the national effort in the area of high energy lasers.

COMMAND AND CONTROL

Committee Recommendation

The committee recommends a reduction of $8.990 million from the Army's request of $9.581 million.

Basis for Committee Action

The Army intended in this program to expend $8.9 million to develop a battery level computer. This computer is used by the artillery forces to perform the necessary mathematical calculations required to fire field artillery.

The committee questions the need for the Army to develop a new digital computer at a time when this country has an abundance of mini-computers in the inventory that satisfy military specifications.

The committee recommendation is intended to delete the funds for this computer development effort and requests that the Army investigate the availability of using existing digital computers.

BALLISTIC MISSILE DEFENSE SYSTEM TECHNOLOGY PROGRAM (BMDSTP)

Committee Recommendation

The committee recommends a reduction of $18.04 million from the Army's request of $118.04 million.

Basis for Committee Action

During fiscal year 1976 the Army restructured their Site Defense program to a sub-system development and evaluation program.

The committee was concerned, however, over several aspects of the restructured program. First, there are several study efforts that the committee found do not complement but duplicate those described in the ballistic missile defense technology effort. Secondly, the committee was concerned over the fact that much of the work from the original site defense effort is being carried into the new program by the inertia of the program's structure which has not been altered.

The committee recognizes the need for a continuing effort in ballistic missile defense technology to prevent any technological surprise and to enforce the U.S. strategic position. The reduction in authorization for the System Technology Program is a reflection of concern over the direction of the program. The Army is requested to define the specific intent of this program element especially how it relates to the development and deployment of anti-ballistic missile hardware.

STINGER

Committee Recommendation

The committee recommends a reduction of $6.5 million from the Army's request of $19.949 million.

Basis for the Committee Action

The Stinger missile system is in its final stages of development and has entered the production phase. Though the decision to procure it has been made and funds have been requested for procurement, additional research and development funds are required to complete testing and make final engineering changes. The Army, however, has included as part of its program for fiscal year 1977 the initiation of a new seeker development which would not complete engineering development until September 1979 and at a cost of $35 million. The seeker, titled Post, was included in the Chaparral/Vulcan program last year.

The committee reduced the funding for the seeker in that program and recommended that the Army investigate the applicability of a unified program for seeker development within its advanced development type programs. The committee again makes this recommendation. There are missile subsystem development programs presently funded in the Army for the advanced and engineering development of new systems. The reduction in the Stinger program is intended to delete the Post seeker development within the Stinger Program element. The Army may continue to develop the seeker, however, if funds are available in subsystem development programs.

ADVANCED MULTI-PURPOSE MISSILE SYSTEM

Committee Recommendation

The committee recommends deletion of the entire $3 million request by the Army.

Basis for Committee Action

The purpose of this development program is to produce a man-portable, multi-purpose missile optimized for the anti-tank mission.

A similar development program is currently being funded through the Defense Advance Research Projects Agency (DARPA). Due to the unique requirements for such a multi-purpose missile system, several unique technological solutions are needed in the areas of warhead lethality and lightweight guidance systems. These issues are addressed in the DARPA program and assured solutions to the problems have not yet been identified. The committee believes that Army participation with DARPA could be supported through advanced development armament technology programs presently being funded for the Army.

VEHICLE RAPID FIRE WEAPON SYSTEM—BUSHMASTER

Committee Recommendation

The committee recommends a reduction of $3.512 million from the Army's request of $22.512 million.

Basis for Committee Action

The purpose of this program is to develop the Bushmaster gun for the Mechanized Infantry Combat Vehicle (MICV). Previously, the development of the gun lagged behind the MICV schedule; hence the Army planned as an interim measure to improve the M–139 gun. This gun was procured by the Army in an offset trade agreement several years ago and has never worked very well.

Last year, this committee and the Committee of Conference believed that the continual investment of funds for this gun was not prudent. Further the committee was advised of a Department of Defense memorandum that stated it would be more cost effective to slip the MICV schedule than it would be to pursue an interim gun system. In addition, the committee did not believe that the Army had a definitive plan for the Bushmaster.

The committee recommends that the program be funded at a $19 million level and that the Army provide a report to the committee stating:

The requirement for an interim gun together with the supporting justification;

The current total MICV system schedule; and

The current Army plan for the Bushmaster development program.

REMOTELY PILOTED VEHICLES (RPV) SUPPORTING TECHNOLOGY

Committee Recommendation

The committee recommends a reduction of $1.5 million from the Army's request of $2.5 million.

Basis for Committee Action

Remotely Piloted Vehicles (RPV) offer significant capabilities to all Services in the areas of battle field surveillance and target designation for terminally guided weapon systems. The development of RPV's has been carried on in both the military and civilian communities for many years. The introduction of solid state electronic devices has permitted the development of lightweight, rugged, and reliable sensor packages for use in RPV's.

The committee encourages the services to develop, test, and field remotely piloted vehicles systems; however, in reviewing the research and development budget the committee has found numerous RPV development programs in all of the services and the Defense Advanced Research Projects Agency. The concern is that with the great number of programs being conducted, a program such as this could expend all its resources monitoring the other RPV programs without contributing anything new.

The committee encourages the Army to identify its needs and delineate specifications for RPV systems and commence a development program which will introduce in the near future a system capable of supporting the field Army in such a way that timely and accurate target identification and location can be accomplished.

A–6 SQUADRONS

Committee Recommendation

The committee recommends deletion of the entire $5.63 million requested by the Navy.

Basis for Committee Action

The purpose of this program is to provide the A–6 aircraft with Harpoon missile capability.

The A–6 is an interdiction aircraft. The committee is not convinced that the Harpoon missile is an optimum or even desirable choice since its guidance system limits its application.

AERIAL TARGET SYSTEMS DEVELOPMENT

Committee Recommendation

The committee recommends a reduction of $3.632 million from the Navy's request of $14.477 million.

Basis for Committee Action

This program provides for the engineering development of aerial target vehicles and associated equipment. The Navy proposes in this program to commence development of anti-ship missile targets. These targets are to be used in the development and operational testing and evaluation of Navy anti-ship missile defense systems. The Navy during the last year has fabricated realistic anti-ship missile targets for the testing of the Close-in Weapons System. Due to the extensive work already conducted in that program, the committee believes that the Navy at this time can commence a program to fabricate anti-ship missile targets without investing large amounts of development funds. The committee requests that the Navy reassess the technology

and hardware that it has already developed and built before progressing with an independent target development program.

STRIKE WARFARE

Committee Recommendation

The committee recommends a reduction of $8.4 million from the Navy's request of $42.4 million.

Basis for Committee Action

The purpose of this program is to conduct exploratory efforts in support of all weapons systems used by the Navy for surface and air missions. The committee identified efforts in this program that have not shown progress or duplicate to a large extent similar efforts in other Department of Defense programs. Some examples are:

(1) Liquid Propellant Guns.—This is an area that the Department of Defense has pursued since the early 1950's yet the effort has not transitioned into fielded hardware. Recently, the Defense Advanced Research Projects Agency (DARPA) has initiated a program to explore liquid propellant gun system technology. They have fabricated a liquid propellant gun. It is the committee's belief that the Navy should not continue to invest needed exploratory development funds in areas that it have not been able to transfer into the fleet after two decades of work especially since the technology is being vigorously pursued by the DARPA.

(2) Directed Energy Weapons.—This effort has previously been coordinated by the DARPA. It represents an area of sophisticated technology that the DARPA has under reconsideration. Many difficult technological problems are presented in this effort. The committee concurs with the DARPA position to reassess this program before expending any future funds.

(3) Missile Structures and Fluid Dynamics.—$3.9 million is to be allocated to this effort which addresses similar technology issues to those addressed by the Advanced Ballistic Reentry System program (ABRES), managed by the Air Force, as a tri-service effort. The committee appreciates the unique requirements of each service but because of the tri-service oriented ABRES program, questions the magnitude of the funding requested by the Navy.

These and other concerns throughout the entire program of thirteen separate efforts form the basis for the committee recommendation.

SHIPBOARD INTERMEDIATE RANGE COMBAT SYSTEM (SIRCS)

Committee Recommendation

The committee recommends deletion of the entire $16.1 million requested by the Navy.

Basis for Committee Action

The purpose of this program is to provide the Navy with an intermediate range weapon control system.

The committee recognizes the poor state of current shipboard weapon and fire control systems. During the past few years, the committee has been encouraging the Navy to commence a program to provide the fleet with a near-term solution to a very well defined problem. The fleet has far too many World War II vintage weapon control systems that are incapable of countering today's threats, are difficult to maintain and keep operational, present serious logistics support problems due to 20 or more years of "black box" fixes, and in consideration of all of the above are little more than dead weight on the platform.

The Shipboard Intermediate Range Combat System (SIRCS) program is not responsive to the fleet's near-term requirements or the committee's guidance. Navy testimony was clear in acknowledging that there are no funds in the fiscal year 1977 R.D.T. & E. request for the near-term requirements; none were requested last year or the year before that, and none are planned for next year. The committee cannot comprehend the logic that defers a solution to a real fleet problem for the next 11 or more years. There are currently dozens of weapon control systems and mods of them in the operational fleet. They require a substantial investment for maintenance each year and provide little, if any, return on the investment.

The committee will not support any authorization for a SIRCS in the absence of a program that provides the fleet with essential near-term enhancements in capability.

HIGH SPEED ANTI-RADIATION MISSILE (HARM)

Committee Recommendation

The committee recommends a reduction of $13.495 million from the Navy's request of $33.495 million.

Basis for Committee Action

The purpose of this program is to develop a high speed antiradiation missile follow-on to the current inventory of ARM missiles.

It is the understanding of the committee that this program is having serious design and development problems. The basic design was adequate and the missile had a limited but successful test program. Subsequent to the initial development phase, however, the committee understands that there have been a number of design changes that place high risk on the ability of the missile to perform as expected.

The committee, therefore, recommends the reduction to effect a reassessment of the basic design. The Navy is requested to provide a written report to the committee on the problems, the proposed solution to these problems and a summary of the past funding and proposed funding requirements.

5-INCH GUN MUNITIONS

Committee Recommendation

The committee did not recommend a monetary reduction from the $19.39 million requested by the Navy but does recommend deletion of the High Frag projectile program.

Basis for Committee Action

The High Frag projectile is intended to represent an improved capability for the 5-inch projectile. This projectile program, however,

has not shown adequate progress for the past several years. Further development efforts on High Frag should be terminated.

The committee recommends that the Navy complete final development of the Mod-O projectile since this aspect of the program has demonstrated some progress. The Navy is requested to transfer a minimum of $2.1 million from the High Frag project element to other 5-inch and 8-inch munitions programs or the Gun System Improvement program element. These funds are to be used only for this purpose.

NAVY AIR COMBAT FIGHTER (F–18)

Committee Recommendation

The committee recommends a reduction of $46 million from the $346.9 million requested by the Navy.

Basis for Committee Action

The purpose of this program is to develop a cost effective but capable aircraft that will eventually replace the A–7 aircraft in the attack mission and augment the F–14 in the fighter mission.

Last year the Navy estimate to develop a VFX aircraft in accordance with their requirements was $847 million. A few months later, following selection of the YF–17 for continued development, the estimate increased to $1.4 billion. The current estimate in escalated dollars is now $1.8 billion. The committee recognizes the reasons for much of the increase, but is not convinced that the Navy is developing this aircraft at the lowest possible cost.

The committee, in Report No. 94–199 for the fiscal year 1976 request, stated that continued support of the program was contingent upon the Navy's ability to maximize commonality at the subsystem level (avionics, etc.) with the Air Force F–16 system. Subsequently, the Navy proceeded with a plan to develop a new radar without justifying or even informing the committee of this requirement.

The committee wishes to emphasize that it strongly supports the F–18 program since it is an aircraft meeting a critical Navy requirement; however, its enthusiastic support of this aircraft program should not be construed as a willingness to underwrite the program without regard to cost. The committee insists that the Navy in developing this total aircraft system do so at the lowest reasonable cost. The committee's recommended reduction is therefore made without prejudice. The Committee on Armed Services will be willing to consider restoring this reduction through standard reprogramming procedures if the Navy can come forward and present persuasive justification for developing new subsystems together with appropriate cost estimates.

ADVANCED SURFACE TO AIR MISSILE SYSTEM

Committee Recommendation

The committee recommends a reduction of $1 million from the $3 million requested by the Navy.

Basis for the Committee Action

The purpose of this program is to develop a 5-inch rolling air frame missile for anti-shipping missile defense.

Last year the committee recommended termination of this program because the guidance system was effective only against a unique type of target. The Committee of Conference restored the funds with the understanding that the Navy would commence a program to study its existing 5″ infrared guided projectile as an alternative to development of a new missile. Subsequently, the Navy informed the committee that both the 5″ missile and launcher compatible guided projectile would not represent an optimum solution to the problem. The committee approved the Navy's proposed plan to study the available alternatives for an effective system.

The committee recommends that the authorization for this program in fiscal year 1977 be predicated upon the fact that the Navy will not continue the advanced development of the 5-inch missile that was proposed last year. The Navy is therefore requested to provide the committee with the results of its studies conducted during fiscal year 1976 prior to the expenditure of any funds for this program.

F–15 SQUADRONS

Committee Recommendation

The committee recommended a reduction of $45 million from the Air Force request of $51 million.

Basis for Committee Action

Production approval for the F–15 was given in October 1972. Total expenditures for the development of the system amounted to $1.9 billion by September 1975 when the aircraft was declared an operational system. The committee recognizes that a system as complex as a tactical fighter aircraft may require additional research and development after production begins; however, the scope of the research and development naturally decreases with time. The F–15 program received $184 million in fiscal year 1975 for research and development and $35 million in fiscal year 1976. No funds were requested for the transitional period of July 1 to September 30, 1976. This year however, the Air Force has requested $51 million. Since no funds were requested for the transitional period and no critical aircraft system or subsystem has been identified by the Air Force for further development on the F–15 aircraft, the committee cannot support a $51 million program to complete programs which have been defined in nebulous terms. The stated need for avionics support equipment should be funded in the Operation and Maintenance account.

SURFACE DEFENSE SUPPRESSION

Committee Recommendation

The committee recommends the reduction of $6 million from the Air Force request of $28.5 million.

Basis for Committee Action

The purpose of this program, in part, is to develop a glide bomb system for the B–52 aircraft.

The committee's recommendation is intended to terminate this effort as well as any effort to integrate an imaging infrared seeker on the GBU–15 weapon.

The committee does not believe that this capability for the B–52 aircraft is desirable or even practicable. In addition, the Air Force has not yet completed its study that indicates the cost and performance effectiveness of infrared seekers on air-to-ground weapon systems.

CLOSE AIR SUPPORT WEAPONS SYSTEM

Committee Recommendation

The committee recommends a reduction of $16 million from the Air Force request of $41 million for fiscal year 1977.

Basis for Committee Action

The committee continues to support the development of the laser Maverick missile system which is nearly complete.

The Air Force plan to proceed into engineering development of the imaging infrared seeker (IIR) was the basis for the committee's proposed $21.5 million reduction during fiscal year 1976. The Committee of Conference restored part of the recommended reduction with the understanding that the Air Force would fully support the laser semi-active seeker program, and would not commence engineering development of the IIR seeker until a plan had been provided to the committee that delineated the cost of the total IIR system. The plan has not been completed, and the committee's concern over the increased cost of the IIR system has not been allayed.

The Air Force's proposed plan for fiscal year 1977 is to initiate engineering development of an IIR seeker. The committee can not support commencement of an engineering development program until the cost and performance issues are presented to the committee as requested in House Report No. 94–488. Further, the performance advantages of the IIR over the laser seeker must be described relative to the cost differences.

E–4 ADVANCED AIRBORNE COMMAND POST

Committee Recommendation

The committee recommends a reduction of $19 million from the $79 million requested by the Air Force.

Basis for Committee Action

The committee recognizes the need to provide an airborne command post for our national commanders.

The program has, however, had serious development problems—some of which have yet to be resolved. The committee recommendation is based on the need to resolve the development problems, establish an operational base line system, and tailor a continued R.D.T. & E. program to enhance the base line system performance. The level of funding requested by the Air Force reflects an overly ambitious program that is not in consonance with the aforementioned recommendations. The committee believes that the recommended level of funding will provide for an orderly development program.

PRECISION LOCATION STRIKE SYSTEM (PLSS)

Committee Recommendation

The Committee recommends a reduction of $10 million from the $30 million requested by the Air Force.

Basis for Committee Action

This system is intended to provide an effective tactical location/strike system. The committee is concerned over the requirement, complexity and projected high cost of the PLSS. The Air Force does have alternatives such as the F–4E Wild Weasel to search out and destroy hostile radar systems.

The committee recommendation is not intended to impact the Distance Measuring Equipment (DME) guidance development, but to terminate the emitter locating effort.

ADVANCED AERIAL TARGET

Committee Recommendation

The committee recommends reduction of $3.1 million from the Air Force's request of $9.1 million.

Basis for Committee Action

The purpose of this program is to support technology for the development of target vehicles and associated instrumentation. The Air Force request reflects a 61-percent increase over the funding requested for fiscal year 1976. The areas identified by the Air Force for the increased funding, when compared with those areas presently being addressed by other Services in their target programs, do not justify the increased request.

DEFENSE ADVANCED RESEARCH PROJECTS AGENCY (DARPA)

Committee Recommendation

The committee recommends a reduction of $15 million from $246.4 million requested for the DARPA.

Basis for Committee Action

The committee recognizes the DARPA focus on high technology programs. The committee's review surfaced several areas that are not commensurate with the DARPA mission.

The committee's recommended reduction may be distributed by the DARPA. The DARPA is encouraged however, to reassess the need for continued effort in the following areas:

Technology Assessments
- Perceptions
- Targeting

Training Forecasting
- Organizational Dynamics
- Manpower Research

Computer Sciences
- Specification Languages

FOREIGN WEAPONS EVALUATION

Committee Recommendation

The committee recommended a reduction of $1.01 million from the Army request of $2.01 million; a reduction of $1.031 million from the Navy request of $2.031 million; and $1 million from the Air Force request of $2 million.

Basis for Committee Action

The committee in reviewing the requests made by all of the Services for this effort, which is directed at evaluation of foreign materiel, was concerned over the magnitude of the aggregate program. The Services proposed to spend in excess of $6 million evaluating foreign systems. The committee encourages the transfer of technology to the United States and the pooling of resources and talent with those of our allies. However, programs such as these should not be funded year after year without producing specific products or being held to identifiable milestones. In reviewing the budget the committee was not able to identify specific tasks that would be accomplished under these programs.

SEC. 202—EMERGENCY FUND

The committee recommends that Section 202 be added to Title II of the bill as follows:

> SEC. 202. There is hereby authorized to be appropriated to the Department of Defense, Director of Defense Research and Engineering, during fiscal year 1977 for use as an Emergency Fund for Research, Development, Test, and Evaluation, $49,000,000 to be used only for the following purposes: $15,000,000 for the development of a common, all weather air-to-air missile to replace the AIM–7 series Sparrow missile, for use on both Air Force and Navy aircraft; $8,000,000 for the research, development, test, and evaluation required in support of the Belknap; $11,000,000 for the research, development, test, and evaluation required to install the Aegis weapon control system aboard the USS Long Beach; $15,000,000 to continue the research, development, test, and evaluation of the F–401 engine or other viable alternative to repower the F–14 aircraft in the earliest possible time frame.

The committee's intention in specifically providing for these efforts and the direction contained in this section is to address urgent research and development requirements of the Department of Defense. The committee in reviewing the status of the present systems and the proposed budget has identified these four areas as requiring immediate attention.

$15 million is provided to commence an accelerated program to develop a common all-weather air-to-air missile as a replacement for the Sparrow AIM–7 series. The Sparrow missile entered development around 1948. It is the committee's understanding that several billion dollars have been invested in Sparrow R.D.T. & E. and procurement. The system has, historically, been a poor performer. The committee is not opposed to Sparrow solely because of its vintage. Many systems that have been in the inventory for years are still quite capable. This is not evident in the case of Sparow. The committee has learned that the

laboratory and field tests of the new AIM 7–F series indicate that there is still a great deal of effort required to improve its performance. The Air Force and Navy have requested a total of $25 million for Sparrow effort during fiscal year 1977. The committee believes that after twenty-eight years of effort, this missile is still lacking in performance, and is incapable of satisfying total mission requirements. The committee recommends termination of all R.D.T. & E. on all Sparrow series missiles including:

The Sparrow effort in the Navy's air-to-air missile systems and NATO Seasparrow program elements; and

The Sparrow effort in the Air Force Tactical Air Intercept Missiles program element.

In its recommendation, the committee does not intend to have the DOD initiate a lengthy, high technology program to develop the follow-on missile. For this reason, the committee recommended termination of the Air Force's proposed Lightweight Missile Prototype program. The committee believes that there is an urgent requirement for a new, simple, reliable, all-weather air-to-air missile for Navy and Air Force use. Available technology can provide this capability in a short time frame. The Committee expects that the Director, Defense Research and Engineering, will ensure a rapid development and an early operational date.

During the interim, the committee will recommend a procurement buy of the AIM–7 series missiles that is commensurate with inventory and training requirements.

$19 million is provided for two major ships which are in need of immediate research and development efforts: one, the U.S.S. *Belknap*, which must be rebuilt after its collision with the U.S.S. *Kennedy*; the other is the U.S.S. *Long Beach*, which offers the Navy a nuclear platform for the Aegis weapon control system. The U.S.S. *Long Beach* is the only ship which can presently be equipped with the Aegis system and provide a significant improvement to our fleet at the earliest possible time.

$15 million is provided to repower the F–14 aircraft as soon as possible. The language is not intended to either restrict or exclude the Navy's choice of engine to the F–401. It is intended to preclude a completely new engine development program, and restrict the alternatives to those candidates that are within approximate parity of each other in the advanced phase of development.

TITLE III—ACTIVE FORCES

GENERAL DISCUSSION: DEFENSE MANPOWER

The Size of the Force

The military personnel strength recommended by the committee for fiscal year 1977 is essentially the same as that authorized during fiscal year 1976 and the transition quarter. The committee is convinced that uniformed manpower levels of approximately 3,000,000 active and reserve are required to adequately maintain our current national security interests.

The readjustment to a lean force structure appropriate for peacetime has occurred. Barring major alterations in international rela-

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tionships, a basic reassessment of our foreign policy commitments as they relate to our national interests, the foreseeable future will continue to demand a force structure of essentially the same size as exists today.

