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APPROVED

SEP 22 1976

*Signed in Ceremony  
East Room - 12:15 p.m.  
Remarks issued  
9/22/76*

89/22/76

THE WHITE HOUSE

ACTION

WASHINGTON

LAST DAY: September 25

September 21, 1976

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON *Will Duern*

SUBJECT:

H.R. 14262 - Department of Defense  
Appropriation Act, 1977

*To Archives  
9/22/76*  
Attached for your consideration is H.R. 14262, sponsored  
by Representative Mahon.

The enrolled bill appropriates \$104,309,935,000 for 1977  
for the activities of the Department of Defense, exclusive  
of military assistance, military construction and civil  
defense; \$5,600,000 for Intelligence Community Oversight  
and \$28,300,000 for Central Intelligence Agency Retirement  
and Disability Fund.

A detailed breakdown of the amounts appropriated is provided  
in OMB's enrolled bill report at Tab A.

OMB, Defense, NSC, Max Friedersdorf, Counsel's Office (Kilberg)  
Bill Seidman and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 14262 at Tab B.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

SEP 21 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14262 -- Department of Defense  
Appropriation Act, 1977  
Sponsor -- Representative Mahon (D), Texas

Last Day for Action

September 25, 1976

Purpose

This bill appropriates the following amounts for 1977:

	<u>Budget Authority</u>
Activities of the Department of Defense exclusive of military assistance, military construction, and civil defense	\$104,309,935,000
Related Agencies	
Intelligence Community Oversight	5,600,000
Central Intelligence Agency Retirement and Disability Fund	<u>28,300,000</u>
Total	\$104,343,835,000

Agency Recommendations

Office of Management and Budget	Approve and issue statement.
Department of Defense	Approve and issue statement.

Discussion

Related Agencies. A separate appropriation for Intelligence Community Oversight was established "... as a symbol of the congressional intent that there be strong, central direction of the intelligence community."

Department of Defense. The request and enacted appropriations for the activities of the Department of Defense are compared in the following table.

Budget Authority (\$ thousands)		
	<u>Request</u>	<u>Enacted</u>
January Budget	\$106,666,472	\$103,845,967
April 1976 Amendment (Minuteman III missile)	+317,000	+317,000
April 1976 Amendment (Naval Petroleum Reserves)	-221,300	-221,300
May 1976 Amendment (Navy Shipbuilding)	+1,174,000	+350,000
August 1976 Amendment (Army Enlistment Bonuses)	<u>+39,300</u>	<u>+18,268</u>
Total	\$107,975,472	\$104,309,935

The congressional reductions to the 1977 amended request, by appropriation category, are shown in the following table:

Budget Authority (\$ thousands)			
	<u>Budget as Amended</u>	<u>Congressional Change</u>	<u>% Change</u>
Military personnel	25,537,207	-118,799	.5%
Retired military personnel	8,493,400	-111,700	1.3%
Operation and maintenance	32,285,400	-629,956	2.0%
Procurement	30,601,400	-2,185,100	7.1%
Research, development, test and evaluation	11,054,400	-619,982	5.6%
Special foreign currency	<u>3,665</u>	<u>---</u>	<u>0</u>
Budget Authority	107,975,472	-3,665,537	3.4%

This net congressional change consists of congressional additions of \$1,058 million and reductions of \$4,723 million. The following paragraphs identify the major congressional additions and reductions.

#### Congressional Additions

The appropriation categories for operating expenses, military personnel and operation and maintenance were increased by a total of \$254 million. The proposal to phase out the subsidy for labor costs in commissaries was not accepted and \$92 million was added by the Congress. Reserve programs were

increased by \$126 million. Most of this increase reflects previous congressional action in the Authorization Act which mandated an increase in Naval Reserve strength. The procurement category was increased by \$678 million. The major additions are:

- \$371 million for conversion of the U.S.S. Longbeach
- \$213 million for repair of the U.S.S. Belknap
- \$66 million for the procurement of six A-6E aircraft
- \$10 million for the procurement of three F-5F aircraft

Research, development, test and evaluation was increased by \$126 million. Some of the significant appropriation increases are:

- \$46 million for the Trident missile program
- \$19 million for the Army's advanced attack helicopter
- \$15 million for the Navy's F-14B aircraft program
- \$11 million for the U.S.S. Belknap

#### Congressional Reductions

Military personnel and operation and maintenance categories were reduced by a total of \$1,003 million. While numerous programs were reduced, 59% of the gross reductions are attributable to the following items:

- \$138 million for war reserve material
- \$126 million to cover future inflation in stock fund purchases
- \$79 million for supply levels
- \$65 million for strength levels of military personnel
- \$63 million for civilian personnel costs
- \$61 million for flying hours and aircrew readiness training
- \$56 million for permanent change of station moves of military personnel

Language was added requiring that not less than \$22 million in operation and maintenance, Navy was available only for the Ship Repair Facilities, Guam.

The Retired Military Personnel appropriation was reduced by \$112 million. This reduction reflects the proposal in the January budget to eliminate the 1% kicker for retired military personnel.

Procurement was reduced by \$2,863 million. Prior congressional action on the Authorization Act required reductions of \$2,122 million. Major reductions imposed by that bill were:

- \$1,549 million for shipbuilding and conversion programs
- \$858 million for Aegis destroyer
- \$521 million for four frigates
- \$170 million for long-lead items for a strike cruiser



\$137 million for full funding on the F-16 aircraft  
\$67 million for 6 rather than 12 US-3A aircraft

Reductions in procurement that are not related to changes in the Authorization Act are \$741 million. Some of the more significant reductions are:

\$216 million for general unspecified programs  
\$104 million for the 6 authorized US-3A aircraft  
\$103 million for a fleet oiler ship  
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\$51 million for the Stinger surface to air missile  
\$13 million for the Condor air to ground missile

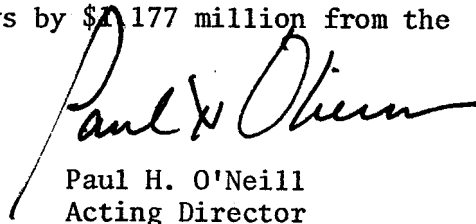
Funds for the B-1 bomber were not reduced. However, language has been added which delays the award of the full-scale production contract until February 1, 1977.

Research and development funds were reduced by \$746 million. Prior congressional action in the Authorization Bill required the reduction of \$658 million. Major reductions imposed by that bill were:

\$200 million for ship systems research  
\$63 million for ship launched cruise missile

Reductions not related to changes in the Authorization Act are \$88 million.

Legislation will reduce 1977 outlays by \$1177 million from the President's Budget, as amended.



Paul H. O'Neill  
Acting Director

Attachment

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

SEP 21 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14262 -- Department of Defense  
Appropriation Act, 1977  
Sponsor -- Representative Mahon (D), Texas

Last Day for Action

September 25, 1976

Purpose

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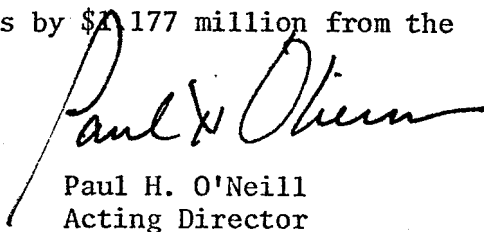
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Legislation will reduce 1977 outlays by \$1,177 million from the President's Budget, as amended.



Paul H. O'Neill  
Acting Director

Attachment

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
UPON SIGNING H.R. 14262  
THE DEFENSE APPROPRIATIONS ACT

THE ROSE GARDEN

12:47 P.M. EDT

Secretary Rumsfeld, distinguished Members of the House and Senate, members of the Joint Chiefs of Staff, leaders in military-oriented and veterans organizations, ladies and gentlemen:

I am about to sign into law the Defense Appropriations bill for fiscal year 1977. This legislation represents substantial progress toward meeting the essential national defense requirements that I recommended to the Congress in January. This bill helps to reverse a steady decline in the real resources devoted to national security, which had become a pattern.

After eight years of decline, we are providing for real growth in defense spending.

I believe this bill reflects a new awareness that this country can no longer shortchange our national defense efforts. I commend the Congress and its leadership for joining with the Administration in reversing this trend. I am convinced that this new pattern must and will be sustained in future years, and I am personally fully committed to it.

I will insure that America's military forces remain unsurpassed, as they are today, but while this bill represents real progress, there is more to be done.

First, I have directed a number of actions to achieve major economies in the operation of the Defense Department. Other economies which would have saved approximately \$16 billion over a five-year period required affirmative legislative action.

Unfortunately, the Congress has thus far failed to act on a majority of these issues.

MORE

Second, Congress has failed to authorize certain programs that are essential to our long-term defense policy. This is particularly true in the shipbuilding area.

Third, Congress has added funds for programs which I did not request in fiscal year 1977, funds which should be used instead for more important programs that Congress rejected. That is why on August 23 I found it necessary to resubmit authorization requests totaling \$2.4 billion to cover what I considered critical programs which were not approved by the Congress.

At the same time, I also asked for the deletion of programs totaling \$584 million in this fiscal year suggesting that these funds be applied against the programs that I had requested.

I am very pleased that the conferees in the House and Senate for the legislative appropriation bill have agreed to some of the steps that I have recommended.

This defense bill, however, represents overall very real progress, but there are other measures that I feel must be taken. The shipbuilding program is of critical importance to our future ability to control the seas in the event of conflict. The Sea Power Subcommittee of the House Committee on Armed Services has unanimously approved a \$1.1 billion program to begin work on the additional ships needed to strengthen our Navy. I urgently call on the Congress to approve this program before adjournment so that we can be assured our continued naval superiority during the next two decades.

I thank in particular those of you here today. I know and I deeply appreciate the efforts of all of you with respect to our national security. I share your dedication and I share with you the valuable contributions that you have made to the nation's freedom.

Thank you very much.

(The Defense Appropriations Act was signed.)

Again, thank you all very, very much. We are very grateful for your contributions and your support, and we will be continuing to sustain this effort, which is so important.

Thank you very much.

END

(AT 12:58 P.M. EDT)

12/9-22-76.

Carmony

Advance Copy

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

(No distribution,  
other than to  
J. Johnston -)

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14262 -- Department of Defense  
Appropriation Act, 1977  
Sponsor -- Representative Mahon (D), Texas

Last Day for Action

September 25, 1976

Purpose

This bill appropriates the following amounts for 1977:

	<u>Budget Authority</u>
Activities of the Department of Defense exclusive of military assistance, military construction, and civil defense	\$104,309,935,000
Related Agencies	
Intelligence Community Oversight	5,600,000
Central Intelligence Agency Retirement and Disability Fund	<u>28,300,000</u>
Total	\$104,343,835,000

Agency Recommendations

Office of Management and Budget

Approve and issue statement.

Department of Defense

Approve and issue statement.

Discussion

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4

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Attachment

## THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 21

Time: 600pm

FOR ACTION: NSC/S  
Max Friedersdorf  
Bobbie Kilberg  
Bill Seidman

cc (for information): Jack Marsh  
Jim Connor  
Ed Schmults

FROM THE STAFF SECRETARY

---

DUE: Date: September 21Time: asap

---

SUBJECT:

H.R. 14262 - Department of Defense Appropriation  
Act, 1976

## ACTION REQUESTED:

☐ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

## REMARKS:

please return to Judy Johnston, ground floor west wing

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PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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If you have any questions or if you anticipate a  
delay in submitting the required material, please  
telephone the Staff Secretary immediately.

---

K. R. COLE, JR.  
For the President



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MEMORANDUM FOR THE PRESIDENT

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\$63 million for ship launched cruise missile

Reductions not related to changes in the Authorization Act are \$88 million.

Legislation will reduce 1977 outlays by \$1,177 million from the President's Budget, as amended.

Paul M. O'Neill  
Acting Director

Attachment

## THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 21

Time: 600pm

FOR ACTION: NSC/S  
Max Friedersdorf *M.F.* cc (for information): Jack Marsh  
Bobbie Kilberg Jim Connor  
Bill Seidman Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 21

Time: asap

SUBJECT:

H.R. 14262 - Department of Defense Appropriation  
Act, 1976

## ACTION REQUESTED:

☐ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

## REMARKS:

please return to judy johnston, ground floor west wing

*Recommend Approval - muf*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon  
or the President

THE WHITE HOUSE


WASHINGTON

CEREMONY FOR SIGNING THE FY 1977 DEPARTMENT  
OF DEFENSE APPROPRIATIONS BILL

Wednesday, September 22, 1976

12:30 p.m. (20 minutes)

The East Room

From: Brent Scowcroft 

I. PURPOSE

To sign the FY 1977 Department of Defense Appropriations Bill.

II. BACKGROUND, PARTICIPANTS & PRESS ARRANGEMENTS

A. Background: The FY 1977 Defense Appropriations Bill provides a total of \$104.3 billion in new funds, and represents the largest such bill in our history. Your original request, including the supplementals submitted last spring, was \$107.9 billion. The shipbuilding request (\$1.17 billion) was not considered in this bill. The funding level compromises the original House and Senate bills, representing a \$1 billion reduction from the former and a \$330 million increase over the latter. This bill represents an increase of \$11.6 billion over last year's appropriation. Primary differences between this bill and your original and supplemental budget submissions include:

- Retention of the Senate provision prohibiting any use of B-1 production funds until February 1, 1977. Funds are provided for interim contract obligations and production line maintenance, not to exceed \$87 million per month.
- Inaction on the major supplemental shipbuilding requests which you submitted in August, and inclusion of one major shipbuilding program which we did not request, i. e., refitting of the nuclear cruiser Long Beach with the AEGIS fleet air defense missile system.
- Rejection of that portion of your defense management efficiency program that related to phasing out of military commissary subsidies over a six-year period.

- Rejection of the efficiency plan to consolidate military helicopter training programs.

While these last two issues represent relatively small budget increments, they did cause significant debate both in the conference committee and on the floors of the two houses, and they bear directly on your broad program for improving the overall efficiency of the Defense Department. Of greater importance is the shipbuilding issue, and this is addressed in your proposed statement.