The expense of maintaining a large force with significant capability is substantial; yet, the benefit is inestimable. Conventional forces provide a safety margin at two critical points. First, the very existence of these forces is a powerful deterrent. Second, if a conflict develops, a credible conventional capability provides an alternative to nuclear warfare.

Efficiencies in the Manpower Structure

Anticipating increases in the productivity of manpower and efficiencies in the military structure is reasonable. In an organization of the size, complexity and intricacy of the Department of Defense much of the initiative for efficiencies must be generated from within. The Congress can aid this internal process by highlighting areas of concern and assuring that appropriate incentives exist to encourage management improvements.

Last year the committee recommended, and the Congress essentially approved, a relatively stable strength level for active forces. The committee was convinced that, given this stability, further efficiencies in the use of available defense resources would be promoted.

The favorable result, evident during the committee's hearings and reflected in the fiscal year 1977 programs, is primarily in the composition of the force rather in total numbers. For example, the ratio of officers to enlisted personnel—which has been weighed in favor of officer personnel since the Vietnam experience—will improve in the fiscal year 1977 program. Further progress in this regard is anticipated. Another improvement will be overall reductions in the "individuals" account for the services. Having numbers of people carried under this accounting classification—such as students, transients, patients and prisoners—is a fact of life in such large organizations, even though they are not actively contributing to its readiness posture. But the numbers have been too high. The reductions which are expected to number approximately 13,000 spaces and are evidence of management's attempts to squeeze down on these inherently unproductive activities.

In sum, given the enormity of the operation, the manpower program in the Department of Defense is, at present, well managed. There are areas where improvement is warranted: but the committee is encouraged that, overall, the motion is in the right direction.

Major Force Structure Changes

Army.—The buildup to 16 active divisions will be completed as two brigades are activated in fiscal year 1977. Four of the 16 active divisions will have two active brigades and a Reserve "round-out" brigade in the Selected Reserve.

An additional brigade will be deployed to Europe.

Navy.—Total active ships will increase from 478 to 489.

Attack carrier levels will remain constant as the *Franklin D. Roosevelt* is deactivated at the end of fiscal year 1977 and the *Eisenhower* commissioned.

The attack submarine force will increase from 75 to 80 with the commissioning of five nuclear submarines.

Air Force.—The transfer of KC–135 aircraft to the Air National Guard and Reserve will continue.

There will be continuation of the program to build 26 tactical fighter wings.

An F–5E tactical fighter training squadron will be activated.

The air crew ratios for tactical fighter and tactical reconnaissance aircraft are increased.

Committee Recommendations—Active Forces

For fiscal year 1977, the committee recommends the following end strengths for active duty personnel:

Army	790,000
Navy	544,904
Marine Corps	196,000
Air Force	571,000

The strengths recommended are those requested by the Department of Defense, with one exception. The Navy strength was increased by 904 personnel as a concomitant to the committee's action increasing the requested strength for the Naval Reserve. These additional personnel are necessary to man Reserve training facilities, and were not included in the Navy's request because of the proposed major reductions in Naval Reserve strength.

While the aggregate number of active duty personnel will remain stable in fiscal year 1977, the distribution of those numbers will be slightly different. The Navy strength, which will be somewhat higher, is offset by a reduction in the Air Force. The Army and Marine Corps are virtually unchanged.

Army

The Army continues to make progress in the combat orientation of its force. In a series of actions enhancing combat forces, almost 16,000 additional personnel are programed to be withdrawn from support functions and utilized to create new combat elements and improve the manning of the existing combat structure. This redistribution of the force will also improve the combat to support ratio to 54/46. This compares to ratios of 39/61 in 1964, 41/59 in 1972 and 53/47 in fiscal year 1976.

For perspective in the use of the combat/support ratio, it is interesting to note that the Army's ratio in years of high activity in the three most recent major conflicts was as follows:

	Combat/Support
Vietnam—1968	35/65
Korean War—1952	38/62
World War II—1944	44/56

The fact that combat-to-support ratios can be heavily weighted toward support during years of peak involvement in major conflicts tends to support two conclusions. First, the assessment of the Army's combat capability is imperfectly represented in these ratios. Second, and of more current value, today's peacetime Army is more heavily structured "up front" and presents visible evidence of combat capability.

The picture for Army recruiting is not as bright. The improving economy and recent reductions in recruiting resources appear to presage a dropping off of overall quality in accessions in general, and more difficulty in manning the combat arms in particular. While there is not enough experience with the All-Volunteer Force to determine its ultimate validity, the impact of the projected downturn in accession quality and overall combat arms enlistments is a matter to which the Congress must remain attentive.

Another area of concern relates to the necessity of extending assignments of personnel overseas in an effort to offset deficiencies in the Army's PCS (permanent change of station) budget. Additional amounts have been included in the fiscal year 1977 budget proposals to avoid these extensions. Such extensions appear to be extremely destructive to morale and should be avoided.

Navy

The authorized strength of the Navy will increase by approximately 12,000 in fiscal year 1977. This net increase results from the following changes:

Nine hundred and four came from the committee's recommendation to increase the strength of the Naval Reserve, which necessitates these additional active duty personnel to man reserve training centers.

The bulk of the increase is caused by force manning improvements in the Navy structure.

The Navy anticipates a net increase of nine ships in commission in fiscal year 1977 which will require an additional 7,000 personnel to man them.

The decision to retain the carrier *Franklin D. Roosevelt* in commission with a full aviation complement accounts for 4,000 personnel.

A policy decision to man Navy ships at 100 percent of the programed complement, instead of the current 95 percent, accounts for 6,500 additional authorizations.

Finally, there is an increase of 2,700 personnel in the "individuals" account which the Navy admits results from inadequate estimates and accounting control in the past over this category. This account encompasses patients, prisoners, students and those in a transient status.

These increases are offset by a series of reductions in support spaces numbering approximately 8,000, leaving a net increase of 12,000.

The Navy is still encountering substantial problems in the composition of its force, as evidenced by the fleet deficiencies in the petty officer grades and the sizable mismatches in critical skills in the force. These deficiencies are particularly unfortunate in the Navy where they, of necessity, result in lengthened sea tours for personnel to compensate for the shortage. Navy personnel officials are beginning to make some headway in these critical problem areas, but continued improvement in Navy personnel management is required.

Marine Corps

While the authorized strength of the Marine Corps remains stable into fiscal year 1977, reductions in support areas will provide 2,500 additional spaces for the manning of combat units.

On December 31, 1975, the commandant issued an excellent report on manpower quality in the Corps. The report highlights the real quality problems that have been experienced since the advent of the All-Volunteer Force. The problems stemmed from an over-emphasis within the Marine Corps on maintaining authorized personnel levels. This decision caused the quality of accessions to drop as evidenced by increases in unauthorized absences, desertions, and major crimes. The problem was compounded by a policy restricting the attrition of first-term personnel, a policy also implemented to maintain authorized strength levels.

A strong emphasis is being placed on personnel quality by the new Commandant and his staff. These efforts require support by the Congress. Last year's reductions in the appropriation for recruiting funds, coupled with a more competitive economic picture, could well frustrate the Marine Corps' ability to improve its personnel quality.

The committee supports the Marine Corps' present program.

Air Force

The Air Force remains the best managed service in terms of manpower. For a significant period, Air Force managers have invested in personnel management programs which are bearing fruit in both the composition and the utility of its force. Air Force managers are to be congratulated for perceiving the benefit from such investments during times when there were more visible demands on scarce resources. It should also be noted that some of this improvement has been made possible by an enlightened attitude in the use of Air Force reserve components, thus freeing active force assets.

In fiscal year 1977, the active military strength of the Air Force will decrease by approximately 13,000. The majority of these reductions result from support efficiencies and occur while simultaneous force structure improvements are implemented.

Management Engineering Techniques

The committee heard a great deal of testimony concerning the management engineering process used by the Air Force in its evaluation of manpower requirements. The success of Air Force management of personnel has already been alluded to. These management engineering concepts have apparently been a major contributing factor to this success. The other services, which use these processes to a lesser degree, are encouraged to take similar steps. For example, the Navy's SHORESTAMPS system which will attempt to rationalize the shore establishment, should receive priority consideration in the allocation of assets.

LEGISLATIVE PROPOSALS

Included within the fiscal year 1977 program for the Department of Defense were a number of legislative proposals intended to provide

reductions in the cost of manpower. Four of these proposals in particular impacted on the manpower area specifically by virtue of their being presented as reductions in the personnel budget accounts. These proposals related to adjustments in cadet and midshipman pay, the elimination of dual compensation for Federal employees while on active duty with the reserves, the elimination of administrative duty pay for reserve commanders, and authority for flexibility in the number of drills allocated to National Guardsmen.

The committee has preliminarily decided to concur only with the cadet pay adjustment, pending receipt of the actual proposal, and to not concur with the three proposals affecting reserve pay practices.

The manner in which these proposals were presented to the Congress left something to be desired.

Rather than being accounted for as the legislative contingencies, which they, in fact, are, these proposals were submitted in a manner which would cause the funds for each affected personnel account to be deficient if favorable action were not taken on each proposal. Further, the actual language of the proposals was not submitted to the Congress prior to the March 15 deadline for the committee's recommendation to the Budget Committee on the National Defense Function.

The effect of this approach is to ask the Committee to guess whether a piece of legislation—which the committee has never really seen—will be passed by the Congress. At the same time, the deletion of funds from the budget request provides a threat that if the proposals are not passed, the funding in the military personnel accounts will be inadequate. One would be hard put to imagine a better way to initially prejudice the consideration of legislation.

TITLE IV—RESERVE FORCES

Committee Recommendations

The strengths recommended by the committee for the Selected Reserve of the reserve components are as follows:

(1) The Army National Guard of the United States, 390,000;
(2) The Army Reserve, 215,700;
(3) The Naval Reserve, 102,000;
(4) The Marine Corps Reserve, 33,500;
(5) The Air National Guard of the United States, 93,300;
(6) The Air Force Reserve, 52,000; and
(7) The Coast Guard Reserve, 11,700.

The committee was impressed in general with the progress evident in the reserve structure. Many problems exist, but there is growing evidence that more attention at the highest levels is being paid to this important element of our national defense establishment. There were, however, matters of serious concern in the fiscal year 1977 reserve program presented to the Congress.

Naval Reserve

The Administration requested an average strength of 52,000 Selected Reservists for the Naval Reserve in fiscal year 1977. The average strength authorized for fiscal year 1976 and the transition quarter was

106,000. There are approximately 102,000 in the Naval Reserve currently.

The Administration's rationale for this reduction was that approximately 10,000 of these personnel—primarily 8 construction battalions (Seabees)—were not required at all and could be eliminated from the structure. The remaining 40,000 personnel earmarked for reduction were in non-hardware-oriented units programed to augment the shore establishment which it was assumed could maintain their skills by receiving 2 weeks of active duty a year without monthly drills.

The committee examined this rationale in some detail and found it faulty. The Navy Reserve has recently undergone a major restructuring and even more recently completed a careful examination of its manpower requirements on a billet by billet basis. The results of this study show that there are 102,000 positions in existence which require continuous training throughout the year in addition to the two weeks annually on active duty. The study concludes that the shore augmentation units are required to receive this continuous training in order that they can be capable of accomplishing their missions when called upon. The tasks of these personnel are to augment the operation of shore facilities such as air stations. These facilities are currently not manned by sufficient active personnel to allow them to operate at the increased level a wartime situation would demand. Reserve personnel can provide this capability and thus need to be trained and available on an immediate basis as are the reservists who will augment the crews of ships or aircraft units. There was no evidence in contradiction to the findings of this study.

However, even if the risk of not providing these units adequate time for training could be accepted, the testimony before the Committee persuasively indicated that if these personnel are removed from a paid drill status, only a fraction will remain in the Naval Reserve program. Thus, the cost savings resulting from the reduction would be offset by the additional requirement to train new personnel.

In this connection, it is useful to note that had not this reserve program received such inattention (with the resulting criticism) in the past, it could not have been so prone to the current display of uncertainty. It is not unfair to suggest that the active Navy is well behind the other services in its effort to identify and assign relevant missions to its Reserves.

Reduction in Drill Training Periods

The committee was informed of the Department of Defense's decision to administratively alter the format for additional flying training periods and hazardous duty drills. The change will increase the duration of these extra training periods from 4 hours to 8 hours as it reduces the allowable number of drill periods by half. While the gross number of hours for training is unchanged, the proposal will save money since the entitlement rate for two four-hour drill periods exceeds that for one eight hour period of active duty for training.

This proposal is misconceived because of its potential impact on safety and lack of comprehension of the unique character of reserve service.

Additional periods were initially instituted in an effort to reverse the unusually high flight accident rate in the reserves. For this reason, the committee opposes this change in policy and has recommended to both the Budget and Appropriations Committee that sufficient funds be included in the Defense budget to retain the current number of additional flight training periods.

The committee recommends that sufficient funds be restored to provide for "readiness" drills in the Army Reserve and Army National Guard. A problem surfaced recently in a GAO report entitled "Need for Efficiency in Reserve Training" revealing that administrative duties and training preparation required of commanders detracted from the efficiency of drill periods. These "readiness" drills are used to combat this problem by providing additional drill time, other than on weekends, to accomplish administrative tasks. It may be necessary to tighten the controls on these drill periods, but they should not be abolished.

TITLE V—CIVILIAN PERSONNEL

Committee Recommendations

The committee has recommended an authorization for civilian personnel in fiscal year 1977 of 1,040,981. For the second year, this authorization is presented as a Department of Defense wide ceiling which includes direct and indirect hire civilian employees.

There are three categories of employees excluded from this ceiling again this year. The categories are employees performing civil functions (approximately 32,000 in fiscal year 1977), special employment categories designed to aid students and disadvantaged youth (approximately 24,000 in fiscal year 1977), and employees of the National Security Agency.

The authorization recommended by the committee is 5,181 above the number requested by the Department of Defense. With this increase, the authorization requested remains 23,419 less than are authorized for the transition quarter.

The committee's recommended increases result from two distinct actions. One hundred and eighty one of this increase is attributable to the committee's recommended increase in the Naval Reserve's strength. These personnel are required to man reserve training centers necessary to train these additional personnel. The remaining 5,000 increase in the civilian personnel authorization is recommended specifically for the Air Force. The committee was concerned that the number of civilian employees provided for the Air Force in fiscal year 1977 was inadequate for the performance of many necessary maintenance and support functions. In the effort to squeeze the support structure, it became clear that a number of functions such as aircraft maintenance, aircraft rework, and logistical supply will be operated at an inadequate level. The committee added 5,000 personnel in an effort to offset these potential deficiencies.

Civilian Authorization Control

The committee received testimony that the authorization control acted as an inefficient restraint in the management of civilian personnel, and it does appear that at times the authorization has been unduly restrictive. The law has and will again this year provide for exceeding the ceiling by one-half of one percent when it appears in the national interest to do so; however, this authority has not yet been exercised in spite of the problems allegedly occurring. There is some evidence that because of the reluctance on the part of managers to request exercise of this authority, inefficiencies continue to occur.

The committee is cognizant of the occasionally restrictive character of this authorization control and wishes to be advised in the future when such instances occur.

Civilian Grade Creep

Testimony of Defense Department witnesses confirmed a serious problem of grade escalation in the civilian work force. The committee considers this condition one of substantial budgetary impact that demands stringent and prompt management action. The Defense Department Manpower and Reserve Affairs Office is beginning efforts to address the problem.

The committee urges that a solution be pursued with great diligence and expects to be advised on a regular basis of the progress made.

TITLE VI—MILITARY TRAINING STUDENT LOADS

Committee Recommendations

The committee recommends military training student loads for fiscal year 1977 in the numbers requested by the Department of Defense. These training loads are as follows:

The Army, 81,429;
The Navy, 66,914;
The Marine Corps, 25,501;
The Air Force, 49,610;
The Army National Guard of the United States, 12,804;
The Army Reserve, 7,023;
The Naval Reserve, 1,257;
The Marine Corps Reserve, 3,562;
The Air National Guard of the United States, 2,232; and
The Air Force Reserve, 1,107.

An issue in the area of training which has received a great deal of notoriety over the course of the past year arises from a comparison of instructor and staff to student ratios in the military training establishment with that of civilian educational institutions. The committee receives a substantial amount of testimony on the subject which refutes the validity of this comparison. For example, the unique and often dangerous equipment used in military training necessitates more supervision; maintenance of complex training equipment requires a substantially larger number of support personnel; and the higher number of formal training hours per week conducted by the military as opposed to civilian institutions requires more instructors. These, plus the fact that in terms of overall organizational efficiencies it is beneficial to conduct training by using intense supervision in order to shorten the duration of training courses, are significant factors to which the ratio figure is not sensitive.

However, given the very real deficiencies of these ratios as analytical tools, they do at least serve to highlight the immense investment which exists in the military training establishment. With defense resources scarce, the committee maintains an interest in efforts to pare this structure as much as possible, commensurate with maintaining an effective training program. Some of the specific areas in training and education which should continue to receive attention are the shortening of courses, inter-service consolidation of similar courses of instruction, graduate education programs, and the discontinuation of unproductive ROTC units.

The committee is aware of the proposed consolidation of the undergraduate helicopter pilot training programs under the Army. Greater efficiency and economy in our training programs is a desirable goal. However, further inquiry will be necessary before the committee can properly assess its efficacy.

TITLE VII—GENERAL PROVISIONS

Sec. 701. Certification of Claims, Requests for Contract Adjustments and Requests for Other Relief by Company Officials

This section limits the use of funds authorized to be appropriated to the Department of Defense for the purpose of paying any contract claim, request for equitable adjustment to contract terms, request for relief under Public Law 85–804, or any similar request, any of which exceed $100,000, unless the senior company official in charge at the plant or location involved certifies that the claim or request, and the supporting data, are accurate, complete and current. Claims and requests formally submitted prior to enactment of this section without the above certification may be paid, provided that such certification is submitted within 120 days after enactment.

Where claims or requests have been submitted prior to the enactment of this section, and where the contracting officer has rendered a decision thereon prior to enactment, this section does not operate as a bar to payment. No claim or request now pending before the Armed Services Board of Contract Appeals, or eligible for consideration by the Board as the result of a contracting officer's decision, is affected by this section.

The committee is seriously concerned about the problem of contractors who submit exaggerated and inflated claims. The committee considers that this attitude is detrimental to the proper handling of claims and contributes to the growing backlog of shipbuilding claims. Further, this is not the way government agencies should treat Government funds.

In contract claims, the facts bearing on legal entitlement and amount should be fully disclosed by the contractor so that Government representatives can readily examine and evaluate them. Data supporting the claim must be accurate, complete, and current. Otherwise there is no sound basis for evaluation, negotiation, or legal claim settlement. They delay settlement, waste government effort and money and can lead to excessive settlements.

Claims against the U.S. Government are of sufficient importance that they warrant review and certification by the senior official at the plant or location where the contract is being performed as to the accuracy, completeness, or currency of claims and supporting data. The certification required by this section would be in addition to the Truth-in-Negotiations certificate presently required at the close of negotiations.

Sec. 702. Future Budget Requests for Operation and Maintenance Funds

This section requires the President to include within the Operation and Maintenance title of the annual budget requests for appropriations for the use of Department of Defense, amounts sufficient to fully fund the anticipated total program cost, including expected escalation in labor and material costs and other expenditures in both the private and public sectors of the economy.

This section is designed to improve the readiness posture of the armed services by assuring that sufficient funds are requested to actually complete the overhauls, rework and repairs that have been requested and approved by the Department of Defense (DOD) and by the Office of Management and Budget (OMB).

This provision also makes budgeting for operations and maintenance consistent with the full funding policy of the DOD and OMB. Budget requests are required to include all cost growth, plus all expected costs due to inflation during the life of the contract.

The Department of Defense, following guidance issued by the Office of Management and Budget in OMB Circular A–11, has failed to include an appropriate allowance for inflation in budget estimates for operation and maintenance programs. Accordingly, the funds budgeted by the Defense Department and appropriated by Congress are never sufficient to accomplish planned work when scheduled. As a result of this deliberate underbudgeting, the Navy has been repeatedly forced to defer scheduled overhauls or reduce the scope of overhaul work on individual ships, at the expense of fleet readiness, and the other services have had similar shortfalls in planned maintenance adversely affecting readiness.

Sec. 703. Authorizing the Navy to Procure Legal Services

This section authorizes the Department of the Navy to procure legal services from attorneys in private practice to aid in the disposition of contract claims, requests for equitable adjustment of contract terms, requests for relief under Public Law 85–804, and contract disputes or other related matters. The authority granted by this section will expire 5 years after enactment, at which time the committee hopes that the huge naval shipbuilding claims backlog will be reduced to manageable proportions.

Procurement of legal services under the authority of this section, shall be at rates no higher than those prevailing in the communities in which the private attorneys practice. Selection of attorneys shall be on the basis of professional qualifications to perform the services contemplated by this section and, as in the case of the procurement of other professional services, not on the basis of competitive bidding.

A $1.7 billion backlog of unsettled shipbuilding claims, request for contract adjustment, and relief under Public Law 85–804 exist within the Department of the Navy.

The committee has heard testimony that one way to speed the claim process, and still ensure a proper legal review of the $1.7 billio claims backlog, would be for the Navy to hire experienced outsid counsel to help in processing claims. The committee notes th contractors rarely rely entirely on in-house counsel in prosecutin their claims; they retain outside law firms specializing in these area

The demands on Navy technical, legal, and contracts personn caused by the large backlog of shipbuilding claims is adversely affec ing the Navy's ability to manage current programs and that outsid legal assistance is urgently needed to help relieve Navy technical per- sonnel from much of the claims workload.

The Secretary of the Navy assured the committee that the Nav would try hiring outside counsel subject to approval by the Depar ment of Justice. Initial indications were that the Department of Justice would offer no objection. However, the Assistant Attorne General, Office of Legal Counsel, expressed the opinion that existin statutes prohibit the Navy from hiring outside counsel.

The committee limited this authority to enter into such contracts to a period of 5 years to ensure continuity of contracted legal services for current claims and contract matters and those arising during the nex 5 years.

Sec. 704. Right of Department of Defense to Appeal Decisions of the Armed Services Board of Contract Appeals

This section provides the Department of Defense, its departmen and agencies with the identical rights of appeal from the decisio of the Armed Services Board of Contract Appeals which are enjoye by any other party in any case or proceeding before the Board.

Approximately one-third of the $1.7 billion in shipbuilding con tractor claims and requests for contract adjustments are involved in proceedings before the Armed Services Board of Contract Appea (ASBCA), an administrative board established by the Secretary Defense. While government contractors may appeal adverse decisio of the ASBCA to Federal courts, the Department of Defense and it departments and agencies have no such right of appeal even thoug hundreds of millions of the taxpayers' dollars are involved.