- B. Participants: (List at Tab B)
- C. Press Arrangements: The signing ceremony will be announced and the press will be admitted.

### III. TALKING POINTS

- A statement is provided for your use at Tab A.

SIGNING CEREMONY FOR THE DEFENSE  
APPROPRIATIONS BILL

It is with considerable pleasure that I have signed into law the Defense Appropriations Bill for 1977. This legislation represents substantial progress towards meeting the essential Defense requirements I recommended to the Congress. This bill firmly establishes a new trend, reversing the steady decline in real resources devoted to national security. For the second year in a row -- after eight years of decline -- we are providing for real growth in defense spending. It marks a return to a balanced Defense program and an adequate Defense posture. I believe this bill reflects a new awareness that this country can no longer short-change our national defense. I am convinced that this new pattern must and will be sustained in future years, and I am fully committed to support it.

I intend to ensure that America's military forces remain unsurpassed, as they are today.

But while this bill represents real progress, there is more to be done.

First, I have directed a number of actions to achieve major economies in the operation of the Defense Department. Other economies which would have saved \$16 billion over five years required legislative action. Unfortunately, the Congress has

failed to act on the vast majority of these measures. This failure to act has deprived us of a potential saving of well over \$10 billion over the next five years. Second, Congress has failed to authorize certain programs that are essential to our long-term defense policy. This is particularly true in the shipbuilding area. Third, Congress has added funds for programs which I did not request in Fiscal Year 1977 -- funds which should be used instead for more important programs the Congress rejected.

That is why on August 23, I found it necessary to re-submit authorization requests totalling \$2.4 billion to cover critical programs which were not approved by the Congress. At that time I also asked for deletion of programs totalling \$600 million, suggesting that those funds be applied against the programs I requested. And I called for Congressional action on my economy measures.

I am pleased that the House/Senate Conferees on the Legislative appropriations Bill have agreed to some of the steps I have recommended.

This is progress.

But there are still other requests which would permit the Department of Defense to save over \$1 billion a year by 1979.

Of special importance is the shipbuilding program which our military leaders and I believe is of critical importance to our future

ability to control the seas in times of conflict. The Seapower Subcommittee of the House Armed Services Committee has unanimously approved a \$1.1 billion request to begin work on the initial ships needed to rebuild our Navy. I call on the Congress to approve this program before they adjourn so that we can assure our naval superiority during the next two decades.

I want to thank in particular those of you here today; I know you have a deep commitment to our national security. I share your dedication, and value your contributions to our freedom.

September 22, 1976

## Office of the White House Press Secretary

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THE WHITE HOUSE

## FACT SHEET

## DEFENSE APPROPRIATIONS BILL, 1977

The President today signed the Department of Defense Appropriation Act of 1977. This bill provides \$104.3 billion for military functions of the Department of Defense, compared to an amended Administration request of \$108 billion.

The following table shows the President's amended budget request and the amounts appropriated by Congress:

	<u>Budget Authority (\$ In Billions)</u>		
	<u>Amended Request</u>	<u>Congressional Change</u>	<u>Approved Level</u>
Military personnel	25.5	-.1	25.4
Military retired pay	8.5	-.1	8.4
Operations and maintenance	32.3	-.7	31.6
Procurement	30.6	-2.2	28.4
RDT&E	<u>11.1</u>	<u>-.6</u>	<u>10.5</u>
Total	108.0	-3.7	104.3

The net Congressional reduction of \$3.7 billion from the President's budget consists of cuts totalling \$4.7 billion, partially offset by Congressional additions of \$1 billion.

# # # #

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1977

SEPTEMBER 3, 1976.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H.R. 14262]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14262) making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, 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 Senate recede from its amendments numbered 10, 13, 17, 28, 31, 32, 33, 37, 57, 71, 74, 75, 106, 109, 110, and 113.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, 7, 8, 9, 14, 15, 23, 29, 30, 38, 41, 47, 48, 49, 50, 51, 52, 53, 54, 56, 58, 62, 72, 77, 78, 79, 80, 81, 82, 84, 85, 86, 87, 88, 89, 90, 92, 93, 94, 95, 96, 97, 98, 99, 101, 102, and 103, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$8,564,011,000; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$6,002,268,000; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,854,334,000; and the Senate agree to the same.

## Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$7,136,706,000; and the Senate agree to the same.

## Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$7,898,285,000; and the Senate agree to the same.

## Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$9,565,164,000; and the Senate agree to the same.

## Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$897,130,000; and the Senate agree to the same.

## Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$242,800,000; and the Senate agree to the same.

## Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$839,800,000; and the Senate agree to the same.

## Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$622,270,000; and the Senate agree to the same.

## Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,718,900,000; and the Senate agree to the same.

## Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$356,100,000; and the Senate agree to the same.

## Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

*MARINE CORPS STOCK FUND*

*For the Marine Corps stock fund, \$6,200,000.*

And the Senate agree to the same.

## Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$58,800,000; and the Senate agree to the same.

## Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

*DEFENSE STOCK FUND*

*For the Defense Agencies stock fund, \$22,800,000.*

And the Senate agree to the same.

## Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$541,900,000; and the Senate agree to the same.

## Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$497,400,000; and the Senate agree to the same.

## Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$902,900,000; and the Senate agree to the same.

## Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,366,600,000; and the Senate agree to the same.

## Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,173,400,000; and the Senate agree to the same.

## Amendment numbered 61:

That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

*Until February 1, 1977, the obligation of funds appropriated in this Act for the procurement of the B-1 bomber shall be limited to a cumulative rate of not to exceed \$87,000,000 per month.*

And the Senate agree to the same.

## Amendment numbered 65:

That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,309,700,000; and the Senate agree to the same.

## Amendment numbered 66:

That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$250,100,000; and the Senate agree to the same.

## Amendment numbered 67:

That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,280,816,000; and the Senate agree to the same.

## Amendment numbered 68:

That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$3,722,792,000; and the Senate agree to the same.

## Amendment numbered 69:

That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$3,749,530,000; and the Senate agree to the same.

## Amendment numbered 83:

That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$5,000,000; and the Senate agree to the same.

## Amendment numbered 104:

That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

*, but not to exceed 60 percent of total authorized scholarships*

And the Senate agree to the same.

## Amendment numbered 105:

That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

*SEC. 745a. None of the funds appropriated in this Act shall be available for the operation and support of more than four Naval districts as established by sections 5221 and 5222, title 10, United States Code, after June 30, 1977.*

And the Senate agree to the same.

## Amendment numbered 108:

That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

*SEC. 748. None of the funds appropriated by this Act may be used to support more than 300 enlisted aides for officers in the United States Armed Forces.*

And the Senate agree to the same.

Amendment numbered 111:

That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

*Sec. 749. No appropriation contained in this Act may be used to pay for the cost of public affairs activities of the Department of Defense in excess of \$24,000,000.*

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 19, 20, 21, 22, 42, 43, 46, 59, 60, 63, 64, 70, 73, 76, 91, 100, 107, 112, and 114.

GEORGE MAHON,  
ROBERT L. F. SIKES,  
DANIEL J. FLOOD,  
JOSEPH P. ADDABBO,  
JOHN J. McFALL,  
JOHN J. FLYNT, JR.  
ROBERT N. GIAIMO,  
BILL CHAPPELL,  
BILL D. BURLISON,  
JACK EDWARDS,  
J. K. ROBINSON,  
JACK KEMP,  
E. A. CEDERBERG,

*Managers on the Part of the House.*

JOHN L. McCLELLAN,  
JOHN C. STENNIS,  
JOHN O. PASTORE,  
WARREN G. MAGNUSON,  
GALE W. MCGEE,  
WILLIAM PROXMIRE,  
JOSEPH M. MONTOKA,  
DANIEL K. INOUYE,  
LAWTON CHILES,  
STUART SYMINGTON,  
HENRY M. JACKSON,  
MILTON R. YOUNG,  
ROMAN L. HRUSKA,  
CLIFFORD P. CASE,  
HIRAM L. FONG,  
TED STEVENS,  
RICHARD S. SCHWEIKER,  
STROM THURMOND,

*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 amendments of the Senate to the bill (H.R. 14262), making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, 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:

### TITLE I—MILITARY PERSONNEL

#### MILITARY PERSONNEL, ARMY

Amendment No. 1: Appropriates \$8,564,011,000 instead of \$8,539,249,000 as proposed by the House and \$8,601,811,000 as proposed by the Senate.

The conferees are in agreement that the specific changes to the request made by the House and agreed to by the Senate are to be accomplished by the Department of the Army. In addition, the conferees reached agreement with respect to the following areas of difference as explained below:

*Lump Sum Terminal Leave Payments.*—The conferees agreed to the Senate reduction of \$10,136,000 for lump sum terminal leave payments. The House made no similar reduction. However, the Senate conferees receded to the House on the matter of including basic allowance for subsistence and basic allowance for quarters within the amounts provided for terminal leave payments. Thus, personnel accumulating leave prior to enactment of Public Law 94-361, the Defense authorization Act for fiscal year 1977, will be paid for up to 60 days accrued leave, including allowances for quarters and subsistence. Section 746 of this bill has been adjusted to reflect this decision.

*Safeguard Operations.*—The conferees agreed to the reduction of \$1,700,000 as proposed by the Senate.

*Permanent Change of Station Travel.*—The conferees agreed to a reduction of \$52,551,000 instead of a reduction of \$90,551,000 as proposed by the House and \$14,751,000 as proposed by the Senate. The conferees are also in agreement that the Army should continue to expand measures designed to effect economies in the move program. By so doing, the approximately \$638,000,000 contained in this bill for fiscal year 1977 should provide sufficient resources to largely alleviate the current problem of involuntary overseas tour extensions. This program remains of continuing special interest to the Committees.

*Helicopter Pilot Training Consolidation.*—The conferees agree that

undergraduate helicopter flight training should not be consolidated in fiscal year 1977 as proposed in the budget request. The House agreed to the consolidation proposal while the Senate had rejected it. Thus, the conferees have agreed to the financial adjustments made in the Senate-passed version of the bill. In the case of military personnel, Army, the amount provided is \$900,000 less than the amount provided by the House.

The conferees believe that this proposal needs further study prior to implementation. There remains some doubt if the cost savings will be as substantial as forecast and doubt whether Army training will meet Navy requirements. The savings should be more clearly documented as to those savings derived solely from increased efficiency from the training consolidation and those savings resulting strictly from a base consolidation (closure) action. The study should determine if the base consolidation savings are possible within the Navy base structure without the helicopter pilot training consolidation. The Congress also needs further assurances that a training syllabus can be developed which will meet valid Navy objections to the proposal prior to implementation. For purposes of this study, the conferees do not consider a requirement for prior fixed wing training to be a valid objection, but believe that objections raised with respect to the amount of instrument training, overwater training, type of helicopter utilized, and the development of special skills for landing aboard ships during the undergraduate training phase should be documented. A detailed report on this matter should be provided by April 15, 1977.

Should the study, taking into consideration all of the elements set out herein, conclude that the consolidation of basic helicopter flight training is appropriate, then the conferees agree that such consolidation should take place only after approval by the Congress.

In addition, the conferees wish to emphasize that the decision not to consolidate undergraduate helicopter pilot training at this time does not imply a lack of support for other training consolidations that have been previously recommended by the Department of Defense or directed by the Congress.

*Military Postal Service.*—The conferees agreed to the addition of \$1,100,000 to the budget request as recommended by the Senate. The House did not address this matter.

*Strength Reductions Resulting from Authorization Action.*—The conferees agreed to an additional reduction of \$6,870,000 as proposed by the Senate. Final authorization action had not been completed prior to the time that the House considered this matter.

*Enlistment Bonuses.*—The conferees agreed to the addition of \$18,268,000 as recommended by the Senate for enlistment bonuses. The conferees also wish to advise that this action constitutes final Congressional review of a proposed \$39,300,000 budget amendment submitted by the President on July 28, 1976, for enlistment bonuses. This amendment was submitted too late to be considered by the House. The conferees agreed that neither Committee contemplates further action on all pending requests related to recruiting.

*Reserve Special Active Duty Tours.*—The conferees agreed to the transfer of \$13,000,000 to the Army Reserve and Army National Guard as proposed by the Senate. The House bill included the funds in this appropriation. The House recedes with the understanding that the

active force will be prepared to justify all Reserve manyears used to support active force missions.

#### MILITARY PERSONNEL, NAVY

Amendment No. 2: Appropriates \$6,002,268,000 instead of \$6,008,497,000 as proposed by the House and \$5,999,768,000 as proposed by the Senate.

The conferees are in agreement that the specific changes to the request made by the House and agreed to by the Senate are to be accomplished by the Department of the Navy. In addition, the conferees reached agreement with respect to the following areas of difference as explained below:

*Lump Sum Terminal Leave Payments.*—The conferees agreed to the reduction of \$7,582,000 as proposed by the Senate. However, payments for leave accrued prior to enactment of the fiscal year 1977 Defense authorization act (Public Law 94-361) will include allowances for quarters and subsistence. Section 746 of this bill has been adjusted to reflect this decision.

*Helicopter Pilot Training Consolidation.*—The conferees agree that the consolidation is not to take place during fiscal year 1977, and have accordingly agreed to the addition of \$4,000,000 as proposed by the Senate. A request for additional information and a report is discussed under the heading Military Personnel, Army.

*Naval Districts.*—The conferees agreed to provide a total of \$2,400,000 under this appropriation for operation of four Naval Districts in fiscal year 1977. The House had recommended abolishing the Naval District management concept and provided \$900,000. The Senate bill recommended consolidation and provided \$3,900,000 in this appropriation for operation of Naval Districts. The Senate proposal, however, included a restriction on obligation of funds which is superseded by this agreement. The conferees further agreed that the Naval District structure should not be eliminated, but that significant consolidation should be undertaken. The conferees are of the opinion that the number of Districts should be reduced to not more than four. The conference agreement does not preclude the Navy from entirely abolishing Districts as a management concept. The Department is directed to submit by November 15, 1976, its plan for realignment of the District structure. This item is of special interest to the Committees.