Under the current system, the ASBCA renders important decisio involving complicated facts, contract terms and interpretations of the law which the government cannot challenge in the courts. The committee is concerned that simply because the Board's decisions ad- verse to the government are not reviewable, unresolved doubts will be resolved adversely to the government and in favor of the contracto The decisions of the ASBCA also become precedents for all defens contracts.

Since claims and contract disputes heard by the ASBCA involv large sums and complex legal matters, the government should no be bound by the decisions of an administrative board where the othe parties are not also bound.

Sec. 705. Technical Data Packages in Major Weapon System Contracts

The Department of Defense will be required by this section to include in all contracts for major weapon systems, entered into after September 30, 1976, a deferred ordering clause for a complete technical data and computer software package. A major weapon system is defined herein as a composite of equipment, skills and techniques capable of performing and/or supporting an operational role which required or will require research, design, development, test and evaluation investment in excess of $50 million or total production investment estimated in excess of $200 million.

A complete technical data and computer software package is meant to include recorded information, regardless of form or characteristic, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work; or be usable or used to define a design or process or to procure, produce, support, maintain, or operate material. The data may be graphic or pictorial delineations in media such as drawings or photographs, text in specifications or related performance or design type documents; or computer programs or printouts. The term "complete" means that all plans, drawings, specifications and other descriptive information and data necessary to achieve competition in production contracts will be included in the package.

The deferred ordering clause required by this section is intended to permit the Department of Defense the right to order at any time during the performance of the contract or within a period of 3 years after acceptance of all items a complete technical data and computer software package. The definitions of language used in this section are in accord with those of the Armed Services Procurement Regulation.

This section addresses the concern that the Department of Defense needs to obtain more leverage with respect to the weapons systems developed and procured under contract with industry. The concern was expressed in the statement of managers accompanying the conference report (House Report No. 94–488) on last year's authorization bill as follows:

> The conferees' prime concern is the ever increasing cost of weapons systems which necessitates the Services having the greatest flexibility in procuring these systems. The conferees believe that it is more cost effective for the Services to have complete detailed design and manufacturing data in so far as weapons can be procured, when economical, from multiple sources. Further, the conferees believe that it is imperative that the Department of Defense retain greater flexibility in having the information required to independently modify and maintain their weapon systems.

That statement of managers directed that a study of the subject be conducted to determine what policies and procedures should be established throughout the Department of Defense to alleviate the problem. That study has not been reported to the Congress as requested.

The committee, therefore, strongly recommends section 705. This will introduce uniformity in the Department of Defense's contracting

procedures. It is important to note that the language of this section does *not* mandate delivery of a technical data package, it merely reserves the Government's right to exercise such a contract option. Moreover, the procuring authority may choose not to include such an option in the contract. However, if this right of "exception" is exercised by the procuring authority, a full explanation must be provided to both the Armed Services and Appropriations Committees of the Congress.

Sec. 706. Prior Notification on Changes in Training Programs

This section requires notification to the Congress in a timely manner before the major training programs or training missions of a service or defense activity are terminated, altered, modified, or consolidated in a substantial manner.

The intent of this provision is to ensure that actions of major significance affecting the training establishment are brought to the attention of the Congress prior to their implementation. Actions of this sort can have a major impact on force readiness and ultimately national security. For this reason, the Congress should be apprised at an early stage of such developments.

Sec. 707. Junior Reserve Officer Training Corps Units

The present law (10 U.S.C. 2031(a)), which was enacted in 1965, provides for the establishment of not more than 1,200 Junior Reserve Officer Training Corps (JROTC) units in public and private secondary educational institutions. Currently the Army has a quota of 650 units; the Navy 275 units; of which 52 are Marine Corps units; and the Air Force has 275 units. A total of 192,000 persons are participating including both male and female students. Each service has a substantial number of qualified schools on waiting lists of applicants for JROTC units.

All schools must elect the single unit to be installed; i.e., Army, Navy, Air Force or Marine Corps, and apply to the service concerned for establishment of the unit. Ordinarily that satisfies the basic institutional purposes, but military institutes usually require all students to participate in JROTC and, thus, may have a requirement for the establishment of more than one unit to provide for representation of more than a single military service.

Section 707 is designed to increase the total number of units nationwide from 1,200 to 2,000, and, thus, provide greater opportunity for participation. Also, the section would allow military institutes to establish more than one unit in the school and, thus, provide a choice of service unit and some exposure to all the military services for students enrolled in the institute.

Sec. 708. Funding of Commissaries

This section carries language expressing congressional opposition to any change in the present method of providing financial support for military commissaries. The purpose of the language is to restate the committee's strong belief that full funding for commissaries' payroll costs should be continued by appropriated funds.

The Department's fiscal year 1977 budget request again proposes to phase out, over a 3-year period, the appropriated fund support to commissary stores for labor-related costs and overseas utilities costs. Under this proposal, funds no longer would be available for these costs after fiscal year 1978. Commissary surcharges would be increased to cover the costs.

A change in financing of this kind, phased over a 2-year period, was proposed in the Department's fiscal year 1976 budget and was denied by the Congress. Extensive hearings were held on the proposal. House Concurrent Resolution 198, opposing the plan, was overwhelmingly approved by the House on July 31, 1975, by a vote of 364 to 53.

Subsequent to this vote, the House Appropriations Defense Subcommittee rejected the proposal and added $109 million to the budget to provide full funding for military commissary operations. Yet, less than one year later the Department, completely ignoring a congressional mandate, has recommended again the phaseout of appropriated fund support.

The committee believes that it is unfair and unrealistic to seek economies by increasing the costs of food to commissary store patrons. Most retired and active duty military personnel would see the loss of commissary store savings as a breach of faith, with resulting adverse impact on morale.

The possibility exists that if an increased surchage greatly increased the prices to the customers to a level comparable to commercial prices, patronage will inevitably decline. The result might well make commissaries unable to operate. Should this occur, more than 1,700,000 families who shop in commissaries could be deprived of this very important benefit.

Sec. 709. Annual Authorization for Expenditure of Funds for All Military Functions Administered by the Department of Defense

Subsection (a) of section 709, effective December 31, 1976, amends and restates the current provisions of 10 U.S.C. 138 relating to the annual authorization requirement for appropriations for the Department of Defense.

The new language incorporated in the amendment restates 10 U.S.C. 138 by providing a general requirement for the annual authorization for appropriations for military functions administered by the Department of Defense. The broad all-encompassing requirement, therefore, substitutes for the limited present enumeration of specific functions for which an annual authorization is required.

The purpose of this section is to expand the current requirement for the annual authorization to include functions not heretofore covered by 10 U.S.C. 138. Thus, the broad annual authorization requirement will now, also encompass funds provided for the pay of military personnel, military retired pay, operation and maintenance, other procurement, as well as all other expenditures of funds in the military function area.

The term "for military functions administered by the Department of Defense" is used rather than "for the use of any armed force," so

as to include appropriations for Defense Agencies, Claims, etc. "Military functions administered by the Department of Defense" will include all the appropriations accounts contained in the DOD Appropriation Act and the Military Construction Appropriation Act.

As a consequence of the revision, the current provisions in 10 U.S.C. 138 (c)(3) and 10 U.S.C. 138 (d)(2) which require the Secretary of Defense to submit annual reports recommending (1) military and civilian personnel end strengths for each component of the Department of Defense for the next fiscal year, and (2) average student loads for each category of training for the next three fiscal years and the justification therefor, are also deleted. However, the committee would nonetheless expect the Department of Defense to continue to submit these reports to the Congress.

Subsection (b) of this section provides that notwithstanding subsection (a) the requirements of current 10 U.S.C. 138 (a) shall remain in effect until September 30, 1977. This provision is necessary to prevent possible transition problems. An early effective date for the new section 138 would have the effect of requiring authorization for the pay supplementals which can be expected in the spring of 1976 and the summer of 1977. Similarly, there is a need to retain the requirement of the existing section 138, without the broader requirements, for the initial fiscal year 1977 authorization. On the other hand, there would be a theoretical gap, without subsection (b), to cover, for example, program supplementals during fiscal year 1977.

Subsection (c) of this section is technical in nature and amends the chapter analysis to substitute the revised section heading for the amended section 138.

Sec. 710. Civil Defense

This section carries language to further amend the Federal Civil Defense Act of 1950, as amended, in several particulars. The purposes of the amendatory language are to (1) make clear the intent of Congress that Federal grant funds from the Defense Civil Preparedness Agency (DCPA) may be used by state and local agencies for preparedness against natural and other peacetime disasters as well as those caused by enemy attack; and (2) conform the provisions of the civil defense statute to the requirement in section 709 of this bill for annual authorization of all military functions administered by the Department of Defense.

The need for a clarification of congressional intent is occasioned by a recent decision of the Department of Defense to restrict DCPA grant funds exclusively to planning for war-caused disasters. This restriction will seriously impair the effectiveness of State and local organizations in providing emergency services of many kinds. For example, as a matter of State law, these organizations are responsible for disaster-relief activities as well as preparedness against nuclear attack. State and local governments customarily combine disater relief and civil defense planning and operations in the same agency under the so-called dual use concept.

Although DCPA funds have been made available to the states for some years under the dual use concept, the Federal Civil Defense Act does not, in so many words, mention natural disaster or other peacetime emergency services. In amending the declaration of policy in section 2 of the Federal Civil Defense Act of 1950, as amended, the committee eliminates any doubt that such continued use of DCPA funds is proper. At the same time, the amendatory language makes clear that the basic purposes of the Federal Civil Defense Act remain unimpaired. Civil defense is the primary mission. Natural disaster and other peacetime emergency services are a secondary mission, predicated upon the facts that (a) there are common, mutually benefiting elements in natural-disaster and attack-oriented functions; and (b) it is impracticable or uneconomic for State and local organizations to separate these functions administratively.

The amendatory language provided in section 710 (b), (c), (d), and (e) of the bill serves to put DCPA programs on an annual authorization basis in keeping with the general requirement in section 709.

There are three specific authorities under the Federal Civil Defense Act which terminate on June 30, 1976. These were originally enacted in 1958 and were renewed in 1964, 1968, and 1972. This periodic renewal was provided in order to give Congress an opportunity for oversight examination. As there will now be annual authorization, congressional oversight can be accomplished in this process, and there is no need for periodic renewal of the substantive authorities. Therefore, the termination dates are deleted by subsection 711(c), 711(d), and 711(e).

The programs affected are (a) Payment of Travel and Per Diem Expenses for Students; (b) Donation, Maintenance and Calibration of Radiological Instruments; and (c) Contributions to the States for Personnel and Administrative Expenses.

Sec. 711. Prohibition on Closing of Naval Reserve Training Centers

Section 711 presents the sense of Congress that the closing of at the very least active Naval Reserve Training Centers and facilities is premature. The Congress has yet to complete the authorization and appropriation process which could significantly affect the personnel strength of the Naval Reserve for fiscal year 1977.

COMMITTEE POSITION

The Committee on Armed Services, a quorum being present, approved the bill by a vote of 34 to 1.

FISCAL DATA

Fiscal Year 1977 Cost

If the total amounts specifically authorized in the bill are appropriated, the cost of the bill in terms of budget authority provided in fiscal year 1977 would be $33,426,343,000.

68-593 O - 76 - 7

Five-Year Cost Projection

Pursuant to section 7, rule 13, of the House of Representatives, the committee attempted to ascertain annual outlays resulting from H.R. 12438 during the present fiscal year and the 4 following fiscal years. Following are estimated outlays by fiscal year as provided by the Department of Defense:

Fiscal year:	*Millions*
1977	$9,651.1
1978	11,737.9
1979	6,124.9
1980	2,611.6
1981	1,236.5
Beyond	2,064.3
Total	33,426.3

Congressional Budget Office Estimate

In compliance with clause 2(1)(3)(C) of Rule XI of the Rules of the House of Representatives, the estimate prepared by the Congressional Budget Office and submitted pursuant to section 403 of the Congressional Budget Act of 1974 is included hereafter:

1. Bill Number: H.R. 12438.
2. Bill Title: Department of Defense Appropriation Authorization Act, 1977.
3. Purpose of Bill: To authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military student loads.
4. Budget Impact: See following table:
5. Basis for Estimate: The estimate for Titles I and II assumes that funds will be appropriated for the full amount of the authorization, and that funds will be available for obligation by October 1, 1976. The estimate for Titles III, IV, and V is based on the President's budget. CBO estimates that the 1977 budget request for the Department of Defense includes $39,842.4 million in pay for military and civilian employees including indirect hires and allowance for October 1, 1976, pay raises, but excluding retired pay. The cost of the 50,000 additional Selected Naval reservists authorized in the bill is estimated as the difference between the cost of maintaining the fiscal year 1976 program of 102,000 Naval reservists in fiscal year 1977, and the President's request for 52,000 reservists in fiscal year 1977. The estimated cost of the 5.181 additional civilians authorized in the bill is based on the average cost per civilian included in the President's request.
6. Estimate Comparison: The Department of Defense has not prepared an estimate as of March 22, 1976.
7. Previous CBO Estimate: None.

BUDGET IMPACT

[In millions of dollars]

	Authorization amounts	Estimated costs—Fiscal year—				
		1977	1978	1979	1980	1981
Title I—Procurement:						
Aircraft procurement, Army	555.5	33.3	216.6	177.8	83.3	38.9
Missile procurement, Army	552.4	82.9	298.3	132.6	30.4	7.2
Procurement of weapons and tracked combat vehicles, Army	1,147.9	114.8	688.7	252.5	68.9	23.0
Aircraft procurement, Navy	3,157.5	511.5	1,470.8	866.7	151.6	62.5
Weapons procurement, Navy	2,222.7	425.4	864.0	539.7	217.8	98.2
Shipbuilding and conversion, Navy	7,378.3	501.0	1,503.0	1,431.4	1,431.4	930.4
Procurement, Marine Corps	105.1	3.1	17.3	30.6	20.4	20.4
Aircraft procurement, Air Force	6,344.8	471.4	2,777.8	1,869.2	729.0	246.2
Missile procurement, Air Force	1,599.4	424.3	816.5	217.7	81.2	13.3
Other procurement, Air Force	2.9	1.3	.8	.6	.1	
Total, title I	23,066.5	2,569.0	8,653.8	5,518.8	2,814.1	1,440.1
Title II—Research, development, test and evaluation:						
Research, development, test and evaluation, Army	2,271.295	1,614.7	546.9	87.0	22.7	
Research, development, test, and evaluation, Navy	3,604.383	2,278.3	1,076.6	177.3	36.0	
Research, development, test, and evaluation, Air Force	3,749.2	2,750.4	949.3	33.0		
Research, development, test, and evaluation, Defense Agencies	652.3	411.6	207.9	29.5	3.3	
Director of test and evaluation, Defense	30	10.5	15.3	2.7	1.5	
Emergency fund for research, development, test and evaluation	49	31.4	14.7	2.4	.5	
Special foreign currency program	3.665		.5	1.3	1.1	.5
Total, title II	10,359.843	7,096.9	2,811.2	333.2	65.1	.5
Title III, IV, V:						
Pay for military and civilians, including indirect hires, but excluding retired pay, as proposed in the President's budget	39,842.4	38,647.1	1,195.3			
Plus 50,000 additional selected Naval Reserves authorized	54.7	47.0	7.1	.5		
Plus 5,181 additional Defense civilian personnel authorized	86.5	83.9	2.6			
Total, titles III, IV and V. Estimated pay for manpower authorization contained in bill	39,983.6	38,778.0	1,205.0	.5		

The committee would point out that this bill of itself does not provide any specific authorization of dollar amounts for personnel but only sets limitations on numbers of personnel and the possible personnel costs relating to these or lower strength levels depend on subsequent action on appropriation legislation.

As to future budget authority requirements, the Assistant Secretary of Defense, Comptroller, the Honorable Terence E. McClary, informed the committee that the extreme uncertainty of future Defense programs precluded precise estimates. But a general estimate could be made that to support the level of forces outlined in the Annual Defense Report on the fiscal year 1977 budget would require authoriza-

tions in the range of $37–47 billion for procurement and R.D.T. & E. for each of the 5 fiscal years following the fiscal year covered by the bill.

Inflation-Impact Statement

Pursuant to clause 2(A)(4), Rule XI of the House of Representatives, the committee offers the following observations with regard to the inflationary impact of H.R. 12438:

The committee finds that there is no extant methodology being applied uniformly throughout the Congress that would help to identify the discrete inflationary impact of specific legislative proposals such as H.R. 12438. This conclusion was confirmed in discussions with staff of the Congressional Budget Office.

In the absence of uniform methodology, the committee notes that inflation is technically defined as "an increase in the volume of money and credit relative to available goods resulting in a substantial and continuing rise in the general price level."

Since the committee finds no clear evidence that H.R. 12438 would materially influence the monetary policies of the Federal Open Market Committee which basically controls the money supply, it therefore concludes that H.R. 12438 would have a negligible inflationary impact.

OVERSIGHT FINDINGS

With reference to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the committee has not received a report from the Committee on Government Operations pertaining to this subject matter.

The legislation results from extensive hearings into virtually all phases of the needs of the defense establishment and these hearings contribute substantially to the committee's carrying out of its oversight responsibilities with regards to the Department of Defense.

DEPARTMENTAL DATA

The legislation was requested by the Department of Defense and is in accordance with the program of the President as is illustrated by the correspondence set out below:

General Counsel of the Department of Defense,
Washington, D.C., January 22, 1976.

Hon. Carl Albert,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. Speaker: There is forwarded herewith legislation "To authorize appropriations during the fiscal year 1977, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each

Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes."

We are also submitting herewith, as separate legislation, a similar request for authorization of appropriations for fiscal year 1978.

These proposals are part of the Department of Defense legislative program for the 94th Congress and the Office of Management and Budget has advised that enactment of the proposals would be in accordance with the program of the President. These proposals are being sent to the President of the Senate.

The enclosed request for fiscal year 1977 supersedes the previous request for that fiscal year which was submitted as part of the same draft bill as the fiscal year 1976 appropriation authorization request. Because Congress did not act on the fiscal year 1977 portion of that draft bill and in order to update our original request to make necessary changes reflecting, for example, Congressional action in our 1976 request, we believe it is appropriate to resubmit the proposed Department of Defense authorization legislation for fiscal year 1977.

Title I provides procurement authorization for the military departments and Defense agencies in amounts equal to new obligational authority included in the President's budget for fiscal year 1977.

Title II provides for the authorization of each of the research, development, test and evaluation appropriations for the military departments and the Defense agencies in amounts equal to new obligational authority included in the President's budget for fiscal year 1977.

Title III of the proposal prescribes the end strengths for active duty personnel in each component of the Armed Forces as required by section 138(c)(1) of title 10, United States Code, in the numbers provided for by new obligational authority and appropriations requested in these components in the President's budget for fiscal year 1977.

Title IV of the proposal provides for average strengths of the Selected Reserves of each Reserve component of the Armed Forces as required by section 138(b) of title 10, United States Code, in the numbers provided for by new obligational authority and appropriations requested for these components in the President's budget for fiscal year 1977.

Title V of the proposal provides for civilian personnel and strengths for each component of the Department of Defense as required by section 138(c)(2) of title 10, United States Code, in the numbers provided for by new obligational authority in appropriations requested for the Department of Defense in the President's budget for fiscal year 1977.

Title VI of the proposal provides for the average military training student loads as required by section 138(d)(1) of title 10, United States Code, in the numbers provided for this purpose in the President's budget for fiscal year 1977.

In accordance with the Budget Control Act of 1974, we are also submitting, in the form of a separate bill, authorization for appropriations for fiscal year 1978. The proposed fiscal year 1978 authorization request has six titles which are comparable to those requested for fiscal

year 1977. The amounts requested for fiscal year 1978 authorizations reflect, of course, the presently anticipated budget requirements for that fiscal year.

Arms control impact statements as most recently required by section 36 of the Arms Control and Disarmament Act, as amended, are being prepared for appropriate selected programs and will be submitted to the Congress as soon as possible.

Sincerely,

RICHARD A. WILEY.

(Accompanying the above Speaker letter were drafts of proposed legislation to provide the requested authorizations for fiscal year 1977 and also for fiscal year 1978. The fiscal year 1977 proposal was introduced as H.R. 11500, the bill on which hearings were held.)

SEPARATE REMARKS OF THE HONORABLE ROBERT L. LEGGETT (D–CALIF.)

For the first time in a dozen years, I do not intend to offer specific system reduction amendments to the P.L. 412 procurement bill. My reason for restraint is two-fold: first, the new Budget Committee target and Final Resolution procedure provides a much more acceptable vehicle for relating to the total spending picture; second, the Congress has so many sacred cows, including my own, that there is little possibility of getting a majority of our body to unite in proper directions on individual weapon systems.

I am also aware that a recent poll indicates considerable concern on the part of many Americans on the question of "detente" and whether in fact we are keeping up with the Russians. The Pentagon has been particularly effective this year in laying out the increased capability of the USSR. Unfortunately, many times as we paint the Soviets as 10 feet tall, we ignore our own capabilities; moreover, too much negative talk about US power could mislead the Soviets and the world into the belief that the balance of power has been eroded, and this in itself could disturb the psychological portion of the balance.

I agree with former Secretary Schlesinger that we should get the US back on "consensus" Foreign and Defense policy as soon as possible. "The democratic system requires consensus," he states. I agree, and for that reason also I support reduction of flak on defense issues. The former Secretary states that we have already reordered our priorities and so we should get on with a reasonable defense budget.

Before we develop a "consensus" however, I think that some of the fog of past directions and future effectiveness should be clarified.

PAST EXPENDITURES

Concerning past expenditures, much is made of the fact that overall Defense spending as a fraction of total spending or GNP has gone down over the past 10 years.

This is true, but the argument fails to recognize that the American people have chosen to tax themselves regressively through various Trust Funds for certain social purposes and that these expenditures have nothing to do with Defense.

As an example, from 1968 to 1977 Trust Fund expenditures increased from $44 billion to $157 billion, a $113 billion increase. During the same period, Health and Income Security increased from $48 billion to $171 billion, an increase of $123 billion, resulting in a net increased demand on general income taxes of only $10 billion.

But in Defense for the same period, the evolution was from $79.4 billion to $101.4 billion, a $22 billion additional charge against general income taxes; and collateral Defense spending in the Veterans sector escalated from $6.9 billion to $18 billion, a plus of $11.1 billion. This resulted in total additional claims on general income tax of $33.1 billion in the Defense sector vs. $10 billion in the Health and Income Security sectors.