*Authorization Strength Reductions.*—The conferees agreed to a reduction of \$4,147,000 instead of a reduction of \$8,147,000 as proposed by the Senate. The House made no similar reduction since authorization action had not been completed at the time the bill was under consideration by the House.

#### MILITARY PERSONNEL, MARINE CORPS

Amendment No. 3: Appropriates \$1,854,334,000 instead of \$1,879,173,000 as proposed by the House and \$1,844,624,000 as proposed by the Senate.

The conferees are in agreement that the specific changes to the request made by the House and agreed to by the Senate are to be accomplished by the Marine Corps. In addition, the conferees reached

agreement with respect to the following areas of difference as explained below:

*Lump Sum Terminal Leave Payments.*—The conferees agreed to the reduction of \$2,593,000 as proposed by the Senate. However, payments for leave accrued prior to enactment of the fiscal year 1977 Defense authorization act (Public Law 94-361) will include allowances for quarters and subsistence. Section 746 of the bill has been adjusted to reflect this decision.

*Military Postal Service.*—The conferees agreed to the addition of \$500,000 for Military Postal Service as proposed by the Senate. The House did not address this matter.

*Authorization Strength Reductions.*—The conferees agreed to a reduction of \$24,466,000 instead of a reduction of \$34,176,000 as proposed by the Senate. The House made no similar reduction since authorization action had not been completed at the time the House considered this bill.

*Enlistment Bonuses.*—The conferees agreed to the addition of \$1,700,000 as proposed by the Senate. The total provided for enlistment bonuses is \$5,500,000. The conferees further agreed that neither Committee contemplates further action on all pending requests related to recruiting.

#### MILITARY PERSONNEL, AIR FORCE

Amendment No. 4: Appropriates \$7,136,706,000 instead of \$7,157,164,000 as proposed by the House and \$7,127,991,000 as proposed by the Senate.

The conferees are in agreement that the specific changes to the request made by the House and agreed to by the Senate are to be accomplished by the Department of the Air Force. In addition, the conferees reached agreement with respect to the following areas of difference as explained below:

*Lump Sum Terminal Leave Payments.*—The conferees agreed to a reduction of \$9,151,000 as proposed by the Senate. However, payments for leave accrued prior to enactment of the fiscal year 1977 Defense authorization act (Public Law 94-361) will include allowances for quarters and subsistence. Section 746 of the bill has been adjusted to reflect this decision.

*Military Postal Services.*—The conferees agreed to the addition of \$3,300,000 for Air Force postal services as proposed by the Senate. The House did not address this matter.

*Aerial Port Staffing.*—The conferees agreed to a reduction of \$4,417,000 as proposed by the Senate. The Air Force is directed to proceed with the realignment of Aerial Port responsibilities to the Reserve forces, with such realignment to be completed as soon as possible. Although it may be infeasible to complete this realignment by the end of fiscal year 1977 because sufficient Reserve personnel are not available, the conferees direct that the Department take expeditious action to effect this transfer, and expect that substantial progress will have been made by the end of fiscal year 1977 toward completion of the directed realignment.

*Tactical Fighter Maintenance Personnel.*—The conferees rejected a Senate proposed reduction of \$5,803,000.

*Tactical Fighter/Reconnaissance Crew Ratios.*—The conferees rejected a reduction of \$252,000 as proposed by the Senate.

*C-5 Crew Ratio.*—The conferees agreed to a reduction of \$896,000 as proposed by the Senate. The conferees direct that there be no increase in the active force C-5 crew ratio.

*Munitions Standard Personnel.*—The conferees agreed to a reduction of \$2,660,000 instead of a reduction of \$5,320,000 as proposed by the Senate.

*Permanent Change of Station Travel.*—The conferees agreed to a reduction of \$3,534,000 as proposed by the Senate. This is an item of special interest to the Committees.

*Reserve Special Active Duty Tours.*—The conferees agreed to the transfer of \$7,100,000 to the Reserve Components of the Air Force as proposed by the Senate. The House recedes with the understanding that the active Air Force will be prepared to justify all Reserve man-years used to support active force missions.

*EC-121 Deployment to Iceland.*—The conferees agreed to restore the \$4,000,000 deleted by the House for this item. The House action would have terminated this deployment at the start of fiscal year 1977 (October 1, 1976). The conferees agreed to extend the deployment of the EC-121 aircraft to Iceland through fiscal year 1977 with the understanding that such deployment should be terminated by the start of fiscal year 1978. All EC-121 aircraft should be retired from the active (Air Force Reserve operated) inventory to the military aircraft storage and disposition center at Tucson, Arizona, following termination of the Iceland rotation. The Air Force will take appropriate steps to insure the timely transition of the affected Air Force Reserve unit to other aircraft. This is considered an item of special interest to the Committees.

#### RESERVE PERSONNEL, ARMY

Amendment No. 5: Appropriates \$469,919,000 as proposed by the Senate instead of \$469,141,000 as proposed by the House.

*Special Active Duty Tours.*—The conferees agreed to the transfer of \$5,900,000 from Military Personnel, Army, as proposed by the Senate. Future budget justifications will contain additional information as directed in the Senate report.

*Authorization Strength Reductions.*—The conferees agreed to a reduction of \$5,122,000 resulting from an authorized selected reserve strength reduction of 3,300. The House had funded an average strength of 215,000 as requested. Authorization action reduced the strength to 212,400.

#### RESERVE PERSONNEL, NAVY

Amendment No. 6: Appropriates \$215,010,000 as proposed by the Senate instead of \$221,315,000 as proposed by the House.

*Authorization Strength Adjustment.*—The conferees agreed to a reduction of \$6,305,000 as proposed by the Senate. This funding will support an average strength of 96,500 for fiscal year 1977 instead of the 52,000 requested in the budget and the 102,000 funded by the House.

#### RESERVE PERSONNEL, AIR FORCE

Amendment No. 7: Appropriates \$163,807,000 as proposed by the Senate instead of \$162,807,000 as proposed by the House.

*Special Active Duty Tours.*—The conferees agreed to the transfer of \$1,500,000 from the Military Personnel, Air Force, appropriation as proposed by the Senate. Future budget justifications will contain additional information as requested in the Senate report.

*C-130 Rotations.*—The conferees agreed to a reduction of \$1,000,000 as proposed by the Senate. The House had terminated these rotations but allowed the Air Force Reserve to retain the funds for other missions. This is an item of special interest to the Committees.

*EC-121 Deployments.*—The conferees agreed to restore \$500,000 which had been deleted by the House.

#### NATIONAL GUARD PERSONNEL, ARMY

Amendment No. 8: Appropriates \$714,665,000 as proposed by the Senate instead of \$707,565,000 as proposed by the House.

*Special Active Duty Tours.*—The conferees agreed to the transfer of \$7,100,000 from the Military Personnel, Army appropriation as proposed by the Senate. Future budget justifications will contain additional information as requested in the Senate report.

#### NATIONAL GUARD PERSONNEL, AIR FORCE

Amendment No. 9: Appropriates \$219,515,000 as proposed by the Senate instead of \$216,515,000 as appropriated by the House.

*Authorization Strength Reductions.*—The conferees agreed to a reduction of \$2,600,000 to provide funding for a selected reserve strength of 93,347. The House had provided funding to increase the strength from the requested 93,347 to 94,800.

#### OTHER MATTERS RELATED TO TITLE I

The following matters concern report language differences which were agreed to by the conferees as explained below:

*Tripler Army Medical Center.*—The House requested an audit by the Department of Defense to determine the cost of supporting approximately 330 students, principally enrolled in courses of study offered by the University of Hawaii. The House also directed the Army to collect for any costs incurred. The Senate pointed out that other similar agreements exist and stated a need for an across-the-board investigation and audit of the extent to which educational support is provided by the DOD to civilian medical schools. The conferees agreed that the Department of Defense should perform a nationwide audit covering the points requested in the Senate report and report its findings to the Appropriations Committees. The General Accounting Office is to review the results of this audit. The Department is to include in this report an assessment of the benefits, financial and otherwise, accruing to both DOD and civilian universities, and a discussion of the feasibility of obtaining reimbursement for these benefits. An attempt should be made to quantify nonfinancial benefits to both the government and the schools.

*Military Drug and Alcohol Abuse Programs.*—The House directed that one-half of the \$56,400,000 currently being spent on drug abuse should be shifted to alcohol abuse programs. The House further directed that participation in a drug or alcohol abuse rehabilitation pro-

gram is of itself not to be considered a reason to deny reenlistment. Also, the House would exclude use of alcohol and drug abuse facilities to civilian employees of the government in the USA when civilian public and private programs are available. The Senate did not endorse a 50% transfer of funds to alcohol abuse programs but said there should be some redistribution of funds.

The conferees agreed that the random urinalysis testing programs should be terminated not later than October 1, 1976, and that the resources made available by the termination of this testing should be redirected to the alcohol abuse program. The conferees further agreed that the Department of Defense should carry out House direction with respect to the reenlistment of personnel who have successfully completed a rehabilitation program and with respect to use by civilian employees of military drug and alcohol abuse facilities. A report is to be submitted to the Committees in conjunction with the submission of the fiscal year 1978 budget request detailing actions taken with respect to the transfer of funds and other matters addressed by the Committees.

*Military Personnel Used in Support of Military Sales.*—The Senate directed that personnel budgeted in support of foreign military sales were not to be increased above the fiscal year 1976 or transition quarter levels, whichever is lower, and any increases not specifically reduced by the Senate should be reprogrammed elsewhere. The House bill contained no similar language.

The conferees agreed that a manpower ceiling with respect to personnel used in support of military sales should not be established. The conferees, however, did agree that in the future the Department of Defense must more closely account for all personnel associated with these sales and must seek to obtain full reimbursement from the foreign government.

## TITLE II—RETIRED MILITARY PERSONNEL

### RETIRED PAY, DEFENSE

Amendment No. 10: Appropriates \$8,381,700,000 as proposed by the House instead of \$8,035,500,000 as proposed by the Senate. The conferees restored \$346,200,000 to the bill for the consumer price index (CPI) based cost of living increases which had been deleted by the Senate. The bill does not include funds to pay the additional one percent "kicker" associated with CPI increases pending resolution of this matter.

## TITLE III—OPERATION AND MAINTENANCE

### OPERATION AND MAINTENANCE, ARMY

Amendment No. 11: Appropriates \$7,898,285,000 instead of \$8,050,635,000 as proposed by the House and \$7,829,885,000 as proposed by the Senate.

### STOCK FUND SURCHARGE

For fiscal year 1977 the Army requested \$74,400,000 associated with a Department of Defense stock fund surcharge increase to stabilize

stock fund prices. The House allowed \$36,100,000 while the Senate approved the full request. The conferees agreed to provide \$46,100,000.

Regarding the stock fund surcharge, the conferees direct the Department to implement the plan for a trial period of one year. The conferees further direct that item prices be adjusted so that the funding provided in the Act will be adequate to fully fund the quantities justified in the budget and approved, except where specific reductions have been made.

#### GSA USER CHARGES

The Army had requested \$83,762,000 for GSA standard level user charges. The House provided \$78,162,000. The Senate increased the allowance to \$80,962,000. The conferees agreed to the House amount.

#### RECRUIT ADVERTISING

The Army budget for fiscal year 1977 requested \$37,350,000 for recruit advertising. The House allowed \$31,350,000. The Senate provided \$32,950,000 in conjunction with its realignment of funds for the advertising program. The conferees agreed with the Senate position.

#### HELICOPTER PILOT TRAINING

The budget requested \$11,600,000 of additional funds for the consolidation of helicopter pilot training. The House allowed this request. The Senate reduced the request by \$9,300,000, allowing \$2,300,000. The conferees agreed with the Senate position and the House receded.

#### SAFEGUARD OPERATIONS

For the operation of the Perimeter Acquisition Radar and final closing of the Safeguard system, the Army requested \$26,166,000 for fiscal year 1977. The House reduced the request by \$4,800,000. The Senate allowed the total request. The conferees agreed to the Senate position.

Regarding the operation of the Perimeter Acquisition Radar, the Senate recommended that the Department of Defense take expeditious action to transfer responsibility for operation to the Air Force since that service is primarily responsible for providing strategic warning. The House did not address this matter. The conferees agreed that this transfer should take place as expeditiously as possible.

#### BRIGADE 76

The Army requested an additional \$7,600,000 for support of "Brigade 76" during fiscal year 1977. The House funded the full request, while the Senate reduced the request by \$7,100,000. The conferees agreed with the Senate action.

#### RECRUIT CANVASSERS

The conferees agreed to provide \$7,000,000 to pay for temporary duty costs of Army personnel used to assist regular recruiters. Senate guidance with respect to the use of such personnel is to be fol-

lowed by the Army, except that canvassers should complete advanced individual training prior to being assigned to the Recruiting Command. The conferees expect that the average length of such tours will not exceed 30 days and in no case will any assignment be made for more than 60 days.

#### CIVILIAN PERSONNEL

The Senate reduced the Army's request for civilian personnel compensation by \$24,900,000 in accordance with authorization action. The House had allowed the full request. The conferees agreed with the Senate reduction.

#### SUPPLY SHELF STOCKAGE

The Senate reduced the Army's request of \$122,600,000 for supply shelf storage items by \$57,600,000. The conferees agreed that an additional \$10,000,000 should be allowed for certain requirements in Europe, thus providing \$75,000,000.

#### INSTALLATION RESTORATION

The Army requested \$6,600,000 for the restoration and improvement of certain installations during fiscal year 1977. The House had allowed the full amount. The Senate reduced the request by \$5,800,000. The conferees agreed that these funds should be restored and the Senate receded.

#### PRODUCT IMPROVEMENT PROGRAM

The Army budget included a request of \$69,577,000 for its product improvement program. The Senate reduced the request by \$27,500,000 while the House had provided the full request. The conferees agreed to provide \$34,077,000 including \$2,000,000 to be used exclusively for improving the Army's tank modernization program.