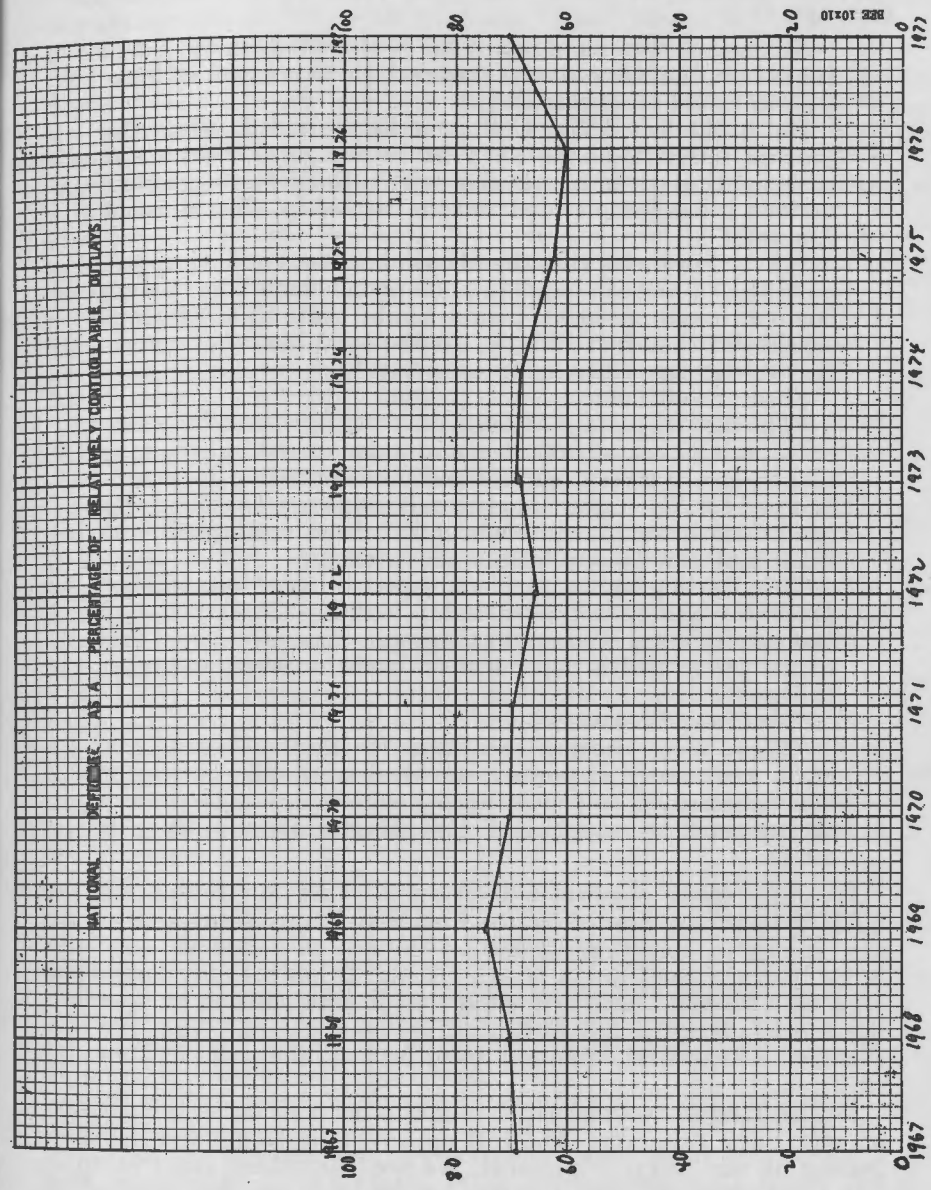
Unfortunately, in the next fiscal year we will have a surplus of $11 billion in our Trust Fund accounts, but a deficit in our general administrative expenditures of $55 billion to $65 billion disregarding the Trust Funds and other off-budget items.

Stated another way, I would refer to a chart circulated by the Department of Defense showing national defense as a percentage of the total budget declining from 40 percent in 1966 to 25 percent today, while benefit payments to individuals and grants has risen from about 31 percent to 56 percent.

The meaning of this comparison is not entirely clear. The bulk of these payments come out of Trust Funds which are, or at least should be, self-sustaining. While Trust outlays have increased, so have Trust receipts: Social insurance taxes and contributions have risen from 19 percent of total budget receipts in 1966 to 32 percent in 1977. So while Trust Fund outlays have increased as a proportionate percentage by 55 percent, Trust income has similarly increased 59 percent. This has approximately the same relevance to defense spending as does the question of whether savings accounts or private pension funds have shrunk or grown; let us never forget that Government Trust Funds are not really "Government money", but public earmarked funds for which the Government acts as administrator.

The very principle that defense is somehow entitled to a given percentage of the Government budget is without foundation. But for those who, as an academic exercise, wish to explore the question of proportion of the budget going to national defense, the best all-round figure is that of "Relatively Controllable Outlays," found in Table 16, page 355 of the Budget of the United States Government. A chart I have drawn, based on this table, appears below. It is evident that, by this measure, defense spending has varied little from year to year.

I hope that this clears some of the fog of where we've been and how we got there.



FUTURE PROGRAMS

Respecting future programs, we must reflect again on where we've been. We are now planning Defense programs for the 1980s and 1990s.

A newspaper article contained the following Defense analysis some time ago.

> No one has been more interested in aircraft than the Navy. It has been the Navy always that realized this means of making war would affect battleships.
>
> But in the Naval War College at Newport, R.I., where the greatest intellects of the Navy have spent days about a war table fighting out in figures and data battles with the greatest nations, it has been decided that the battleship, after all is not doomed.
>
> * * * "He shows that the Martin bomber, fully equipped, costs $40,000 and can handle a 2,000-pound bomb. The Barling bomber, handling 10,000-pound bombs, costs $400,000. It is considered that four hits by 10,000-pound bombs are necessary to damage a battleship seriously."
>
> Shearer continues:
>
> "The best percentage of hits so far obtained, even by bombers at an altitude of 8,000 feet and unhampered by attacking planes, smoke screen, gunfire and other opposing factors, is two percent. Even assuming two percent as possible under war conditions, it would require about 200 planes, costing $80,000,000 to sink or seriously damage one battleship.
>
> "The Barling bomber, neglecting possibility of loss, will last about five years, and a battleship, costing $30,000,000, will last twenty years. The cost of air power, then, is ten times that of sea power and is dependent on bases, weather, and other things.
>
> "No Cheap Substitute
>
> "There is no cheaper substitute for the battleship. Aircraft are vitally important as auxiliaries, like destroyers and submarines, and must not be neglected, but their limitations must be recognized." (Washington Herald, Nov. 19, 1924)

We have spent somewhere between $10 and $20 billion for the ABM system now limited by the first SALT agreement and we are now going to spend multi-million dollars to mothball our only ABM base at Grand Forks, North Dakota. It has been my continuous view that we could have arrived at this detente position by spending less money. Has the $10 to $20 billion been wasted? And have the Pentagon's analytical skills improved between the years of 1924 and 1976?

Before I reach "consensus", I've got to get a lot more information on our Navy programs. The bill approved by Committee looks to beefing up our Navy. We need it. We need something like 600 ships, but I seriously question whether we can ever get that number by building huge $2 billion ships. We have now 461 ships in our active fleet, and the question presented is whether we will build 16 or 20 new ones at a cost of $6 to $8 billion this year. If we are concerned

that our undersea submarine missiles might be jeopardized in the future, necessitating the long-distance Trident submarine, how do we intend to keep our huge aircraft carriers afloat on the surface in the '80s and 90s?

As we compare our Navy with the Soviets, we point up that the Soviets operate slightly more than the United States in the Indian Ocean, but why don't we talk about the failure of the Soviets to deploy at all in the Pacific, a far more important area? Where are the Soviet bases? The Soviets have offered a mutual withdrawal from the Indian Ocean, and we have not responded! We have fewer ships than the Soviet Navy, but we have twice the tonnage. Why not talk about tonnage of ships like we emphasize large ICBM megatonnage and throw-weight? This bill points up a considerable cleavage in direction between the Pentagon and Congress over the kind of ships to build, and this conflict must be cleared up before "consensus" is arrived at.

While the Soviet fleet is impressive in many ways, and while I have long advocated a philosophy of proliferation in some respects similar to theirs, we must face the fact that our opponent is a glass-jawed, short-armed, short-winded, slow-witted Navy.

It is true that the Soviet Navy packs a very solid punch provided of course that the war begins with our carriers and their 500-mile aircraft within range of Soviet ship-to-ship missiles.

But after landing its one punch—assuming it can be landed—the Soviet surface fleet has nothing left. It has an impressive number of missiles on deck, and for the sake of argument we might assume a substantial proportion of these would actually work. But after the first round of missiles is fired, it has little or nothing below deck for a second round. In fact, many Soviet shipboard missile launchers are not designed to be reloaded!

Similarly, the Soviets have many more attack submarines than we, and I for one am inclining to the belief that in the future the submarine will be the decisive naval combatant. But the key to a submarine's success lies in its undetectability, which means its quietness. Quietness is what Soviet submarines don't have. The contrast in noise levels between the Soviets' best and the worst of our front-line fleet is simply stunning.

Finally, Soviet geography is particularly ill-suited to a one-punch Navy. We have two wide-open coasts, immensely difficult to blockade, to which our fleet can return for supplies at any time. The Soviets have Murmansk, Vladivostok, and the Black Sea. The former two freeze up in winter. And even though icebreakers are making some progress on this problem, a look at the map will demonstrate that all three are natural targets for a bottling-up operation. And of course Suez can be closed on an hour's notice.

True, if there were sufficient warning before the breakout of hostilities, the Soviet fleet could be sent out of port to prevent bottling up. But this is just the situation in which a one-punch, short-winded Navy is at its greatest disadvantage. With no opportunity to return for resupply, its one punch will be all it gets, ever.

We have additional fog respecting the B–1 bomber and how it fits into the mix.

We have agreed at Vladivostok to 2,400 launchers with the Soviets, but we have not agreed to the constituent items.

The Appropriations Committee is adding funds this year for the M–X Mobile Minuteman missile, but the M–X can't be built with the existing Vladivostok program limit. There is talk in the Navy of building Tridents beyond the number of 10 or 11. These programs would be clear breeches of existing international agreements.

Is the B–1 vulnerable in the exotic E.C.M. environment of the '80s and '90s? We think the Back Fire Soviet bomber is vulnerable to ground missiles and American AWACS, but how about our bombers? Some say that we need Long Range Cruise Missiles on our B–1s, but we have to ask whether this is the cheapest and most effective way to go.

FAULTY RUSSIAN BUDGET COMPARISON

Finally, I'd like to address the question of keeping up with the Ruskies! They have the equivalent of a $150 billion Defense Budget, our Intelligence Agencies say. This results in large part because the Soviets have twice the number of men under arms that we do, while we pay twice the cost per man for our volunteer manpower.

Spending for Defense in the wrong direction as we did in Vietnam did nothing for our national security. Likewise, merely adding more manpower to our Defense would do nothing for security, though it would employ a lot of people.

If we were to look at the other side of the coin, which is equally valid, and compare our force with what it would cost the Soviets to create it—the so-called "ruble" comparison—we would find our military spending far exceeding the Soviets.

This statement may startle some readers, who have heard Administration statements to the effect that, while the ruble method makes our spending appear larger than the dollar method, it still shows is spending less than the Soviets. Here is an explanation of the difference:

Many of our major weapons systems are totally beyond the capability of Soviet technology. As CIA Director William Colby told the Joint Economic Committee last June 18,

> For example, take some of the more complex electronic and technical equipment in our defense budget; you just cannot find anything comparable to that in the Soviet budget. You could not apply the cost of a rather simpler and really obsolete Soviet piece of equipment and say that is equivalent to the F–16 against that kind of Soviet expenditure. The F–16, if you grind in the increased technical capabilities would go very high on the ruble list and would probably be almost uncountable.

Other items the Soviets would find "uncountably" expensive include:

F–14
F–15
F–18
Minuteman III guidance system
Poseidon guidance system
Poseidon submarine

SSN–688 class quiet attack submarine
Nimitz-class aircraft carrier
F–111 with terrain-following radar

How do you treat these items? If you do it honestly, you must conclude that, in ruble terms, U.S. military spending is "uncountably" more than the Soviets.

But the ruble comparisons which have been recently published do not do this. Instead, they do exactly what Mr. Colby said should not be done: They equate our advanced weapon with its nearest Soviet imitator. Thus, after giving up trying to estimate what it would cost the Soviets to produce an F–16, we simply figure the cost of their nearest equivalent, which in this case I suppose is the MiG–23. But this makes the comparison worthless, since the capability of the MiG–23 is as that of a stone ax compared to an F–16.

As one who has served on the Armed Services Committee for a dozen years, I find comparisons of U.S. vs. Soviet manpower levels to be particularly dishonest, even if we ignore the fact that the Soviets have two hostile borders and we have none. Almost every new weapon to be presented to us by the Department of Defense has been advertised to require fewer maintenance man-hours and a smaller crew. So we have bought all these weapons and reduced our manpower requirements, and now we find our reduced manpower being thrown back at us as a purported indicator of inadequacy!

We do have to recognize that the Soviets have had fixed wages and prices for 20 years, and this has given them an advantage. We need a comprehensive Wage-Price Control Program in our Defense establishment as never before. We simply can't invent a better "defense mousetrap" unless we control our costs with an "incomes policy".

Premier Kosygin claims that Soviet industrial growth averages 7.4 percent vs. 1.2 percent for the United States and NATO. The secret of the Soviets is an "incomes policy". We need an "incomes policy" before we can reach "consensus". The President has a selective incomes restraint policy that I can't fully support. I could support a program of evenhanded restraint across the board in all sectors of our economy.

IS THERE FAT IN THIS DEFENSE PROGRAM?

Clearly the answer is yes. We need a strong National Defense, but it does us little good to compare gun for gun and man for man and ship for ship with the Soviets because our Defense missions are different. Our mission is basically to protect Europe and Japan and to provide a balance of power in the world. The Soviet mission is to provide a hedge against a European or Chinese invasion and to provide a balance with the United States in certain strategic systems.

Our Committee cut $1½ billion out of the RDT&E budget—more could have been cut without disturbing the bone marrow in my view. I believe the Military Procurement area would also be a fertile source to reorient some expenditures.

As I have indicated, I am not pioneering any specific reductions in this bill, but I do believe the services themselves can properly adjust their targets with reduced numbers should this body choose to adopt lower recommendations in the Target Budget Resolutions.

ROBERT L. LEGGETT.

ADDITIONAL VIEWS OF CONGRESSMAN FLOYD V. HICKS ON H.R. 12438

My major area of disagreement with H.R. 12438 concerns the Committee's decision to include $350 million in long lead time funding for a repeat of the Nimitz-class carrier.

When faced with the decision to fund the last Nimitz repeat (then designated CVAN–70) the Congress approved the formation of a Joint House-Senate Armed Services Subcommittee investigation and report on this issue. The Joint Subcommittee Report, published in 1970, approved the decision to build a third Nimitiz-class carrier. I completely supported this decision. But I believe a number of factors have changed significantly since 1970, warranting another joint study and report to the Congress:

1. The growth of the Soviet Navy now presents an unprecedented threat to the U.S. Navy's ability to carry out its primary mission of sea control. Our Navy cannot expect to carry out its collateral mission of power projection until sea control is assured. Yet the United States Navy appears to be embarked on a shipbuilding course which gives top priority to the aircraft carrier, which is a power projection ship.

2. The cost of additional Nimitz-class carriers is so high that it may well cut into our ability to field a sufficient number of ships. During the 1970 hearings, the Navy estimated the cost of a Nimitz at $536 million; it eventually cost $1.04 billion, and today, a repeat of the Nimitz cannot be built for under $2 billion.

A Nimitz carrier task force will cost between $6–8 billion. Although there are those in the Navy and in the Department of Defense who would like to have a larger number of carriers, at these prices, it appears that it will be difficult to field more than 12 carriers on active duty. Thus we are left with a small number of high value targets upon which Soviet Forces can concentrate.

3. The ability of the United States to "hide" a carrier task force from the Soviet Union has faded with Russian technical advances. It is now reasonable to assume that our carriers can be detected anywhere on the oceans.

4. The ability of the Soviet Union to concentrate its forces and to incapacitate a carrier has increased considerably along with Russian ship construction efforts. The Soviet Union can build a nuclear attack submarine every five weeks during the seven years it will take to build another Nimitz. The following quote by Admiral Rickover, while

said a number of years ago and in another context, seems to me to be extremely relevant in this debate:

> If this country or Russia ever turned their forces of submarines loose, they would devastate the seas. That does not mean that we should not build other kinds of ships. But nuclear submarines have never been tried out under actual conditions of war. It is beyond the comprehension of most naval officers to comprehend the difference between a submarine that can make 9 knots for one half hour and stay submerged for 2 days at most and a submarine that can make over 20 knots and stay submerged indefinitely. They cannot grasp the significance of this military capability. It is beyond their comprehension because they are too loyal to their previous concepts and to the regime and environment in which they have been brought up.

The more I look at the trends since 1970, the more I believe it is unwise to concentrate our resources in a small number of extremely expensive ships, especially if these ships are oriented toward the Navy's collateral rather than its primary mission. In my view, these trends call for a ship construction program which builds a larger number of less expensive and less capable ships.

We are now faced with the question of how to best replace the eight aging Midway and Forrestal-class carriers—we are not solely looking at the initiation of one additional Nimitz. The Navy would like to proceed with the funding of one carrier every other year, at least until all eight carriers have a replacement. Each new carrier will have a useful life cycle of approximately 35 years. Thus, the decisions we make on the carrier issue can easily impact on the next two generations of Americans, and on the size and composition of the fleet for decades to come. The Defense Department and the National Security Council are taking their own in-depth look at this issue; on an issue as important as this, the Congress should do no less.

FLOYD V. HICKS.

DISSENTING VIEWS OF HON. LES ASPIN

There are three things wrong with this year's authorization bill: (1) the decision now to increase the shipbuilding budget, (2) the procurement of the B–1, and (3) allowing 40.3 percent worth of real growth in the weapons procurement account.

I

The bill increases this year's shipbuilding budget by $1,088.8 billion. This decision is both ill-timed and ill-advised. The proposal is ill-timed because the National Security Council is in the midst of a major study of long range shipbuilding plans. The study will be completed shortly and the President may submit a supplement as part of his plan. The committee proposal is not part of any plan. The committee should wait until the NSC study is complete, evaluate the President's long term shipbuilding program and then decide if any changes are in order.

The $1088.8 addition is also ill-advised. In spite of the reality of fiscal constraints faced by the Navy's shipbuilding budget and other parts of the federal budget, the committee recommends buying very expensive and large nuclear powered platforms which ultimately will reduce the total number of platforms that will be deployed. In all weapons, but especially in ships, we are buying a few very expensive systems when we should be buying greater quantity of less sophisticated items.

II

The Committee is also approving $1,532.2 for continued research on the B–1 and the procurement of the first three production aircraft.

The B–1 is the wrong plane. It is too expensive and we can accomplish our objectives at lower costs and risk by developing a stand-off cruise missile carrier that will not need to penetrate the Soviet's formidable air defense. A force of austere, sub-sonic, cruise missile carriers could deliver more nuclear ordnance on the Soviet Union at reduced cost and with reduced vulnerability compared to the B–1 penetration bomber force.

III

Chart I and II reveal the spectacular real budget growth in this year's bill. Comparing last year's authorization with this year's proposed authorization discloses a 22.5 percent increase for real growth overall and a surprising 36.6 percent real increase for the procurement accounts. Chart II shows that when actual appropriations of authorized items are compared with this year's bill overall real growth is 25.6 percent and procurement account increased 40.3 percent in real terms.

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The Pentagon argues that they need real growth to match the trend of increasing Soviet defense spending. The long term impact of slightly rising Soviet spending (about 2.7 percent per year) is a factor that can not be ignored. But we should not over react. None of the Pentagon's arguments about the upward trend of Soviet spending justify the huge increase in this bill.

In the long run, we must maintain strategic parity with the Soviet Union and sufficient general purpose forces to deter aggression and fight a conventional war if deterrence fails. But, an overall real increase of 40.3% in procurement is an unjustifiable overreaction to the so-called adverse trends in defense spending.

LES ASPIN.

CHART I

REAL GROWTH IN DEFENSE SPENDING AUTHORIZED ITEMS

[Dollar amounts in millions]

	Fiscal year 1976 [1]	Fiscal year 1977	Increase	Growth (percent)
R.D.T. & E.	$10,387.5	$10,359.8	$−27.7	−.3
Procurement	16,888.5	23,066.5	6,178.0	+36.6
Total	27,275.9	33,426.3	6,150.4	22.5

[1] In fiscal year 1977 dollars.

CHART II

REAL GROWTH IN DEFENSE

	Fiscal year 1976 [1]	Fiscal year 1977	Increase	Percent
R.D.T. & E.	10,168.7	10,359.8	191.1	1.8
Procurement	16,440.0	23,066.5	6,626.5	40.3
Total	26,608.7	33,426.3	6,820.6	25.6

[1] Fiscal year 1977 dollars. Appropriations of authorized items.

DISSENTING VIEWS OF HON. ROBERT CARR, HON. THOMAS J. DOWNEY, AND HON. PATRICIA SCHROEDER

The same public relations machinery which seven years ago sold Congress and the American people on the Safeguard ABM has now, with equal effectiveness, painted Soviet military progress as of such awesome quality and magnitude that the fate of the Republic now rests upon Congressional willingness to approve an unprecedented increase in peacetime military expenditures. The Pentagon eventually conceded Safeguard was so ineffective most of it could be given up at SALT and the rest abandoned. We must not allow the same public relations machinery to now sell us the equally absurd proposition that America's military establishment is wasting away to a shadow and can only be revived by an infusion of high calorie megabucks. We reject this patently untenable position, and we urge Congress and the American people to do likewise. Our vote in favor of the bill, which is explained in the course of these dissenting views, should not be interpreted as acceptance of the bill's philosophy or spending level.

We have seen a well-orchestrated exercise of careful selection of statistical measures which magnify Soviet capability and minimize our own; measures which do the opposite have been ignored or classified. This practice has made objective analysis of the nation's military needs even more difficult than it inherently is. The Defense Department budget has been well served by the reduction of much of the defense debate to what one newspaper has accurately described as a contest for "the supremacy of competing cliches"; national security has not.

We are, to be sure, concerned over any threats to national security, and we are particularly concerned about the Soviet threat. But there is a difference between, on the one hand, planning carefully to deal with present or projected real threats and, on the other hand, sitting around the campfire at night telling goblin stories.