#### INDUSTRIAL PREPAREDNESS PROGRAM

For its industrial preparedness program for fiscal year 1977, the Army requested \$68,005,000. The House allowed the full amount. The Senate reduced the request by \$12,500,000. The conferees agreed to the Senate reduction and the House receded.

#### REAL PROPERTY MAINTENANCE

The Army requested \$532,353,000 for real property maintenance during fiscal year 1977. The Senate reduced the request by \$12,300,000 while the House had allowed the total request. The conferees agreed to a reduction of \$6.150,000.

#### TRAINING ACTIVITIES

For training activities during fiscal year 1977, the Army requested \$465,957,000. The House had allowed the full amount. The Senate reduced the request by \$11,100,000. The conferees agreed that \$8,000,000 should be restored, and a reduction of \$3,100,000 applied.

## CHEMICAL WARFARE DEFENSE EQUIPMENT

The Army requested \$46,700,000 for defensive chemical equipment, such as protective clothing. The House had allowed the full amount while the Senate only allowed \$10,000,000. The conferees agreed that total funding should be approved.

The Senate has requested the General Accounting Office to make a comprehensive review of the threat, requirement and Department's planning for defensive chemical warfare programs. The conferees agreed that approval of full funding in fiscal year 1977 does not imply that the Congress agrees with the total program requirements, operation or method of funding this program and will give it a thorough review in connection with the fiscal year 1978 budget request.

## FLYING HOUR PROGRAM

The Senate reduced the Army's flying hour program request of \$101,200,000 by \$9,800,000. The conferees agreed to this reduction.

## EUROPEAN FORCES REPAIR PARTS

The budget requested \$186,000,000 for repair parts for the Army's European forces during fiscal year 1977. The Senate reduced the request by \$20,800,000. The conferees agreed that this request should be fully funded.

## LOW ALTITUDE PARACHUTE EXTRACTION SYSTEM

The Army requested \$4,000,000 to fund the initial buy of a low altitude parachute extraction system during fiscal year 1977. The House allowed the full amount while the Senate disallowed the total. The conferees agreed to the Senate reduction.

## JOINT CHIEFS OF STAFF EXERCISES

The budget requested \$29,025,000 for Joint Chiefs of Staff directed and coordinated exercises. The House provided the full amount while the Senate reduced the request by \$6,900,000, to an amount of \$22,125,000. The conferees agreed that the exercises should be fully funded.

## COMBAT DEVELOPMENT ACTIVITIES

The Army budget included a request of \$54,467,000 for combat development activities in fiscal year 1977. The House provided the full amount. The Senate reduced the request to \$49,967,000, a reduction of \$4,500,000. The conferees agreed to the Senate reduction.

## FURNITURE FOR BACHELOR QUARTERS

The Senate reduced the Army's request for new furniture for bachelor quarters by \$5,800,000, from a request of \$47,312,000 to \$41,512,000. The conferees agreed with the Senate reduction.

## ONE STATION TRAINING BASE OPERATIONS

The Army requested an additional \$13,343,000 to support its one station training base operation. The House provided the full amount, while the Senate reduced the request to \$8,643,000. The conferees agreed that \$11,043,000 should be provided.

## UTILITIES

The budget included a request for \$352,355,000 for utility costs during fiscal year 1977. The Senate reduced the request by \$4,000,000. The conferees agreed with the Senate reduction.

## REDUCTION OF PRINTING BACKLOG

The Army requested an additional \$3,900,000 to reduce its printing backlog. The House provided the full amount while the Senate denied the request. The conferees agreed with the Senate reduction.

## MILITARY PERSONNEL SUPPORT COST

The Senate reduced the Army's operation and maintenance request by \$2,900,000 as a result of authorization reductions in the number of military man-years requested by the Army. The conferees agreed to the Senate action.

## TRAVEL COST

The budget requested \$177,255,000 for the travel and transportation of persons employed by the Army. The Senate reduced the request by \$1,600,000 and the conferees agreed with the reduction.

## PUBLIC AFFAIRS

The Senate reduced the Army's request of \$5,417,000 for public affairs activities by \$100,000. The conferees agreed with the reduction.

## AREA HANDBOOKS

The Army requested \$1,400,000 for the revision and printing of various overseas area handbooks. The Senate denied the total request. The conferees agreed that \$700,000 be provided for this purpose. The conferees also direct the Department to carefully examine the requirement for area handbooks and the need to update them as frequently as is now done. In addition, the Department is to examine the feasibility and appropriateness of transferring the funding responsibility for these handbooks to the Department of State and report its findings on this matter to the Committees on Appropriations in conjunction with the submission of the fiscal year 1978 budget request.

## OPERATION AND MAINTENANCE, NAVY

Amendment No. 12: Appropriates \$9,565,164,000 instead of \$9,553,164,000 as proposed by the House and \$9,605,564,000 as proposed by the Senate.

## STOCK FUND SURCHARGE

The Navy requested \$194,200,000 to implement the new stock fund surcharge procedure in fiscal year 1977. The House allowed \$116,100,000, while the Senate provided full funding. The conferees agreed that \$136,100,000 is sufficient to support the Navy requirement during 1977.

## GSA USER CHARGES

The Navy requested \$45,318,000 for GSA standard level user charges during fiscal year 1977. The House reduced the request by \$3,100,000, providing \$42,218,000. The Senate restored \$1,500,000 of the House reduction. The conferees agreed with the House amount.

## HELICOPTER PILOT TRAINING CONSOLIDATION

The Senate included \$10,500,000 to continue separate Navy helicopter pilot training. The House provided no funds for this purpose. The conferees agreed with the Senate addition.

## NAVAL DISTRICTS

The Navy had requested \$6,160,000 to support the operation of its Naval Districts during fiscal year 1977. The House reduced the request by \$3,000,000 and the Senate provided the full amount. The conferees agreed to a funding level of \$4,660,000 for not more than four Naval Districts.

## INTELLIGENCE ACTIVITIES

The Navy requested \$125,111,000 for intelligence activities during fiscal year 1977. The House allowed \$112,011,000, while the Senate provided the full request. The conferees agreed with the Senate restoration.

## FLYING HOUR PROGRAM

The Navy requested \$475,543,000 for support of its flying hour program during fiscal year 1977. The House provided the full amount while the Senate reduced the request by \$27,600,000. The conferees agreed to restore \$13,800,000 of the Senate reduction providing a funding level of \$461,743,000.

## NAVAL HOSPITALS

For support of its hospitals in 1977, the Navy requested \$282,473,000. The House provided the full amount. The Senate reduced the request by \$3,900,000. The conferees agreed to the Senate reduction.

## TUGBOAT OPERATIONS

To operate its fleet of tugboats during fiscal year 1977, the Navy requested \$7,000,000. The Senate reduced the request by \$1,500,000 and the conferees agreed with the Senate action.

## CROSS COUNTRY FLIGHTS OF P-3 AIRCRAFT

The Senate reduced the Navy request by \$700,000 and directed the termination of P-3 aircraft cross country flights. The conferees agreed to this action by the Senate.

## TRAINING OF P-3 PILOTS

The Navy requested \$6,964,000 for additional P-3 pilot training. The House provided the full amount while the Senate denied the total request. The conferees agreed to fund the budget request.