Particularly objectionable are the meaningless comparisons of U.S. vs. Soviet military spending. We categorically reject the notion that military spending for the sake of military spending, as distinguished from military capability, is a measure of national will. On the contrary, it measures nothing but national foolishness. Whom are we trying to impress? The Soviet generals and admirals could not care less how much a U.S. missile costs; they care about what it can do to their forces.

The history of warfare records not one single enemy aircraft shot down, tank destroyed missile stopped, or ship sunk by throwing dollar bills at it. Yet this bill is based on the proposition that such a feat can be done, and that somehow our security would be decreased if our military program were to bear a smaller price tag than the Soviets'.

Suppose, for example, that a long-term shooting war were to break out on the Sino-Soviet border. Suppose further, that active armed resistance movements were to arise in the subjugated nations of Eastern Europe, requiring large commitments of Russian men and money to contain them. Suppose the Soviet economy were to suffer a series of setbacks resulting in a diminution of gross national product, while the American economy were to enjoy a period of solid growth as it did under the Kennedy and Johnson Administration. Finally, suppose American technology were to score a number of significant breakthroughs enabling the United States to increase its military effectiveness several quantum jumps, while at the same time reducing its manpower requirement and decreasing the cost of its military establishment.

By any rational analysis this would be cause for relief. Here we would find our nation, with its friendly borders and no overseas wars, able to maintain a higher degree of military security than the Soviet Union, and to do it at less cost.

But this is not the year for rational analysis. The school of thought now in vogue would point with alarm to the fact that the Soviets would be increasing their number of men under arms while we were decreasing ours. It would point with alarm to the decreasing Soviet GNP, since this would result in the Soviets' spending a larger proportion of GNP on defense than we. And to redress what it saw as the unfavorable military balance, perhaps it would require all military and contractor personnel to cut their efficiency in half; thus, we would be forced to hire twice as many people, more than double our budget, and redress the spending balance. No doubt a recession would also be considered desirable, since this would raise the proportion of GNP spent on defense.

The foregoing departs from reality in degree but not in principle. The Soviets have hostile borders and potentially rebellious satellites; we do not. Thanks to the Administration's skill in reducing Egypt's obsession with war, and thanks to the Congress' good judgment in refusing to fall into the Angolan quagmire, we have no actual or impending hot wars abroad. Our superior technology has enabled us to get far more for our defense dollar than the Soviets; we have better-trained people operating better equipment.

For example, the Soviets are probably a decade away from the technology needed to build an F–16 fighter, and more than a decade away from the skilled manpower needed to operate even the oldest of our present attack aircraft carriers. Yet while we are doing what they cannot, there are those who would have us believe we are inferior because we are using fewer people to do it. What nonsense!

As another reasonably appropriate analogy, consider the desk calculating machines which were the best technology could do ten years ago: the size and weight of an office typewriter, filled with masses of noisy, slow, failure-prone gears and relays, and costing over $500. Today, all of the old calculator's functions and much more are performed by silent, fast, reliable electronic units barely larger than a cigarette pack and costing $15 or sometimes even less. We would be foolish to judge the older model superior because it was physically larger and required more man-hours to produce. But this is exactly

the reasoning of those who would look at the manifestations of Soviet primitiveness and inefficiency and present them to us as proof of Soviet superiority.

The U.S. economic system, with all its faults, remains far superior to its dogmatic and bureaucracy-fettered Soviet counterpart. Our GNP is roughly twice theirs—and, as we have said, their military security is inherently far shakier than ours. So why should anyone be surprised to find the Soviets spending a higher percentage of GNP on defense than we do? The only surprising element of this comparison is that anyone is taking it seriously.

In passing, we note that it would be far more legitimate to compare our defense percentage of GNP with those of our European and Japanese allies, whose economies and national security problems are similar to our own. Without exception, their defense GNP percentages are a fraction of our own. Yet at the same time we fund a significant portion of their defense while they contribute nothing to ours. They are then able to take the money they save on defense because we spend it for them and use it to build an economic base with which they have been able to defeat us in world markets. Several years ago an amendment by Congressman Pike, barring military assistance to nations spending a lower percentage of GNP on defense than we, was defeated in the Armed Services Committee. It should not have been. We should never forget that economic security is at least as important as military security; net national security is not served by subsidizing our competitors. We should recognize that today and through the forseeable future we are more imperiled by economic insecurity than by military insecurity.

What we are seeing today is not a shift in the military balance toward the Soviet Union and away from the United States. Their capability is growing but so is ours. Rather, what we are seeing is the fruition of a Pentagon public relations campaign to convince the American people and the Congress of our military inferiority.

We find it ironic that President Ford appears to be in danger of falling under his own steamroller. After devoting considerable effort to convincing the American people of our supposed military weakness, he has found Governor Reagan, quite properly, accusing the Nixon-Ford Administration of creating this "weakness". Mr. Ford has thus had to turn around and deny positions previously taken by him and still taken by his national security advisors. Thus, we find the President on March 9 telling an audience, "Our national strength is surpassed by no other nation. We are a strong nation in physical equipment and will, and to suggest otherwise in my opinion is irresponsible and reckless." And within the same week we find the Secretary of Defense circulating a series of highly misleading charts designed to induce members of Congress to conclude, in the words of Sen. James A. McClure, that "in military force alone, the Soviet Union is the strongest nation on the face of the Earth, and the United States, in spite of its capability to be strongest, is second to the Soviet Union in military strength."

Some day perhaps we will have an Administration whose public evaluations of the military balance will not flip and flop with every breeze of political expediency, but will reflect a dispassionate and competent assessment of reality.

Moreover, honest and accurate military assessment is more than a planning tool; it is an instrument of military effectiveness in itself: an instrument which the Department of Defense, in its zeal for dollars, has done its best to destroy. Of what use is an effective military machine if our adversaries are not convinced of our willingness to use it? Those who would threaten us are not fools; they can calculate that we have all the capability we need and then some, well into the region of diminishing returns. But every time the Pentagon, in its efforts to spook the American people into spending more on defense, exaggerates Soviet strength and denigrates our own, it signals that we lack confidence in our capability; from there it is a very small step for the Soviets to conclude we would lack the confidence to use it.

We are also concerned that the nation's military programs and the nation's foreign policy requirements are not considered as an interlocking whole, either by the Executive branch or by the Congress.

It is clear, for example, that our requirement for the application of military power in the far corners of the world is far less than it once was. The American people and the Congress want no more Vietnams. We want no more Angolas. We want no part of intervention in behalf of racist regimes in southern Africa, and we are pleased to see the Administration sharing our views on this last point.

Yet we do not find this reduction of requirements reflected in a reduction of force levels. We plan to have the same number of capital ships as before—perhaps even more. Where will these ships be used? What purpose is served by maintaining three carriers in the Pacific backed by six more in reserve? Under what conceivable scenario could they serve the national interest sufficiently to justify their extreme cost?[1]

More fundamentally, what is the purpose of our military machinery? Are we still setting out to defend half the world against the other half? Or are we defending tightly defined areas and elements which relate directly to our economic and political interests? If our de facto foreign policy, Dr. Kissinger's instincts to the contrary notwithstanding, is following the latter course while our military force planning is following the former, we are paying a great deal of money for capabilities we will never use, even as threats. In our view, this is clearly the case, and we hope the Committee will work these considerations into its deliberations in future years.

We emphasize that the issue is not one of "erring on the side of safety." On the contrary, setting aside all questions of national priorities and dealing strictly with military security, this bill embodies three fundamental errors which serve to decrease the military security of the American people. We will cite one example of each.

The first error is that of focusing on nonexistent dangers to such an extent that real dangers are ignored.

We are constantly told of superior Soviet strategic missile capability stemming from their large throw-weight and large numbers and types of missiles. In fact, our strategic missile force is far superior to the Soviets' because of our better accuracy, better availability, and larger numbers of warheads. Today we exceed the Soviets in total hard-

[1] Mr. Downey wishes to note that, while he questions the value of three deployed aircraft carriers in the Pacific, he believes they should be shifted to ocean areas of more current interest rather than eliminated.

target kill capability, numbers of enemy silos destroyable, percent of enemy silos destroyable, and total countervalue capability.

But this is of little importance. The key defect in the missile force comparisons we hear is not their falseness but their irrelevance. A comparison of our first-strike counter-force capability with that of the Soviets means nothing, since we do not plan to strike first. But the advent of a massive Soviet countersilo-counterbomber first strike capability—which is, in real-life terms, almost exclusively a function of missile accuracy—would constitute the gravest military threat to the United States. This bill does nothing to stop progress toward such a capability. Neither has any action taken by this Administration. We shall consider this problem further in our discussion of the MaRV amendment below.

The second error is that of throwing money at problems which are already overfunded.

The Seapower Subcommittee's unprecedented largesse in awarding the Navy unrequested Spruance class destroyers is, in our view, impossible to justify. These ships, along with the LHA helicopter carriers, are made— at least, one can hope they will be made—by the Litton shipyards in Pascagoula, Miss. Litton's handling of these contracts has been a veritable Everest among the Himalayas of defense contract mismanagement. We will not take space here to detail the highlights of these programs but we will point out that, although the last of the 30 Spruance class ships was funded in full in fiscal 1975. only two have yet been delivered, and even these require substantial additional equipment to achieve full advertised combat capability. The funding of four additional ships at this time strikes us, to put it politely, as extravagant.

The third error is that of compounding a mistake rather than acknowledging it and cutting one's losses. We find an increasing number of committee members willing to admit privately that the B–1 bomber is a blunder. But they will argue that, after having sunk so much money into the program, we cannot turn back. In our discussion of the B–1 amendment we will explain why this reasoning, which has obvious Vietnam parallels, does not hold up.

One might ask why, if we oppose this bill so strongly, did we vote for it in Committee? We did so simply as an acknowledgement that there will be a military procurement bill and we believe there should be one.

Our attempts to create an effective national security program must work through the amendment process, to which we now turn.

We shall offer amendments on the following items:

I. SHIP CONSTRUCTION

At the suggestion of the Seapower Subcommittee, the Armed Services Committe has recommended eight ships not requested by the Navy. In our view, we should not throw money at problems which could better profit from further analysis.

We note with concern the sentiments expressed by the Seapower Subcommittee in its submission to the full Committee—presumably these views will also be expressed in the Committee report. The Sub-

committee is concerned over the numerical balance of the U.S. and Soviet fleets, and discusses the naval balance purely in terms of numbers of ships, with no allowance for the widely varying capabilities of the ships involved.

There is a highly respected school of naval thought which shares this position, arguing that high-cost, high-capability ships simply make attractive and vulnerable targets, that the most effective naval force is the most proliferated force and, therefore, that numbers of ships is a valid measure of naval strength.

A second school of thought, which also claims a number of eminent advocates, holds that large, highly sophisticated ships are survivable and worth their cost. It further holds that since low-cost, large quantity ships can be provided by our allies, but only we can build the dreadnaughts, this is where we should concentrate our efforts.

We can admit our traditional program of mammoth ships, now well into the billion-dollar-per-copy range, was a blunder, and we can set out to follow the Soviet example and build large numbers of cheap ships. Alternatively, we can continue to build aircraft carriers, strike cruisers, and so forth, and resign ourselves to having smaller numbers of ships than the Soviets.

But we cannot have it both ways. We cannot, as both the Navy and the Committee have done, continue to buy floating Cadillacs and then complain that the other fellow, who put his money into Chevrolets, has more cars than we do.

In fairness, we suspect the Seapower Subcommittee is aware of the need to sacrifice quantity to meet the standard of quality it desires. However, it is not yet willing to translate its awareness into action. Thus the addition of four Spruance class destroyers, which cannot be built for many years, is little more than a token gesture to compensate for the four FFG–7 frigates deleted. The responsibility for reducing the numerical ship construction request is not something the Subcommittee is eager to bear; nevertheless, it must be borne at some stage in the legislative process, since not even the great American economy can afford to turn out Cadillacs at Chevrolet production rates.

In addition, we are concerned that, with the exuberance which frequently accompanies unlimited budgets, our Cadillac designers are not as meticulous as they should have been. One of us (Mr. Carr) recently spent a weekend on the USS *Nimitz*, the largest and most expensive combat vessel in history. He was amazed to find that the Combat Information Center which contains the computers and displays which are essential to directing both the air and sea operations of the ship, are located outside the armor box. This is a serious design defect which could well mean the difference between the ship's survival and non-survival in combat. It is equivalent to designing a human being with the brain on the outside of the skull. Mr. Carr found not one person on board, from admiral to seaman, who was willing to defend this arrangement or who could explain it. Let this same stroke of genius is repeated on the *Eisenhower* which was recently launched, and will only be corrected on the *Vinson*, the third ship of the class! While such problems are not evident in the superficial numerical comparisons now in vogue, we suggest they are considerably more significant.

We also suggest the following specific points with respect to the Committee's additions:

To conclude, we disagree with the decision of the Committee to increase the Administration's request for Navy ship construction by $2.2 billion. We concur in the Seapower Subcommittee judgment that the Administration request simply did not make sense. However, we differ with the Committee recommendation for fiscal 1977 seapower funds on five separate points: (1) the addition of $728 million for a second Trident submarine; (2) the addition of $350 million for long lead funding (LLT) for CVNX, the next proposed aircraft carrier; (3) the inclusion of $590 million for funding of four FFG–7 patrol frigates although the Committee decided to terminate the patrol frigate program with this year's funding; (4) the inclusion of $940 million for procurement of four DD–963 Spruance-class destroyers, to be built by Litton, and (5) inclusion of $302 million for LLT items for 3 nuclear strike cruisers.

Deleting the funding for each of these programs would decrease the shipbuilding by $2,910 million, creating an overall reduction of $1,821 million in the funding request submitted by the Administration. The rationale for these recommendations follow:

(1) Returning the Trident funding to the original $91.5 million proposed by the Administration is based upon our information that the delivery date of this second FY77 Trident submarine—the sixth to be constructed—would not be accelerated even if its funding were included in this year's budget. The $728.8 million increase in this year's funding would only be a symbolic gesture of support for the program. Although we also disagree with the symbolism of the action, the increase in funding is unnecessary regardless of one's position on the Trident program.

(2) Addition of $357 million for another carrier is also premature. The wisdom of constructing another Nimitz class aircraft carrier is itself in question. However, the Administration did not request the money this year. We should gratefully accept this additional year to review the aircraft carrier question.

(3) *FFG–7.*—The Committee recommended reducing the FFG–7 class frigate program from eight ships down to four. While this ship stemmed from a laudable attempt to produce a low-cost escort vessel, its performance and cost-effectiveness have been disappointing, and we believe the Committee exercised sound judgment in reducing the buy. However, if the ship is not cost-effective we see no purpose in buying any at all.

(4) Inclusion of $940 million for procurement of four Spruance class destroyers unrequested by the Navy would be extravagant at best. Litton's performance in this program, discussed earlier, raises the extravagance to still higher planes.

(5) The addition of the $390 million added by the Committee for funding of long leadtime items for three nuclear strike cruisers is also premature. The administration did not request funds to start these three ships, and once again, we should take the time available to review the overall direction of the strike cruiser program.

Readiness.—Regardless of the number of ships added to the fleet—and their advertised capabilities—we will have nothing more than a

window-dressing Navy if our readiness is low. Readiness receives a shamefully low priority in the minds of Navy officials.

Despite the fact that the U.S. Navy today is by far the most capable naval force of this or any other time, fleet readiness is far below an acceptable level.

Improving the readiness of the ships we now have in hand is less glamorous than buying shiny new ones. Nevertheless, it is today a more fruitful expenditure of the taxpayers' dollar.

Our proposed reductions should not simplistically be interpreted as an attack on all new shipbuilding. However, it is our position that the Committee should not hand out $3 billion for unsolicited new ships. We would rather review a later Navy request stemming from Secretary Rumsfeld's current re-assessment of the entire shipbuilding program.

II. B–1 BOMBER

Today, the Air Force is absolutely committed to the proposition that the B–1 is the most effective manned bomber concept available. To place this in perspective, we should remember that ten years ago they were equally committed to the B–70. Had we followed their inclinations at that time, we would now find ourselves with a fleet of technologically elegant white elephants having not a prayer of penetrating Soviet air defenses.

In our view, ten years from today the B–1 will be seen as equally inadequate.

Whereas the B–70 would be inadequate today because of its inability to fly low, the B–1 will be inadequate tomorrow because of its large size and relative impossibility of proliferation.

Consider the following two points:

I. The air-launched cruise missile, properly upgraded, is a better deterrent than any penetrating bomber; in time, it will probably be the way we go in any case.

II. If we are going to have cruise missiles, a 747-type standoff launcher is a more effective and more cost-effective solution than the B–1; moreover, it permits radical reduction in near-term outlays.

Explanation

I. CRUISE MISSILE PREFERABLE TO PENETRATING BOMBER

Nobody disputes that at the present time the B–52G/H force can penetrate Soviet defense. But the Air Force claims this will become less true in the early or middle 1980's. At this point, if you assume a very high weapons delivery requirement and a very high level of Soviet defense, the B–1 may be the most cost-effective delivery method.

But we must then ask this question: As Soviet defense progresses still further, at what point does the B–1 itself become non-viable?

It is not enough for the B–1 to be a better penetrator than the B–52; it must be the best penetrator available at reasonable cost, and it must be a good penetrator.

The Air Force claims, and the Committee has in the past supported, the proposition that the Airborne Warning and Control Systems

(AWACS) can survive and function effectively in the context of a major tactical war in central Europe. We do not share this view, nor do we see any national security benefit in using AWACS to defend continental United States against Soviet missiles. However, a plausible case for a Soviet AWACS operating successfully against B–1s over Soviet territory can be made, while no such case can be made for a U.S. AWACS operating successfully in the NATO theatre.

But those who believe AWACS will work must also necessarily believe B–1 will not work. They cannot have it both ways.

How long will it be before the Soviets have the equivalent to AWACS and F–15 or F–14 interceptors with look-down radar? Since we have it today, we must assume the Soviets will have it in ten years. Consider the ways in which a Soviet homeland-defense AWACS will have an easier job than a U.S. tactical AWACS:

A. *Number of targets to track.*—Much smaller for the Soviet AWACS.

B. *Size of targets to be tracked.*—Small fighter and attack aircraft for U.S. tactical AWACS; large strategic bombers for the Soviet AWACS.

C. *Anti-AWACS threat.*—Bomber-carried missiles only against the strategic AWACS; tactical AWACS must face these plus possible long-range SAMs.

D. *Jamming.*—Strategic AWACS faces only what can be carried in the B–1; tactical AWACS faces dedicated jamming aircraft plus ground jammers.

On the other side of the coin, the tactical AWACS has only one advantage: Presumably it will not be subject to attack by a nuclear-warhead bomber defense missile. But since tactical aircraft will use highly effective homing non-nuclear missiles, this does not appear to be a significant advantage.

Conclusion: If you accept that our AWACS will work in Europe, you must also accept that a Soviet AWACS, accompanied by contemporary interceptors and air-to-air missiles, would destroy the B–1. And you must also accept that the number of years of additional penetrativity B–1 would give us over B–52 is very small and possibly zero.

How can we buy more years of penetrativity? The air-launched cruise missile (ALCM) appears to be the answer. It has B–1 speed, probably better-than-B–1 terrain following, and—most importantly—much smaller radar cross-section and much higher proliferation. Against this, three disadvantages of cruise missile as opposed to B–1 are asserted:

A. *Lack of Electronic Countermeasures (ECM).*—This can be dismissed on three grounds:

1. By claiming B–52 can't penetrate, the Air Force is saying ECM won't do the job.

2. If you're so small they can't see you, you don't need ECM. (And if you're not that small, the whole cruise missile program should be canceled.)

3. In any case, ECM for a cruise missile isn't impossible. Consider the SCAD plus a decade of advances in microminiaturization.

B. *Low penetrativity against terminal defenses because of subsonic speed.*—Note that the B–1 is not claimed to have better penetrativity. Rather, B–1 does better because it can shoot off SRAMs, which penetrate terminal defenses at high supersonic speeds. But why can't we in effect combine ALCM and SRAM into a two-stage missile with a supersonic final stage? No reason at all, as DDR&E admits. In fact, the new Advanced Strategic Air-Launched Missile (ASALM) is moving in that direction.

C. *Susceptibility to SA–6 or similar mobile SAMs.*—Since the cruise missile wouldn't know where they were, it wouldn't avoid them. But neither would the B–1 and, by offering proliferation of penetration routes, the cruise missile offers greater confidence of penetration against a mobile system.

Therefore, it is approximately as certain as death and taxes that the Air Force will be coming back to us in a few years saying, "Gee, the B–1 is a great plane but these Soviet look-down defenses are something fierce and we can't be sure of getting through unless we put a cruise missile on the B–1." Which brings us to the next point.

II. 747 A BETTER CRUISE MISSILE CARRIER THAN B–1

Some committee members apparently feel we would have been better off to go to the 747 in the first place, but they argue that since we've sunk the B–1 R&D, we might as well admit we've been had and go ahead with the B–1. This is not good reasoning either on the basis of performance or cost.

A. *Performance.*—747 has a number of advantages the B–1 can never match. In a crisis, a 747 can be kept in the air for days, limited only by crew endurance and engine oil requirements, both of which can be made very long in this type aircraft. Operating on a reasonable refueling schedule, the 747 will at all times be ready to fly out 1000 miles and launch. In contrast, the B–1 lacks the habitability for long time aloft. More seriously, the length and rigors of the penetrating mission require it to commit very shortly after fill-up or to orbit while its target coverage progressively degrades until the next fill-up.

B. *Cost.*—Cost figures of the 747 have been exaggerated by B–1 proponents. It is not necessary, for example to "milspec" the aircraft from nose to tail, and whatever milspec must be done is already being done for the advanced tanker. Neither can the cost of cruise missile racks and equipment be factored into the equation, since they will have to be added to the B–1 as well.

We are left with a comparison of the basic missionless 747 with that of the full penetrating B–1 as our base from which to build a cruise missile launcher. On this basis, a reasonable ballpark estimate is that the 747 will have two-thirds the unit acquisition cost of the B–1.

In its rebuttal to the recent Brookings Institution study, the Air Force says, "The author's preference for a wide body aircraft for airborne alert is based on its apparent efficiency. It turns out, however, that while a Boeing 747, for example, might carry twice the weapon load of a B–1, it also consumes fuel at twice the rate and requires twice the air refueling onload at about the same time in the mission."

Accepting all this, we nevertheless find the 747, with two-thirds the acquisition cost, carrying twice as many cruise missiles as the B–1. Therefore, in acquisition terms, the 747 is three times as efficient as the B–1.

True, the life cycle costs may not support quite so high a ratio. As the Air Force suggests, there is a difference in fuel consumption. But we must also consider that the 747 is a successful commercial airliner which is known to meet very high maintainability and availability standards. B–1, on the other hand, is an unknown (and somewhat suspicious) quantity. So 3 to 1 is not too far off as a cost-effectiveness ratio, and certainly 2 to 1 is a minimum.

In addition, the B–1 development program has not followed the rosy path the Air Force and Rockwell would have us believe. Even if one accepts the B–1 as the desirable bomber concept, which we do not, this airplane has some very serious problems. Speed has been reduced, range has been reduced, takeoff distance has increased thus reducing dispersability, and the escape capsule has been abandoned. So we are not being offered the aircraft we originally ordered.

III. COUNTERFORCE FIRST STRIKE MARV

As a result of the failure of the Administration and the Congress to respond to the danger of future Soviet homing strategic maneuvering re-entry vehicles (MaRV) we are today one year closer to a Soviet first strike capability than when the subject was first raised in connection with last year's bill.

We shall offer an amendment to prohibit testing, but not development, of MaRV. We emphasize that we do not take this course in the vague hope that the Soviets will follow suit; rather, we seek to keep the door open to the possibility of banning strategic homing MaRV through SALT agreement or treaty. This is the reasoning in support of the amendment:

1. Terminal homing strategic MaRV, when combined with MIRV and mounted on a modern submarine-launched missile, is probably the only route to simultaneous first-strike destruction of a victim's ICBMs and manned bombers. Soviet high-accuracy MaRV, which could be deployed in about 15 years, would be a disaster for U.S. national security. It would destroy the deterrent validity of our triad, and leave us with a one-armed submarine-based deterrent: just one Soviet technological breakthrough away from no deterrent at all.

2. A U.S. MaRV would be entirely ineffective as a counter to a Soviet MaRV. Our first strike capability is considerably greater than the Soviets' at present. Moreover, despite a somewhat misleading statement issued by the Director of Defense Research and Engineering, we are perhaps five years closer to strategic homing MaRV than are the Soviets. But this should be cold comfort to us, since one side's first strike capability does nothing whatever to deter a first strike by the other side.

The Department of Defense claims it is not interested in first strike, but seeks high accuracy only for purposes of selective limited nuclear war. It is true that very high accuracy would be useful to us in a limited

strategic nuclear war (if you believe such a war is a realistic possibility, which we do not). But very high accuracy would be even more useful to the Soviets in conducting a first strike against us. By focusing on what MaRV can do for us and ignoring what it can do to us, the Department of Defense is like a mouse so obsessed with the cheese that he ignores the mousetrap.

The only way to counter a Soviet MaRV is to prevent them from getting it. There is no effective military counter; this is one case in which we face a military threat which can only be resolved by the arms control process.

3. A U.S. MaRV would, however, present the same first strike threat to the Soviets that their MaRV would present to us, and it would do so several years earlier. Thus, prevention of MaRV capability is at least as strongly in the Soviet's interest as in ours.

4. MaRV deployment is not verifiable, in that it does not change the external shape of a missile.

5. MaRV testing is probably verifiable.

6. Therefore, a total MaRV ban SALT treaty is feasible, but only before either side has tested. Once one side has tested high-accuracy MaRV, the other side will have to assume it to have been deployed, and agreement will be impossible.

7. We will not be technologically ready for a high-accuracy MaRV test for 4–5 years. Thus, the test ban, which will add credibility to our negotiators' claim that we have not tested and cannot deploy high-accuracy MaRV, can be in effect for 4–5 years without in any way impairing the 5-year technological lead we have over the Soviets. MaRV R&D would, of course, continue unabated.

In summary: This amendment is essential to preservation of the triadic deterrent beyond 1990.

IV. COD: THE LOCKHEED BAILOUT OF THE BAILOUT

(Note: COD is not exactly a household word. It stands for Carrier Onboard Delivery. It is an aircraft which shuttles high-priority passengers and supplies between an aircraft carrier and shore.)

The Air Force now has in production the F–15 fighter, which flies at twice the speed of sound, holds world climbing records, is capable of extreme dogfight maneuvers and carries the most complex and capable look-down shoot-down radar in history. Would you believe a low performance cargo aircraft, capable of nothing more exotic than 440 knots straight-and-level fight, weighing the same as the F–15, which costs more than the F–15?

The Navy now has in production an anti-submarine aircraft called the S–3A, which consists of a low performance twin jet aircraft packed to the teeth with the latest super-sophisticated microminiaturized anti-submarine gear. Would you believe that, after removing the elaborate ASW equipment and replacing it with five passenger seats and a few tie-down straps, retaining only simplified navigational avionics, the resulting cargo aircraft costs more than the S–3A?

The commercial airlines are currently purchasing the Boeing 737 airliner which carries 130 passengers, flies 509 knots, and has a gross weight of 110,000. Would you believe cargo aircraft carrying one twenty-sixth as many passengers, less than one-third the gross weight, flying 60 knots slower over the same range, but costing twice as much?

All three of these aircraft exist, and in fact they are the same aircraft: the Navy's proposed US–3A COD.

It is noteworthy that Lockheed, the proposed manufacturer of the US–3A, owes approximately $195 million of its U.S. Government-guaranteed bailout loans, due to be repaid at the end of 1977. It is also noteworthy that Lockheed is not expected to be able to repay the loans at that time. Finally, it is noteworthy that the difference between the price of the US–3A and the 737—the latter is suggested as a reasonable should-cost estimate—is $180 million spread over the expected buy of 30 aircraft.

When Secretary of Defense Rumsfeld testified before the Armed Services Committee, he was asked why an aircraft that does so little should cost so much. He could not answer, and deferred to General George Brown, the Chairman of the Joint Chiefs of Staff. As the hearing record shows, General Brown first offered a tentative suggestion that inflation was raising the cost of everything. Obviously, this satisfied him no more than it satisfies us, and he then said,

"I can't explain why the COD is so expensive."

A minute later, he said, "That sounds high. I just don't know." (This was deleted from the hearing record, but everyone who was there heard it.)

The next day when the Secretary and the Chairman of the Joint Chiefs reappeared, they were asked if they had done any overnight research on the problem. Again they were unable to justify the US–3A's cost, except to observe that inflation was driving up the price of everything—clearly an inadequate answer in light of comparisons with the equally inflation-bound F–15 and 737.

It was also suggested that low production rates contributed to the high cost of the US–3A COD, since it will be produced at only 12 per year in contrast with the 45 per year rate of the S–3A. This explanation too seems inadequate when one considers that the engines are in simultaneous production for the Air Force A–10, and that much of the advantages of quantity production are available in the form of tooling used for the nearly identical S–3A airframe.

Recently, Congressman Carr had the pleasure of commuting to and from the USS *Nimitz* on a C–1 aircraft, the COD currently in general use. He found this to be an excellent serviceable aircraft, well liked by pilots, air wing officers, passengers, and supply officers. However, the C–1, which is based on the piston-engined S–2 aircraft, is limited in that it requires gasoline fuel while the new carriers have no gasoline storage facilities. So a replacement will eventually be necessary.

A second type of COD in less frequent use is the C–2, which is a wide-bodied variation of the E–2 radar aircraft still in production. It is turboprop powered and thus can refuel on the carrier. Its wide body makes it popular with the supply officers because of its very large capacity. But apparently that same wide body created certain incurable treacherous aerodynamic effects which have caused the loss of a number of aircraft. Thus, the C–2 is not the answer.

In Washington, the Navy presents the US–3A as the only solution to the COD problem. Basically, two rationales are given:

First, the US–3A has longer range than the C–1 or C–2.

Second, "It's a jet." While the relevance of this reasoning may not be immediately apparent, both the Navy and the Air Force seem to find it an all-purpose argument of high effectiveness.

At sea, the reaction to the proposed US–3A is rather different. It appears that, in addition to its triple crown of cost-ineffectiveness, the US–3A capabilities are not regarded with anticipation by the fleet. Its small body offers no significant usable advantage over the present COD, and on the majority of missions—for which the C–1 range is more than sufficient—it will not be significantly more effective, even allowing for its wing cargo pods. For the few long-range missions that will be required, Mr. Carr found the Nimitz crews more receptive to landing a C–130 on the deck, or alternatively to airdropping heavy cargo from a C–130 into the water alongside the carrier.

With the Air Force eager to move from the C–130 to the AMST (the "it's a jet" syndrome again), C–130s should be available to the Navy at bargain prices for the long-range mission. For the more common shorter-range mission, a COD based on a standard-bodied E–2 or possibly one of the various STOL aircraft now available would be safe, at least as capacious as the US–3A, and considerably cheaper.

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We do not intend to present a purely negative picture of the Committee's proceedings and product.

We commend the Committee Chairman for conducting proceedings in a scrupulously fair manner, conforming to both the letter and the spirit of the rules of the House, and to the basic principle of democracy that reasonable persons can disagree without being disagreeable.

Within the extremely tight time constraints of the new Congressional budget procedure, the Committee has dealt with the issues approximately as well as could be done. At the same time, we must point out that these time constraints have effectively precluded serious reflection on America's military posture. With less than two months between receipt of the Administration request and submission of Committee-proposed authorizations, none but the most superficial examination is possible. While this is not the occasion for discussion of the budget procedure, it is our conviction that the Armed Services Committee should, in the time remaining to the 94th Congress, conduct the in-depth exploration which we were unable to do in February and March.

We particularly commend and support the Committee action taken on the $474.7 million requested by the Administration for procurement of 6 AWACS planes.

The Committee authorized the full $474.7 million requested for the six planes. However, it was also the Committee's decision that none of $474.7 million authorized for procurement could be expended until the NATO members had decided to purchase the AWACS planes for NATO use. NATO has been studying its needs for an AWACS-type capability for almost a year now; a decision on the potential NATO purchase is presently expected in late spring, perhaps May.

The Committee action—essentially putting the funding in escrow—becomes more understandable when considering the significance of the NATO purchase at this point in the AWACS program. The Air Force had originally requested approval for 34 AWACS E–3A planes. Of these, 20 were planned for NATO defense. Additionally, the Air Force also identified a need for 10 AWACS to be used in defense of the continental United States (CONUS).

The utility and performance of AWACS during its testing have been the subject of heated controversy over the past few years. The record on this is long, and we have publicly been among those most concerned over the questionable performance capabilities of the aircraft.

However, regardless of controversy over AWACS capabilities, one fact is clear: As of FY 1976, the United States has already appropriated funds to procure 13 AWACS plants: three research and development aircraft, six protection aircraft procured in FY 1975 and four procured in FY 1976. With an established CONUS requirement as low as 10, it is clear that any decision to procure additional AWACS planes will result in the U.S. moving into the production of AWACS planes for NATO.

The cost of AWACS for NATO defense obviously should be shared by the NATO members. With a NATO purchase decision due in May, a Congressional decision to make available $474.7 million for additional AWACS planes is premature at this time. Hence, the escrow provision included in the Air Force section of Title I, Procurement.

We should also note that the Committee, in its report last year, required 30 days' advance notice of any intended sale of AWACS planes to a foreign country. The Committee action was prompted by a concern about reports that DOD was planning to offer AWACS planes to NATO at artificially low prices—almost half their cost to the United States. (Estimates of per plane cost have ranged from $104 million upwards to $180 million, with cost being dependent on the numbers of planes that are expected to be produced. The Air Force is always very optimistic about the total numbers of the program, producing remarkably low estimates.) Unfortunately, our concern last year about the price to be used in a NATO transaction is still justified. Recently-announced Administration plans for the NATO sale indicate that the Administration is still quite interested in offering AWACS planes to our NATO allies below cost.

Any further procurement of AWACS planes would be unjustifiable before NATO concludes its ongoing deliberations on the AWACS purchase. The Committee's approach to the AWACS procurement money requested in this bill was clearly justifiable and should be strongly supported.

BOB CARR.
THOMAS J. DOWNEY.
PATRICIA SCHROEDER.

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INDIVIDUAL VIEWS OF THE HONORABLE LARRY P. McDONALD OF GEORGIA

As the Chairman has noted, the budget commended by the Report is not a "get-well" budget; it will not overcome the ill effects of earlier neglect and anti-military meat-axing of Department of Defense programs urgently needed.

While the present budget recommends increased funding of Naval ship construction and certain weapons programs. it still leaves us with many serious deficiencies. It reflects the tenor of the hearings, in which witnesses appeared for the modest Administration budget requests, and even these were opposed by an array of professional anti-military leftists demanding huge cuts.

In my view, majority public sentiment was not represented. I believe that the majority of the American people are aware that there is no prize for second-best. In military terms, second-best is the loser. Americans don't want to be second-best, or losers, especially when superiority is attainable, and their liberty and survival are at stake.

A misinformed public may believe that all is somehow well with our armed forces. and also that "defense" consumes some disproportionate chunk of the federal budget, when neither is true.

A defense budget which trails behind expenditures of the Department of Health, Education, and Welfare, and just ahead of interest payments on the national debt is hardly exceptionable, especially in the face of rampant Soviet imperialism such as we have seen in the past year or so. Furthermore, the defense budget, here in the United States, includes military pensions, medical benefits, and many similar expenditures which most other nations do not charge off to "defense."

Meanwhile, "second-best" status is becoming ours by studied neglect at best. In the past fifteen years we have allowed the Soviets to surge ahead in missiles, submarines, and many other weapons systems while we engaged in what amounts to unilateral disarmament. We have either failed or refused to do our best to provide for the common defense, which is our Constitutional duty. The present budget could not possibly overcome these self-imposed defects, and makes only a limited effort to ameliorate some of the glaring deficiencies.

Every day, the Committee observed how our own armed forces are continually forced to choose between benefits needed to retain high-quality personnel, and equally needed hardware. Yet our hearings never touched upon the immense service—to the Soviet armed forces—provided by official promotion of East-West "trade."

Such "trade" is quite one-sided. On credit, much of the time, the fruits of American research and development, even vital machine tools and computers, are supplied to the Soviets. Without equipment shipped from Springfield, Vermont several years ago, the Soviets

could not have MIRVed their missiles, the shipment was accomplished with the full knowledge and approval of the federal government, a point which ought to be made when the Committee, not to mention the armed forces, must confront the lethal effects of deliberately suicidal policies which remain in force. Surely the Committee ought to inquire into a so-called "trade policy" which creates massive problems for our own national defense.

It has been stated that the Department of State is shortly to approve the sale of TOW anti-tank missiles to Communist Yugoslavia. This comes at a time when our own forces are short of this weapon. Perhaps this is another example of the misguided ideas of "polycentrism" at work. We saw in the case of both Korea and Vietnam how the various Communist countries work together to defeat us—even with border clashes the Soviet and Communist Chinese vied to supply Ho Chi Minh with the material with which to defeat the United States.

Headlines almost daily attest to the troubles of the American aircraft industry. There seems to be little thought given to just where military aircraft will come from, should our aircraft campanies go under.

A few years ago, a substantial number of our tanks were given away, despite the fact that heedless "environmentalists" had closed down all but one foundry capable of casting hulls and turrets, and despite the fact that each of three Soviet tank-producing plants dwarfs our only equivalent. True, our production will increase, but from the low base of two or three tanks per day, when the present disparity in numbers of tanks in inventory is 42,000 to 9,000, or 5:1, and the disparity in production rates has been 7:1 for all these years.

The Soviet Union is not engaged in these self-destructive exercises. The expansion and modernization of the Soviet armed forces proceeds unimpeded. Today, Soviet forces in Europe are poised for a powerful thrust to the English Channel, while our ground, sea, and air units in the area are subjects of considerable concern.

Our Navy is outnumbered by more heavily-armed Soviet ships; only where our carrier task forces are able to achieve local superiority could our own forces operate with impunity. Soviet tactical aircraft simply outnumber our own ground-based forces.

Except for helicopters, the Soviet Army has more good weapons in every category than the American Army. And, of course, the disparity in manpower is horrendous; full mobiliaztion means 28 American divisions versus 168 Soviet divisions now in being.

While each American division is somewhat larger in numbers of personnel on active duty, the United States has only four armoured and four mechanized divisions, whereas the Soviet Union has 49 tank divisions and 110 motorized rifle divisions which are heavier in armour and much more mobile than any of our five infantry divisions.

Long the pride of the Air Force, our long-range strategic bomber force now consists of aged B–52's which would suffer grievous casualities, were they ever committed against modern Soviet air defenses. Plans for the follow-on B–70, we may recall were scrubbed by the Kennedy Administration to please the Soviets; the B–70 now flies as the Soviet "Konkordsky" SST.

Our B–1 bomber project should be accelerated, but not rashly; more funds are required for redesign of components, faster development of electronic counter-measures and flight testing. Once ready for production, a faster rate than planned could save over $700,000,000 annually.

The baleful result of SALT agreements on our strategic missile situations scarcely needs to be detailed to this Committee. In short, we have condemned ourselves to inferiority, and the present budget fails to provide for continued Minuteman III production and re-entry vehicles as needed, or for the development of a new missile. Surely Minuteman production should not be shut down while these SALT talks get us nowhere.

The Committee should have authorized additional funds for either AWACS aircraft or the equivalent Navy E–2C. As usual, or planned equipment is probably superior to what the Soviet forces have—but their forces have it, and ours do not. This sort of thing can be a matter of life or death.

For the Navy, we should have provided funding for an accelerated TRIDENT submarine program. Further, we should request that the Administration, and the Navy, come up with ships designed to prevail over those of the Red Fleet in any surface combat, and especially for a modified DD–963 class vessel able to outfight its Soviet equivalent. As for the Marine Corps, it badly needs M60 tanks if it is to be credible as a modern amphibious force.

The Army's difficulties stem partially from the well-known tank problem. We need a second tank plant, an Army facility if not private enterprise is willing to risk the ire of those more worried about foundry fumes than national security. Hopefully, we will soon have a new XM1 tank which can supplement and then supplant the M60, and we should not be dependent upon a single plant for all of this.

Nor is that the end of our "armor" troubles. The M113 Armored Personnel Carrier is obsolete, yet development of its far more expensive and sophisticated replacement, the MICV, is proceeding so slowly that it may also be obsolete before it ever becomes operational. Assuming that its technical problems can be solved, money ought to have been provided to speed development.

Meanwhile, in order to have any hope of stopping a possible Soviet armored assault, we need more attack helicopters equipped with anti-tank missiles. Even our lead in helicopters is eroding; Soviet attack helicopters are now as good as, or better than, our Cobras.

Area air defense for the Army has been neglected because we have been accustomed to having air superiority for the past 30 years or so. We cannot count on this, obviously, in the future, especially in Europe, and must therefore look forward to perhaps 30 percent of the Army weapons budget going into air defense.

There is some evidence that the Soviets are cheating on the agreement not to produce biological and chemical warfare weapons; in view of their impressive record for breaking agreements, it would be foolish to presume that they will not use such weapons. Where we have a single lieutenant colonel in the Pentagon assigned to chemical warfare problems, the Soviets employ no less than fifty generals. As for defense, the Soviet Chemical Defense Battalion assigned to each Soviet divi-

sion is almost as large as the *total* U.S. Army establishment with the same function, which amounts to three teams.

It is also gratifying that we have given at least some attention to Civil Defense. Our system can barely cope with localized natural disasters, and bears no resemblance to the ambitious Soviet system for protecting most of its population from nuclear attack. Neglect of civil defense in the United States has been a matter of deliberate policy, as an effective defense has long been considered "destabilizing" by our enthusiasts of unilateral disarmament and "arms control."

In sum, our defense budget for this year is inadequate and does little more than slow down, or possibly arrest, our decline in military power. It is as much the responsibility of the Congress to increase budgets when they are inadequate as it is to cut them when they are excessive.

A final area of concern is with regard to motivation and personnel. This is an admittedly difficult area to measure, but there is ample reason for concern if not shock when viewing the spectrum from the top levels of government down to the lowest rank in the Armed Services. Even if we had superior quality and quantity of military material (in reality, we have neither), victory in war requires the necessary catalyst of the will to fight and win.

Our top levels are dominated by those whose views accept the thesis of no-win warfare as in Korea and Vietnam, two disaster areas. This acceptance may be with enthusiasm or reluctance, but it is still acceptance. Attendant with this fantasy is the idea of "graduated response", "flexible deterrence", "parity", "comparability" and other buzz phrases active in this era of so called "detente".

Throughout the military, we see social action programs becoming entrenched. The basic purpose of the military seems to be lost as the idea of service to our country, patriotism, and sacrifice has been replaced by the recruiting poster, "Today's Army Wants to Join You". To a degree, however, this is a reflection of a disease throughout all levels of general society and throughout our institutions. It is sad to see our armed forces becoming compromised by the same virus.

The current philosophy of age old hedonism, "situation ethics", and existentialism have eroded the traditional strengths of discipline and service to country. This shift is not too hard to explain when our leaders have too often accepted the twin disasters of (1) no-winism, and (2) aid and trade with the enemy, thus making a mockery of any personal sacrifice.

The military is a profession of national defense not social action. When the whistle sounds and the battle flag goes up, the armed forces must kill and/or otherwise neutralize the enemy. Any force that lacks the will and necessary material will be the loser. In war, there truly is no substitute for victory.

In summary, our national security cannot be adequately protected by a wall of food stamps. Anyone thinking such a defense is adequate is presuming to know the future and is misreading the present.

It is also time for witnesses who know the facts to brave divergence from the party line and state the obvious—that we are defended by

outgunned, outmanned, inadequately equipped armed forces who could very well lose a war if it broke out in Europe tomorrow. And let us not forget that the same people who cite our tactical nuclear weaponry edge as an excuse for neglecting conventional strength also leap to block any use of nuclear force. As for "quality versus quantity" arguments, let's not kid ourselves—we have neither. Instead, we have a situation which is getting worse in both the categories of manpower and equipment every year.

It is our Constitutional duty "to provide for the common defense," not for the salvage of a tattered policy of "detente".

LARRY MCDONALD.

Changes in Existing Law

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, there is herewith printed in parallel columns the text of provisions of existing law which would be repealed or amended by the various provisions of the bill as reported.

EXISTING LAW

THE BILL AS REPORTED (H.R. 12438)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1977 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

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AIRCRAFT

For aircraft: for the Army, $555,500,000; for the Navy and the Marine Corps, $3,157,500,000 of which $125,000,000 shall be used only for the procurement of the A–6E aircraft; for the Air Force $6,344,800,000 of which the $474,700,000 authorized for procurement of six E–3A Airborne Warning and Control System (AWACS) aircraft shall not be expended until a favorable decision is made by the North Atlantic Treaty Organization allies for procurement of the system.

MISSILES

For missiles: for the Army, $552,400,000; for the Navy, $1,897,900,000; for the Marine Corps, $71,900,000; for the Air Force, $1,599,400,000.

NAVAL VESSELS

For Naval vessels: for the Navy, $7,378,300,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $1,084,300,000 of which $65,200,000 shall be authorized for appropriation for plant facilities expansion and modernization for future XM–1 tank production: *Provided*, That none of the funds authorized to be appropriated may be obligated on a specific production site until such time as competitive testing between possible United States XM–1 tank contenders has been completed and a winning contractor designated; for the Marine Corps, $29,700,000.

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TORPEDOES

For torpedoes and related support equipment: for the Navy, $251,800,000.

OTHER WEAPONS

For other weapons: for the Army, $63,600,000; for the Navy, $73,000,000; for the Marine Corps, $3,500,000; for the Air Force, $2,900,000.

EXISTING LAW.

THE BILL AS REPORTED

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1977 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,271,295,000;

For the Navy (including the Marine Corps), $3,608,048,000;

For the Air Force, $3,749,200,000; and

For the Defense Agencies, $682,300,000, of which $30,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

SEC. 202. There is hereby authorized to be appropriated to the Department of Defense, Director of Defense Research and Engineering, during fiscal year 1977 for use as an Emergency Fund for Research, Development, Test, and Evaluation, $49,000,000 to be used only for the following purposes: $15,000,000 for the development of a common, all weather air-to-air missile to replace the AIM–7 series Sparrow missile, for use on both Air Force and Navy aircraft; $8,000,000 for the research, development, test, and evaluation required in support of the United States ship Belknap; $11,000,000 for the research, development, test, and evaluation required to install the Aegis weapon control system aboard the United States ship Longbeach; $15,000,000 to continue the research, development, test, and evaluation of the F–401 engine or other viable alternative to repower the F–14 aircraft in the earliest possible timeframe.

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year begining October 1, 1976, and ending September 30, 1977, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 790,000;
(2) The Navy, 544,904;
(3) The Marine Corps, 196,000;
(4) The Air Force, 571,000.

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year beginning October 1, 1976, and ending September 30, 1977, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 390,000;
(2) The Army Reserve, 215,700;
(3) The Naval Reserve, 102,000;
(4) The Marine Corps Reserve, 33,500;
(5) The Air National Guard of the United States, 93,300;
(6) The Air Force Reserve, 52,000;
(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the

total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning October 1, 1976, and ending September 30, 1977, the Department of Defense is authorized an end strength for civilian personnel of 1,040,981.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy, including the Marine Corps, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which the allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this sec-

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tion but such additional number may not exceed one-half of 1 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. For the fiscal year beginning October 1, 1976, and ending September 30, 1977, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 81,429;
(2) The Navy, 66,914;
(3) The Marine Corps, 25,501;
(4) The Air Force, 49,610;
(5) The Army National Guard of the United States, 12,804;
(6) The Army Reserve, 7,023;
(7) The Naval Reserve, 1,257;
(8) The Marine Corps Reserve, 3,562;
(9) The Air National Guard of the United States, 2,232; and
(10) The Air Force Reserve, 1,107.

TITLE 50, U.S.C.

* * * * *

CHAPTER 29.—NATIONAL DEFENSE CONTRACTS

§ 1431. Authorization; official approval; Congressional action: notification of Committees of certain proposed obligations, resolution of disapproval, continuity of session, computation of period.

The President may authorize any department or agency of the Government which exercises functions in connection with the national defense, acting in accordance with regulations prescribed by the President for the protection of the Government, to enter into contracts or into amendments or modifications of contracts heretofore or hereafter made and to make advance payments thereon, without regard to other provisions of law relating to the making, performance, amendment, or modification of contracts, whenever he deems that such action would facilitate the national defense. The authority conferred by this section shall not be utilized to obligate the United States in an amount in excess of $50,000 without approval by an official at or above the level of an Assistant Secretary or his Deputy, or an assistant head or his deputy, of such department or agency, or by a Contract Adjustment Board established therein. The authority conferred by this section may not be utilized to obligate the United States in any amount in excess of $25,000,000 unless the Committees on Armed

TITLE VII—GENERAL PROVISIONS

SEC. 701. Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this or any other Act shall be used for the purpose of paying any contract claim, request for equitable adjustment to contract terms, request for relief under Public Law 85–804, or other similar request which exceeds $100,000, unless (1) the senior company official in charge at the plant or location involved has certified at the time of submission of such contract claim, request for equitable adjustment to contract terms, request for relief under Public Law 85–804, or other similar request, that the claim and supporting data are accurate, complete, and current; or (2) in the case of any outstanding claim, request for equitable adjustment to contract terms, request for relief under Public Law 85–804, or other similar request in excess of $100,000 which was formally submitted without such certification prior to the date this Act becomes law, either (a) such senior official submits such a certificate within 120 days after this Act becomes law; or (b) a contracting officer's decision has been rendered prior to the date this Act becomes law, in which case this Act shall constitute no bar to any payment.

Services of the Senate and the House of Representatives have been notified in writing of such proposed obligation and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to such Committees and neither House of Congress has adopted, within such 60-day period, a resolution disapproving such obligation. For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of such 60-day period.

§ 1432. Restrictions.

Nothing in this chapter shall be construed to constitute authorization hereunder for—

(a) the use of the cost-plus-a-percentage-of-cost system of contracting;

(b) any contract in violation of existing law relating to limitation of profits;

(c) the negotiation of purchases of or contracts for property or services required by law to be procured by formal advertising and competitive bidding;

(d) the waiver of any bid, payment, performance, or other bond required by law;

(e) the amendment of a contract negotiated under section 2304(a)(15) of Title 10 or under section 252 (c)(13) of Title 41, to increase the contract price to an amount higher than the lowest rejected bid of any responsible bidder; or

(f) the formalization of an informal commitment, unless it is found that at the time the commitment was made it was impracticable to use normal procurement procedures.

(Pub. L. 85–804, § 2, Aug. 28, 1958, 72 Stat. 972.)

§ 1433. Public record; examination of records by Comptroller General; exemptions: exceptional conditions; reports to Congress.

(a) All actions under the authority of this chapter shall be made a matter of public record under regulations prescribed by the President and when deemed by him not to be detrimental to the national security.

(b) All contracts entered into, amended, or modified pursuant to authority contained in this chapter shall include a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of and involving transactions related to such contracts or subcontracts. Under regulations to be prescribed by the President, however, such clause may be omitted from contracts with foreign contractors or foreign subcontractors if the agency head determines, with the concurrence of the Comptroller General of the United States or his designee, that the omission will serve the best interests of the United States. However, the concurrence of the Comptroller General of the United

States or his designee is not required for the omission of such clause—

(1) where the contractor or subcontractor is a foreign government or agency thereof or is precluded by the laws of the country involved from making its books, documents, papers, or records available for examination; and

(2) where the agency head determines, after taking into account the price and availability of the property or services from United States sources, that the public interest would be best served by the omission of the clause.

If the clause is omitted based on a determination under clause (2), a written report shall be furnished to the Congress. (Pub. L. 85–804, § 3, Aug. 28, 1958, 72 Stat. 972; Pub. L. 89–607, § 3, Sept. 27, 1966, 80 Stat. 851.)

§ 1434. Reports to Congress; publication.

(a) Every department and agency acting under authority of this chapter shall, by March 15 of each year, report to Congress all such actions taken by that department or agency during the preceding calendar year. With respect to actions which involve actual or potential cost to the United States in excess of $50,000, the report shall—

(1) name the contractor;

(2) state the actual cost or estimated potential cost involved;

(3) describe the property or services involved; and

(4) state further the circumstances justifying the action taken.

With respect to (1), (2), (3), and (4), above, and under regulations prescribed by the President, there may be omitted any information the disclosure of which would be detrimental to the national security.

(b) The Clerk of the House and the Secretary of the Senate shall cause to be published in the Congressional Record all reports submitted pursuant to this section. (Pub. L. 85–804, § 4, Aug. 28, 1958, 72 Stat. 972.)

§ 1435. Effective period.

This chapter shall be effective only during a national emergency declared by Congress or the President and for six months after the termination thereof or until such earlier time as Congress, by concurrent resolution, may designate. (Pub. L. 85–804, § 5, Aug. 28, 1958, 72 Stat. 973.)

* * * * *

SEC. 702. All requests for appropriations subsequent to fiscal year 1977 under the Department of Defense Operation and Maintenance title shall include amounts sufficient to cover the anticipated total program cost, including expected escalation in labor, material, and other expenditures, in both the private and public sectors, for the period concerned.

SEC. 703. Notwithstanding any other provision of law, the Department of the Navy is hereby authorized for a period not to exceed 5 years from the date this Act becomes law, to procure legal services from attorneys in private practice at rates no higher than those prevailing in their communities, to aid in the disposition of contract claims, requests for equitable adjustments to contract terms, relief under Public Law 85–804, contract disputes

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or other contract-related matters. Selection of attorneys for such legal services shall be based on the professional qualifications necessary for the satisfactory performance of the services required, rather than on competitive bidding procedures.

SEC. 704. Subsequent to any decision on any case or proceeding by the Armed Services Board of Contract Appeals, the Department of Defense, its departments and agencies shall have the identical rights to appeal such decisions to the courts of the United States as are accorded to any other party in any case or proceeding before such Board.

SEC. 705. After September 30, 1976, all contracts for the development or procurement of major weapons systems entered into by the military departments shall include a deferred ordering clause permitting the procuring authority to purchase technical data packages and computer software when required, in the course of contract performance or for purposes of reprocurement of major weapons systems or subsystems from competitive sources. Exceptions to the inclusion of the deferred ordering clause may be made by the procuring authority in appropriate cases but only after giving due notice to the Committees on Armed Services and Appropriations of the House and Senate and a full explanation of the reasons for the exception.

SEC. 706. The Secretary of Defense shall notify the Congress in a timely manner prior to taking any action in furtherance of a final plan to terminate, alter, modify, or consolidate in a substantial way the major training pro-

§ 2031. Junior Reserve Officers' Training Corps

(a) The Secretary of each military department shall establish and maintain a Junior Reserve Officers' Training Corps, organized into units, at public and private secondary educational institutions which apply for a unit and meet the standards and criteria prescribed pursuant to this section. Not more than 200 units may be established by all of the military departments each year beginning with the calendar year 1966, and the total number of units which may be established and maintained by all of the military departments under authority of this section, including those units already established on the date of enactment of this section, may not exceed 1,200. The President shall promulgate regulations prescribing the standards and criteria to be followed by the military departments in selecting the institutions at which units are to be established and maintained and shall provide for the fair and equitable distribution of such units throughout the Nation.

(b) No unit may be established or maintained at an institution unless—

(1) the unit contains at least 100 physically fit students who are at least 14 years of age and are citizens of the United States;

(2) the institution has adequate facilities for classroom instruction, storage of arms and other equipment which may be furnished in support of the unit, and adequate drill areas at or in the immediate vicinity of the institution, as determined by the Secretary of the military department concerned;

grams or major training missions of any service or defense activity.

SEC. 707. Section 2031(a) of title 10, United States Code, is amended by striking the figure "1,200" at the end of the second sentence and substituting therefor the figure "2,000"; and by striking the period at the end of the third sentence and substituting therefor a comma and adding the following: "except that more than one unit may be assigned to military institutes.".

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(3) the institution provides a course of military instruction of not less than three academic years' duration, as prescribed by the Secretary of the military department concerned; and

(4) the institution agrees to limit membership in the unit to students who maintain acceptable standards of academic achievement and conduct, as prescribed by the Secretary of the military department concerned.

(c) The Secretary of the military department concerned shall, to support the Junior Reserve Officers' Training Corps program—

(1) detail officers and noncommissioned officers of an armed force under his jurisdiction to institutions having units of the Corps as administrators and instructors;

(2) provide necessary text materials, equipment, and uniforms; and

(3) establish minimum acceptable standards for performance and achievement for qualified units.

(d) Instead of, or in addition to, detailing officers and noncommissioned officers on active duty under subsection (c)(1), the Secretary of the military department concerned may authorize qualified institutions to employ, as administrators and instructors in the program, retired officers and noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve, whose qualifications are approved by the Secretary and the institution concerned and who request such employment, subject to the following:

(1) Retired members so employed are entitled to receive their retired or retainer pay and an additional amount of not more than the difference between their retired pay and the active duty pay and allowances which they would receive if ordered to active duty, and one-half of that additional amount shall be paid to the institution concerned by the Secretary of the military department concerned from funds appropriated for that purpose.

(2) Notwithstanding any other provision of law, such a retired member is not, while so employed, considered to be on active duty or inactive duty training for any purpose.

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SEC. 708. It is the sense of the Congress that the present method of providing financial support for commissary stores operated by agencies of the Department of Defense through appropriations of funds to meet the payroll costs of their civilian and military employees is a rational and appropriate way of assuring to personnel of the armed services the convenience and economic benefit which such stores were established and are intended to provide. Any move to eliminate this support, and to require instead (either on an immediate or gradual basis) that the full costs of the payrolls involved be borne by the commissary patrons themselves, is neither justified nor desirable.

EXISTING LAW

§ 138. Secretary of Defense: Annual authorization of appropriations for armed forces

(a) No funds may be appropriated for any fiscal year to or for the use of any armed force or obligated or expended for—

(1) procurement of aircraft, missiles, or naval vessels;

(2) any research, development, test, or evaluation, or procurement or production related thereto;

(3) procurement of tracked combat vehicles;

(4) procurement of other weapons;

(5) procurement of naval torpedoes and related support equipment; or

(6) military construction (as defined in subsection (e) of this section);

unless funds therefor have been specifically authorized by law.

(b) Congress shall authorize the personnel strength of the Selected Reserve of each reserve component of the armed forces. No funds may be appropriated for any fiscal year for the pay and allowances of members of any reserve component of the armed forces unless the personnel strength of the Selected Reserve of that reserve component for that fiscal year has been authorized by law.

(c)(1) Congress shall authorize the end strength as of the end of each fiscal year for active-duty personnel for each component of the armed forces. No funds may be appropriated for any fiscal year to or for the use of the active-duty personnel of any component of the armed forces unless the end strength for active-duty personnel of that component for that fiscal year has been authorized by law.

(2) Congress shall authorize the end strength as of the end of each fiscal year for civilian personnel for each component of the Department of Defense. No funds may be appropriated for any fiscal year to or for the use of the civilian personnel of any component of the Department of Defense unless the end strength for civilian personnel of that component for that fiscal year has been authorized by law.

(3) The Secretary of Defense shall submit to Congress a written report, not later than February 15 of each fiscal year, recommending the annual active duty end strength level for each component of the armed forces for the next fiscal year and the annual civilian personnel end strength level for each component of the Department of Defense for the next fiscal year, and shall include in that report justification for the strength levels recommended and an explanation of the relationship between the personnel strength levels recommended for that fiscal year and the national security policies of the United States in effect at the time. The justification and explanation shall specify in detail for all military forces, including each land force division, carrier and other major combatant vessel, air wing, and other comparable unit, the—

(A) unit mission and capability;

(B) strategy which the unit supports; and

(C) area of deployment and illustrative areas of potential deployment, including a description of any United States commitment to defend such areas.

THE BILL AS REPORTED

SEC. 709. (a) Effective December 31, 1976, section 138 of of title 10, United States Code, is amended to read as follows:

"§ 138. Secretary of Defense: Annual authorization of appropriations for military functions administered by the Department of Defense

"No funds may be appropriated for any fiscal year or obligated or expended, beginning with fiscal year 1978, for military functions, administered by the Department of Defense unless funds have been specifically authorized by law.".

(b) Notwithstanding the foregoing amendment, the requirements of subsection 138(a) of title 10, United States Code, shall remain in effect until September 30, 1977.

(c) The table of sections at the beginning of chapter 4 of title 10, United States Code, is amended by deleting the item for section 138 and substituting in lieu thereof the following:

"138. Secretary of Defense: Annual authorization of appropriations for military functions administered by the Department of Defense".

It shall also include a detailed discussion of (i) the manpower required for support and overhead functions within the armed forces and the Department of Defense, (ii) the relationship of the manpower required for support and overhead functions to the primary combat missions and support policies, and (iii) the manpower required to be stationed or assigned to duty in foreign countries and aboard vessels located outside the territorial limits of the United States, its territories, and possessions.

(d)(1) Congress shall authorize the average military training student loads for each component of the armed forces. Such authorization is not required for unit or crew training student loads, but is required for student loads for the following individual training categories—

(A) recruit and specialized training;

(B) flight training;

(C) professional training in military and civilian institutions; and

(D) officer acquisition training.

No funds may be appropriated for any fiscal year for training military personnel in the training categories described in clauses (A)–(D) of any component of the armed forces unless the average student load of that component for that fiscal year has been authorized by law.

(2) The Secretary of Defense shall submit to Congress a written report, not later than March 1 of each fiscal year, recommending the average student load for each category of training for each component of the armed forces for the next three fiscal years, and shall include in that report

justification for, and explanation of, the average student loads recommended.

(e) For purposes of subsection (a)(6) of this section, the term "military construction" includes any construction, development, conversion, or extension of any kind which is carried out with respect to any military facility or installation (including any Government-owned or Government-leased industrial facility used for the production of defense articles and any facility to which section 2353 of this title applies) but excludes any activity to which section 2673 or 2674, or chapter 133, of this title apply, or to which section 406(a) of Public Law 85–241 (71 Stat. 556) applies.

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§ 2251. Congressional declaration of policy.

It is the sense of the Congress that the defense of the United States, in this thermonuclear age, can best be accomplished by enacting into law the measures set forth in this act [sections 2251 to 2284, 2286 and 2291 to 2297 of this Appendix]. It is the policy and intent of Congress to provide a system of civil defense for the protection of life and property in the United States from attack. It is further declared to be the policy and intent of the Congress that the responsibility for civil defense shall be vested jointly in the Federal Government and the several States and their political subdivisions. The Federal Government shall provide necessary direction, coordination, and guidance; shall be responsible for the operation of the Federal

SEC. 710. (a) Section 2 of the Federal Civil Defense Act of 1950 (50 U.S.C., App. 2251 et seq.) is further amended by adding at the end thereof the following sentence: "Without in any way modifying the provisions of this Act which require that assistance provided under this Act be furnished basically for civil defense purposes, as herein defined, it is the intent of Congress that the needs of the States and their political subdivisions in preparing for other than enemy-caused disasters be taken into account in providing the Federal assistance herein authorized".

EXISTING LAW

Civil Defense Administration as set forth in this Act [sections 2251 to 2284, 2286 and 2291 to 2297 of this Appendix]; and shall provide necessary assistance as herein authorized. (Jan. 12, 1951, ch. 1228, § 2, 64 Stat. 1246; Aug. 8, 1958, Pub. L. 85–606, § 2, 72 Stat. 532.)

* * * * *

§ 2260. Appropriations and transfers of funds.

There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act [sections 2251 to 2284, 2286 and 2291 to 2297 of this Appendix]. Funds made available for the purposes of this Act [said sections] may be allocated or transferred for any of the purposes of this Act [said sections], with the approval of the Bureau of the Budget, to any agency or Government corporation designated to assist in carrying out this Act [said sections]: *Provided*, That each such allocation or transfer shall be reported in full detail to the Congress within thirty days after such allocation or transfer: *Provided further*, That appropriations for the payment of travel and per diem expenses for students under section 101(e) [section 2281(e) of this Appendix] shall not exceed $300,000 per annum; appropriations for expenditures under the fourth proviso of section 201(h) [section 2281(h) of this Appendix] (donation of radiological instruments, et cetera) shall not exceed $35,000,000 per annum; appropriations for contribution to the States for personal equipment for State and local workers, under section 201(i) [section 2281(i) of this Appendix] shall not exceed $2,000,000 per annum; appropriations for contributions to the States for personnel and administrative expenses under section 205 [section 2286 of this Appendix] shall not exceed $25,000,000 per annum. (Jan. 12, 1951, ch. 1228, title IV, § 408, 64 Stat. 1257; Aug. 8, 1958, Pub. L. 85–606, § 6, 72 Stat. 534.)

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§ 2281. Functions of Administration.

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(e) Training programs; establishment of a college and technical training schools.

Conduct or arrange, by contract or otherwise, for training programs for the instruction of civil defense officials and other persons in the organization, operation, and techniques of civil defense; conduct or operate schools or classes, including the payment of travel expenses, in accordance with subchapter I of chapter 57 of Title 5 and the Standardized Government Travel Regulations, and per diem allowances, in lieu of subsistence for trainees in attendance or the furnishing of subsistence and quarters for trainees and instructors on terms prescribed by the Administrator; and provide instructors and training aids as deemed necessary: *Provided*, That the terms prescribed by the Administrator for the payment of travel expenses and per diem allowances authorized by this subsection shall include a provision that such payment shall not exceed one-half of the total cost of such expenses: *Provided further*, That the authority to pay travel and per diem expenses of

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THE BILL AS REPORTED

(b) Section 408 of the Federal Civil Defense Act, as amended (50 U.S.C., App. 2260) is amended by striking the period at the end of the first sentence and inserting the following: ", and, for programs of the Defense Civil Preparedness Agency such amounts as may be specified for each fiscal year in an Act as required by section 138 of title 10, United States Code, which provides annual authorizations of appropriations for the Armed Forces, or an equivalent Act.".

(c) The second proviso of subsection 201(e) of the Federal Civil Defense Act, as amended (50 U.S.C. 2281 (e)) is deleted.

EXISTING LAW

students as authorized by this subsection shall terminate on June 30, 1976: *Provided further*, That not more than one national civil defense college and three civil defense technical training schools shall be established under the authority of this subsection: *Provided further*, That the Administrator is authorized to lease real property required for the purpose of carrying out the provisions of this subsection, but shall not acquire fee title to property unless specifically authorized by Act of Congress.

* * * * *

(h) Acquisition of necessary defense materials and facilities.

Procure by condemnation or otherwise, construct, lease, transport, store, maintain, renovate or distribute materials and facilities for civil defense, with the right to take immediate possession thereof: *Provided*, That facilities acquired by purchase, donation, or other means of transfer may be occupied, used, and improved for the purposes of this Act [sections 2251 to 2284, 2286 and 2291 to 2297 of this Appendix], prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended [section 255 of Title 40]: *Provided further*, That the Administrator shall report not less often than quarterly to the Congress all property acquisitions made pursuant to this subsection: *Provided further*, That the Administrator is authorized to lease real property required for the purpose of carrying out the provisions of this subsection, but shall not acquire fee title to property unless specifically authorized by Act of Congress: *Provided further*, That until June 30, 1976, the Administrator is authorized to procure and maintain under this section radiological instruments and detection devices, protective masks, and gas detection kits, and distribute the same by loan or grant to the States for civil defense purposes, under such terms and conditions as the Administrator shall prescribe.

§ 2286. Financial contributions to States for personnel and administrative expenses

To further assist in carrying out the purposes of this Act [sections 2251–2297 of this Appendix], the Administrator is authorized to make financial contributions to the States (including interstate civil defense authorities established pursuant to section 201(g) of this Act [section 2281(g) of this Appendix]) for necessary and essential State and local civil defense personnel and administrative expenses, on the basis of approved plans (which shall be consistent with the national plan for civil defense approved by the Administrator) for the civil defense of the States: *Provided*, That the financial contributions to the States for the purposes of this section shall not exceed one-half of the total cost of such necessary and essential State and local civil defense personnel and administrative expenses.
* * *

* * * * *

(h) The provisions of this section terminate on June 30, 1976. Jan. 12, 1951, c. 1228, Title II, § 205, as added Aug. 8, 1958, Pub.L. 85–606, § 4, 72 Stat. 533, and amended June

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(d) The words "that until June 30, 1976" in the fourth proviso of subsection 201(h) of the Federal Civil Defense Act, as amended (50 U.S.C. 2281(h)) are deleted.

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(e) Subsection 205(h) of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. 2286(h)), is deleted.

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SEC. 711. It is the sense of the Congress that the Secretary of the Navy shall not take any action with respect to closing, disestablishing, or terminating any Naval Reserve Training Center or Facility which was in active use on March 1, 1976 until the authorization and appropriation legislation establishing the average strength of the Selected Reserve in the Naval Reserve in fiscal year 1977 has been enacted into law.

This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1977".

EXISTING LAW

* * *

30, 1964, Pub.L. 88–335, 78 Stat. 231; June 10, 1968, Pub.L. 90–336, 82 Stat. 175; Aug. 2, 1972, Pub.L. 92–360, § 1(1), 86 Stat. 503.

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APPENDIX

STAFF STUDY OF STRATEGIC LAND-BASED MISSILE SYSTEMS [1]

This year the R.D.T. & E. authorization contains many elements that deal with the strategic offensive force balance, and land-based missiles in particular. These programs and their relation to real and perceived Soviet programs have been the subject of countless discussion and writings, which, after careful consideration, offer the objective reader no answers to such questions as:

How much is enough?

Are we generating a first-strike capability?

Is this destabilizing?

Strong feelings associated with the concept of a nuclear encounter, and security classifications make an objective study of strategic force levels difficult. To deal with the problem, it is first necessary to separate emotions and policy from the facts. In this way it can be determined if the strategic force levels, as they exist, support the desired national policy.

The purpose of this unclassified discussion is to focus attention on the *facts* concerning that portion of the strategic Triad which is composed of the land based missile force. Areas where considerations of security cause difficulties will be highlighted.

When considering defense R. & D. related to a particular weapon system, it is critical to ask the following questions.

1. What do we currently possess?
2. How are they being employed?
3. What is the future threat?
4. What are the programs designed to meet this future threat?

Discussions about strategic weapons often degenerate into counterproductive arguments about overkill and the like because of a failure to address all of the above four questions, particularly the second question. There is a simple analogy often cited to illustrate this point. The Army possesses a certain number of guns and a certain number of bullets for those guns. It's easy to conclude that the sum of these weapons is greater than the sum of the people against whom these weapons are to be used. The conclusion, therefore, is that the Army has overkill and needs no more guns or ammunition.

Ridiculous? Of course. What has been neglected is question 2 above—How are they employed? If the enemy is cooperative enough to line up when approached, then surely the Army possesses an excess of guns and bullets. Applying this analogy to the nuclear weapons debate, if the enemy were cooperative enough to congregate in a few discrete locations, then just a few such nuclear weapons would be all that is necessary to satisfy our needs.

[1] This report was prepared for the committee by Dr. Harold Rosenbaum, a Congressional Science Fellow.

It should be obvious as to where this is leading. In order to understand how many weapons are needed, it is imperative to understand how they are planned to be used.

Return now to the particulars related to strategic offensive weapons. First, it should be clear that the primary mission of all the strategic forces is to *deter* nuclear war at all levels. If forced to employ nuclear weapons, then the mission is to contain the encounter to the lowest possible level. Understanding this, address now the four questions mentioned earlier.

Question one is quite easy. Currently the land base inventory consists of 550 Minuteman III's and 450 Minuteman II's. The Minuteman III's are the MIRV'd system with each missile carrying three Mark 12 re-entry vehicles. The 450 Minuteman II's carry the much heavier slower, and less accurate Mark 11 re-entry vehicle (this is not a MIRV'd system). In addition, there are some 54 Titan missiles for a total of 1,054 missiles yielding 2,154 re-entry vehicles (or bombs) when the MIRV'd Minuteman III's are counted.

The next question, i.e., "How are they employed?" is the most difficult to answer; security considerations present a formidable obstacle. The Joint Strategic Target Planning Staff (JSTPS) located at Headquarters Strategic Air Command (SAC), has the responsibility of formulating the plan to operationally utilize all the strategic weapons, including ICBM's, bombers, and SLBM's (sea launched ballistic missiles) in a series of coordinated attack options according to "executive direction". This plan is called the SIOP (Single Integrated Operational Plan) and relies in a complex manner upon intelligence data concerning Soviet targets, weapons system reliability and effectiveness, ability to deliver the weapons, effects of simultaneous attack, etc., etc.

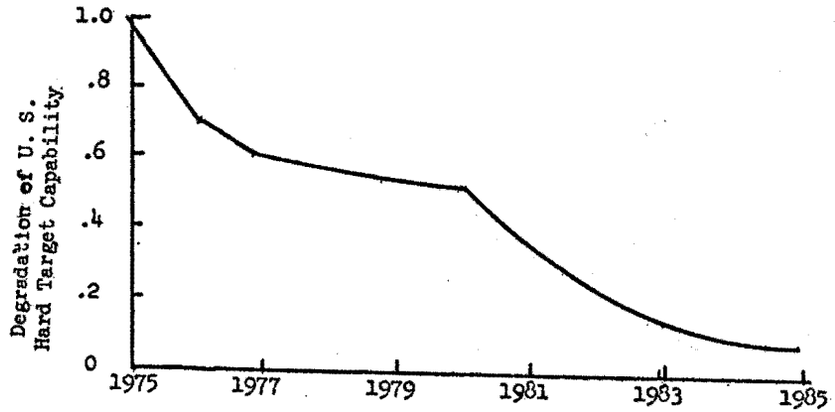
The only rational way to answer questions such as, "How much is enough?" is to examine the "executive direction" and then look at the target coverage as provided by the SIOP.

Clearly this is beyond the scope of any unclassified dialogue, but what can be meaningfully addressed here are the issues concerning the land based ICBM's and DoD's proposed improvements as evidenced by the R&D budget request, especially in the areas of improved accuracy. The "direction" is apparent from the Defense Secretary's 1977 posture statement, which states:

> This degree of flexibility, which is strengthening and broadening deterrence, necessarily includes the option and the capability to *strike accurately at military targets, including some hardened sites*. But it does not permit, and our programs do not aim to acquire, a disarming first-strike capability against the USSR. Such an objective is not even attainable at present because the Soviets themselves maintain a Triad of offensive forces—along with massive active strategic defenses—that preclude a successful simultaneous attack on all three forces.

The ability to perform this mission today is marginal; not because of the lack of sufficient missiles, but because of constraints in the way they are to be employed. This country will not launch a disarming first-strike. This means a strike against the land based missile forces

must be absorbed before these forces can be utilized. And the Soviet Union is well aware of this fact. "Executive direction" requires retention of a reserve force. For these reasons and other more complicated factors concerning fraticide, pin down, etc., only a marginal capability exists today to carry out this "direction" in spite of the number of available missiles. More important, in view of current Soviet activity, that is in view of the perceived Soviet threat (Question 3), capability over the next ten years to accomplish this mission degrades to substantially zero.[1] This is illustrated in the figure below where hard target capability is plotted as a function of time, normalized with respect to today's "marginal" capability.



This is perceived and rightfully so by DoD as a major deficiency in their ability to carry out "executive orders." All of the major programs aimed at removing this deficiency concern, in one way or another, accuracy improvements to the land based system. They address fixed base ICBM's, maneuvering missiles, and mobile or alternate based missiles. Again they are aimed at providing the capability to strike hardened targets and are not meant to imply first-strike nor can they be perceived to imply first-strike. First-strike implies the ability to disarm and no Soviet planner can believe that even an accurate U.S. land based system will threaten simultaneously all three elements of the Soviet Triad. The U.S. force improvements are clearly meant as a *deterrence* to any Soviet attempt at "nuclear blackmail."

The facts concerning effects of accuracy improvement and its implications for survivability are simple to understand by reference to some standard equations and simple examples. Consider the standard equation for kill probability.

$$SSPK = 1 - \exp\left(\beta Y^{2/3}/CEP^2\right)$$

Where $SSPK$ = Single Shot Kill Probability
CEP = Circular Error Probable (i.e. accuracy)
Y = Warhead Yield in megatons
β = Constant factor

[1] It is currently estimated that half of the "targets" in the Soviet Union are "hard": ⅛ of the hard targets are non-silo targets.

Hence, a missile's effectiveness, E, is given by the combination of

$$E \sim Y^{2/3}/CEP^2$$

For example, a *one megaton (Y=1.0) weapon with a CEP of 0.2 nautical miles* is no more effective than a *200 kiloton (Y=0.2) weapon with a CEP of 0.117 nautical miles.* The concern centers around the following: the U.S. land based ICBM System, when compared to the Soviet system, is a lower weight (lower megatonnage) more accurate system. Today the Minuteman III system out-performs, in terms of kill probability, its Soviet counterpart.

This is, however, a somewhat over-simplified view. There is one other important weapon utilization or targeting option which needs to be understood, especially considering the fact that both the U.S. and the Soviets possess MIRV'd vehicles in a Triad force structure; namely, the use of multiple weapons on one target. Again the best way to understand this is by referring to the standard equation for cumulative kill probability.

$$Pk = 1 - (1 - SSPK)^n$$

Pk = Cumulative kill probability
n = Number of missiles on target

Consider the same example given above where an identical effect, that is, damage, was seen to occur by targeting a one megaton weapon (Y=1.0) with an accuracy of 0.2 nautical miles (CEP=0.2) or targeting a 200 kiloton weapon (Y=0.2) with an accuracy of 0.117 nautical miles (CEP=0.117). If employed against a target hardened to withstand over-pressures of 2,000 PSI, either of these weapons would achieve a single shot kill probability of SSPK=0.55. Now if targeting doctrine (the SIOP) requires a kill probability of 0.9 (90%), this can be achieved in two ways. It is possible to target three of the large one megaton weapons with their associated CEP=0.2 nautical miles or alternately, three of the smaller 200 kiloton weapons with their increased accuracy of CEP=0.117 or finally, if the accuracy is improved still further, only one small weapon of 200 kiloton yield is required with an accuracy of 0.065 nautical miles. (Note that in this, and all other examples, missile reliability of 100% is assumed. The kill probability of a single weapon can never exceed that weapon's reliability.)

It is worth reviewing the tremendous gains for improved accuracy illustrated by this example. Again, if the requirements are to damage with a 90% kill probability a target which is hardened to withstand a 2,000 PSI over-pressure, then the following options are open.

Weapons accuracy limited to CEP=0.2 nautical miles.

Requires three weapons with yield of 1.0 megatons each.

Improved accuracy to CEP=0.117 nautical miles.

Requires three weapons with yield of 0.2 megatons each.

Further improved accuracy to CEP=0.065 nautical miles.

Requires one weapon with a yield of 0.2 megatons.

This simple example illustrates two decided advantages resulting from increased accuracy. First, total required megatonnage-on-target is reduced from three megatons to 0.2 megatons in the cited example.

Second, the number of required weapons is reduced from three heavy weapons to one small weapon. The reduction in megatonnage-on-target results in less "collateral damage". That is, the damage caused by the attack can be limited to the vicinity of the target attacked. *The reduction in required weapons increases the survivability of the offensive weapons systems. This is a very crucial point, especially in light of current Soviet programs. The effect of increasing weapons systems accuracy is to decrease the effectiveness of any Soviet first-strike attempt and hopefully deter any pre-emptory first strike (with increased accuracy, only one smaller vehicle has to survive to accomplish the same objectives, i.e., to be as effective as three larger vehicles).*

This is the manner in which the requirements for the Minuteman III system were generated and the Minuteman III system currently is a superior land based ICBM system compared to its Soviet counterparts. However, the Soviets have shown us an extraordinarily active improvement program, the details of which need not be repeated here. Suffice it to say, no one can really expect that Soviet technology will not permit them to deploy re-entry systems comparable to the current U.S. Mark 12 atop their enormously large boosters. This will provide the Soviets with a growing hard target kill capability and places the existing fixed base Minuteman force in increasing jeopardy.

This does not imply the Soviets will have a disarming first-strike capability. There is no technology, either U.S. or Soviet, which leads the way toward an offensive system capable of removing simultaneously all three legs of either country's Triad. It does imply, however, two things. First, the land based force system which represents the only time-urgent hard target [2] kill capability is increasingly vulnerable. And second, as a result of this, response to a land based disarming Soviet strike is limited to all-out nuclear war from which neither side can emerge. That is, we lose the option to respond in kind. We are unable to achieve our mission. We do not have enough land based missiles to meet the 1985 threat. (*What we really lose is the deterrence that having this option implies.*)

This point is worth exploring further, especially in light of recent events. No one will deny that the Soviets are currently engaged in a massive buildup of strategic offensive weapons. The really frightening aspect about this buildup is our lack of understanding of its underlying causes. Five years ago it could be explained that a frightened U.S.S.R. was building a force to deter a stronger U.S. strategic force. The relative strength curves of long range strategic forces are either crossing now or will certainly cross within the next 2–5 years. The question is why—what are the Soviets going to do with the large advantage in throw weight and effectiveness they are soon to enjoy. How do other factors such as an extraordinarily extensive bomber defense and civil defense effect the strategic balance? How does the increasing Soviet food shortage and the world energy crisis effect the strategic balance? Every "expert" has a speculation: the more objective admit that they

[2] A time urgent capability implies a fast strike capability as would be the case with an ICBM strike (15–30 minutes) as opposed to a non-time urgent capability as would be the case with a bomber strike (many hours). A time urgent weapon is required in order to be effective against a target such as a silo which can launch its missiles in minutes, or to enforce a political situation.

really don't know why the buildup is taking place and how the puzzle pieces fit together. And this is the most frightening aspect.

If you live on the same block with a "bully" who has a "big stick", you want *as a minimum* to *deter* that bully from using his big stick on "you and yours." You want that "bully" to know that if he hits you on the arm and breaks your arm with his stick—you'll break his arm. And if he hits you on the foot and breaks your foot—you'll break his foot. Furthermore, if he threatens the oil man who delivers your fuel, you want to be able to protect the oil man and insure your fuel delivery. That's what deterrence and flexible response are all about and that is what this country is rapidly losing. Sure, you can always tell the bully who "steps on your toe" that you are going to "kill him dead", knowing full well that he will "kill you dead" also. But is he going to believe that you will risk assured destruction for a broken toe? And will he believe that you'll risk assured destruction for your "oil delivery"?

The Soviet Union is rapidly building to the point where the following scenario has increasing credibility. By 1985, the Soviets will have the ability to destroy by first-strike, if they so choose, over 90% of our hard target kill capability. No less an expert than the authors of the Brookings Institute bomber study contend that by employment of the technologically simple option of depressed trajectories from their SLBM's the Soviets will be capable of destroying a large percentage of our bomber force while still on the ground.[3] Combined with their extensive anti-aircraft and civil defense system, the Soviets could conceive of a first-attack which renders two legs of the U.S. Triad impotent. Admittedly, this assumes the U.S. will not "launch on warning", however, the important element here is what the Soviets *perceive* the U.S. will do.

Fortunately there is no way the Soviets can destroy the U.S. SLBM force. However, by 1985 the Soviets will have a "megatonnage advantage gap of 10 to 1." The U.S. SLBM force contains only 10–20 percent of the U.S. total megatonnage. Hence, after a first-strike disabling two legs of the Triad, the Soviets could possess 50–100 times the destructive power of the remaining U.S. strategic forces. Is this an adequate deterrence? Do the Soviets think we would employ this threat against such overwhelming odds?

The situation becomes even more frightening when consideration is given to an even lesser encounter. The "bully on the block" can get very hungry. He spends little time in his garden and needs to supplement his food supply. He might in the future need to supplement his fuel supply. Who is going to stop him? Who is he going to fear?

The situation faced by this country could be serious. Not so much because of any conviction of an imminent Soviet strike, but simply because of unexplained, but extraordinary, buildups by the Soviets in strategic power and because history suggests that the Soviets might fit the role of a "bully".

The U.S. is currently planning a series of R&D programs—*not deployment, but R&D*—to *deter* the Soviets from even considering the frightening possibilities just mentioned. Most of these programs are

[3] The DoD counters this by arguing that an increased readiness posture of the bomber force and location of this force in the central U.S. could increase their survivability.

designed to increase the *survivability* and *penetration ability* of the land based ICBM force—the hard target kill force. For the most part they concern improvements in ICBM accuracy, since some portion of the land based force will survive, the more accurate these surviving vehicles are, the more effective they are in achieving their mission, and providing *deterrence*. The Mark 12–A improvement program (and all of the Navy accuracy programs) fall into this category. The aim is to increase the effectiveness of the surviving missile force and provide for a flexible response option as an alternative to all-out nuclear war.

The MX program is designed to accomplish two goals. One, of course, is survivability. Both increased accuracy and mobile or alternate basing provide for a more survivable hard target kill capability. In addition, there is real evidence that the Soviets are hardening systems other than missile silos. The hard target list used by JSTPS might include dams, command and control, and even some industrial targets. (By separating industrial plants from other centers, the Soviets have effectively hardened them. It is also being found that machine tools are harder in a nuclear sense than previously thought.) Half of the targets in the Soviet Union are hardened and of the hardened targets, about 30% are other than missile silos. U.S. projected hard target kill capabilities for the 1980's is very poor, (as shown in the chart) and the larger throw-weight of the MX Misssile System is designed to overcome this operational deficiency.

There is one more class of re-entry vehicle improvement under study which deserves attention: the Maneuvering Re-entry Vehicle. Such a re-entry vehicle is designed to depart in a prescribed manner from its ballistic trajectory in order to accomplish two separate jobs. First, during an attack, the defender observing (by national means) the launch and subsequent re-entry vehicle separation can predict the ballistic trajectory and target point of the incoming vehicle. If the defender had a capable ABM system, he could launch his ABM interceptor and destroy the incoming warhead. Currently, of course, ABM systems have been severely limited by the SALT ABM Treaty. However, a technologically possible up-grading of the Soviet air defense system could provide ICBM intercept capability.

The Mark 500 MARV Evader System has been built as a hedge or *deterrence* against this possibility. The Mark 500 maneuvers at high altitude to avoid intercept and then falls ballistically to its target. It is the first such maneuvering vehicle extensively flight tested by either side and is designed for use on the Trident I, should the decision ever be made to deploy it. It remains an R&D item and will be "put on the shelf" to provide *deterrence* against an abrogation of the ABM Treaty.

The second type of maneuvering re-entry vehicle is the Terminal Homing Maneuverer. This vehicle by means of some type of homing system, would be maneuvered to reduce inaccuracy; i.e., would maneuver to drive the CEP as close to zero as possible. It would make a small low-weight warhead extremely effective as a hard target killer. It would provide flexible options as an alternative to all-out nuclear war, and markably increase the effectiveness of the surviving portion of the land based missile force. The technology for this type of maneuverer, however, is far in the future.

Currently, the MX Missile System is considering two types of reentry vehicles. One is an advanced ballistic vehicle similar to the Mark 12–A. The other is called an Advanced Maneuvering Vehicle. Like the Mark 500 Evader, its purpose is to maneuver to evade intercept, however, it is designed to do this without the attendant loss of accuracy the Mark 500 suffers from. In all cases of maneuvering vehicles, flight test experiments clearly indicate to any observer the type of maneuverer it may be and whether it is maneuvering for evasion or terminal homing.

Review for a moment some of the major points. Programs are being pursued to increase the survivability and penetration ability of U.S. offensive strategic missiles.

First-strike is beyond the current capability of any of the adversaries.

The projected time-urgent hard target kill capabilities of U.S. land based missile force is inadequate to meet stated needs.

Survivable force of accurate offensive weapons is necessary to provide a flexible option (or the perception of a flexible option which forms a *deterrence*) as an alternative to all-out war.

Two additional points are worthy of note here. First, we are entering the age of probable nuclear proliferation. It is to the U.S. advantage to have limited use weapons to deter any third country action. This is another important flexible response option that an accurate, effective offensive missile system provides. Second and perhaps more important, concerns what is rightfully termed R&D *deterrence*. This argument covers a broad range of technologies including food and agriculture, computers, aviation, space exploration, weapons, etc. There is probably no place in the world where it is not firmly believed that the U.S. can accomplish better, faster, and cheaper than any other country, any technological task it sets its mind to. Even in the case of the supersonic transport (SST), it is widely felt that if this country wanted to build one, it could do a much better job than that which resulted in the Concorde.

It is our extraordinarily broad R&D base which accounts for this technological expertise. And it is this widely perceived technological expertise which provides an enormous *deterrent* to the Soviets who monitor U.S. progress and are aware of this broad base, particularly in the area of strategic systems. This is an important consideration in discussing programs like the Mark 500 Evader which extends the technology base, providing *deterrents* and not arms escalation.

The *facts* substantiate the need for additional improvements in U.S. strategic land based ICBM's, as mentioned above, in order to achieve the stated national objectives. That is, the country does not have the capability to achieve the hard target kill objective and to provide a credible, flexible response.

Return now to the question of first-strike or "perceived first-strike." There is no way in which either the Soviets or ourselves could have a totally disarming first-strike capability. There are Soviet developments which threaten the survivability of our land-base missile system.

In that this system is an important part of the Triad, and in that it still represents the only time-urgent target kill capability, there is every reason to proceed with the programs designed to improve its survivability and penetration capability. There is nothing destabilizing in this objective. In fact, a highly accurate survivable system for both sides is quite stabilizing; *just as long as we get there first.*

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