## PROFICIENCY FLYING

The Navy requested \$6,964,000 to support its proficiency flying program. The Senate reduced the request by \$3,500,000. The conferees agreed to the Senate reduction.

## CIVILIAN PERSONNEL

The Senate reduced the Navy's request for civilian personnel compensation by \$3,500,000 in accordance with authorization action. The conferees agreed to the Senate reduction.

## MILITARY PERSONNEL SUPPORT COST

The Senate reduced the Navy's operation and maintenance request by \$4,100,000 as a result of authorization reductions in the number of military man-years requested by the Navy. The conferees agreed to the Senate reduction.

## TRAVEL COSTS

The budget requested \$101,800,000 for the travel and transportation of persons employed by the Navy. The Senate reduced the request by \$2,000,000 and the conferees agreed to the reduction.

## PUBLIC AFFAIRS

The Senate reduced the Navy's request of \$1,692,000 for public affairs activities by \$100,000. The conferees agreed with the reduction.

## SHIP REPAIR FACILITY GUAM

Amendment No. 13: The House bill included language which requires a minimum of \$22,000,000 of Navy shipyard work at the Ship Repair Facility Guam. The Senate set a minimum level of employment of 500 permanent employees. The conferees agreed to the House language.

## OPERATION AND MAINTENANCE, MARINE CORPS

Amendment No. 14: Appropriates \$569,288,000 as proposed by the Senate, instead of \$577,038,000 as proposed by the House.

## STOCK FUND SURCHARGE

The Marine Corps requested \$7,100,000 in fiscal year 1977 to implement the stock fund surcharge price stabilization program. The Senate provided the full amount requested, while the House made a reduction of \$3,000,000. The conferees agreed to provide \$5,000,000.

## GSA STANDARD LEVEL USER CHARGES

The Marine Corps requested \$4,520,000 to pay for GSA standard level user charges. The House reduced the request by \$300,000, while the Senate made a reduction of only \$200,000. The conferees agreed with the House reduction.

## RECRUIT ADVERTISING

The Marine Corps requested \$15,562,000 for recruit advertising. The House reduced this by \$3,000,000 and the Senate made a further reduction of \$2,600,000 in conjunction with its realignment of funds for the advertising program. The conferees agreed with the additional Senate reduction.

## BARRACKS FURNITURE

A total of \$8,165,000 was requested for barracks furniture. The House funded the full request, while the Senate made a \$4,400,000 reduction. The conferees agreed to a reduction of \$2,200,000.

## MILITARY PERSONNEL MANYEAR SUPPORT

The Senate reduced the Marine Corps Operation and Maintenance appropriation request by \$3,000,000 because of the authorization reductions in military manyear strength. The conferees agreed to the Senate reduction.

## CIVILIAN PERSONNEL

The Senate increased the Marine Corps request for civilian personnel compensation by \$100,000 for additional postal employees. The House included no funds for these personnel. The conferees agreed to include the funding for these personnel in the bill.

## TRAVEL COSTS

The Senate made a reduction of \$900,000 below the House bill in the Marine Corps request of \$19,444,000 for travel costs in fiscal year 1977. The conferees agreed to the Senate reduction.

## PUBLIC AFFAIRS

The Senate made a reduction of \$50,000 in the Marine Corps request of \$226,000 for support of public affairs activities. The conferees agreed with the Senate reduction.

## OPERATION AND MAINTENANCE, AIR FORCE

Amendment No. 15: Appropriates \$8,107,077,000 as proposed by the Senate in lieu of \$8,124,109,000 as proposed by the House.

## STOCK FUND SURCHARGE

The Air Force requested \$226,300,000 to implement the stock fund surcharge/price stabilization program. The Senate provided the full

amount requested, while the House made a reduction of \$83,300,000. The conferees agreed to provide \$205,518,000 for this item.

## GSA STANDARD LEVEL USER CHARGES

The Air Force requested \$11,100,000 to pay for GSA standard level user charges. The House reduced the request by \$800,000, while the Senate made a reduction of only \$400,000. The conferees agreed with the House reduction.

## REFORGER EXERCISE

The House made a reduction of \$12,741,000 to the Air Forces' request of \$13,200,000 for airlift costs of the REFORGER exercise. The Senate bill restored this reduction. The conferees agreed to fund the full \$13,200,000 requested in the budget.

## AIRCREW READINESS TRAINING

The Air Force requested \$27,727,000 to fly unloaded C-5 aircraft on training missions. The Senate bill included the full budget request, while the House bill did not fund this item. The conferees agreed not to fund this item, as recommended in the House bill, but did fully fund other C-5 flights as discussed later in this section of the report.

## CHEMICAL WARFARE

The Air Force requested \$12,100,000 for chemical protective clothing, equipment and training. The House bill included the full amount, while the Senate bill made a reduction of \$11,400,000. The conferees agreed to fund the full amount requested, but with the same stipulations discussed in connection with the Army chemical warfare program.

## B-52 FLYING HOURS

The Air Force requested \$332,200,000 for support of B-52 flying hours. The House funded the full request, while the Senate made a \$300,000 reduction. The conferees agreed to the Senate reduction.

## EAST-WEST C-141 COURIER MISSIONS

A total of \$2,200,000 was budgeted for C-141 courier missions. The Senate deleted these funds, while the House provided the full request. The conferees agreed to delete all of the funds for this item.

## SUPPLY SUPPRESSION

The Air Force budgeted \$62,500,000 for additional supplies. The House funded the full request, while the Senate provided only \$33,000,000. The conferees agreed to the funding provided by the Senate.

## FIGHTER/RECONNAISSANCE CREW RATIO INCREASES

A total of \$32,700,000 was budgeted for increases in fighter/reconnaissance crew ratios. The House funded the increase in its entirety,

while the Senate deleted this amount. The conferees agreed to provide \$16,350,000 for this item.

#### F-4/F-111 FLYING HOUR INCREASES

A total of \$8,100,000 budgeted for increases in F-4 and F-111 flying hours was included in the House bill, but was deleted by the Senate. The conferees agreed to provide the full amount requested.

#### C-5 CREW RATIO INCREASES

The Senate reduced the C-5 flying hour program by \$10,200,000 and disapproved the increase in the C-5 crew ratio. The House had funded the full budget request. The conferees agreed, as discussed earlier, to provide the funds for these flying hours. However, the conferees direct that there be no increase in the active force C-5 crew ratio.

#### HEADQUARTERS COMPUTER SUPPORT

The Air Force budgeted \$30,600,000 for support of headquarters computers, and the House bill included the full amount. The Senate made a reduction of \$8,800,000 for this support. The conferees agreed to a reduction of \$8,800,000, however, to the extent that priority workload requirements cannot be met, the Air Force may proceed with the requested programs using available funds within this appropriation.

#### MILITARY MAN-YEAR SUPPORT

The Senate made a reduction of \$2,400,000 to the House bill because of authorization reductions made in military strengths discussed earlier in this report. The conferees agreed to the Senate reduction.

#### PROFICIENCY FLYING

The Senate reduced the request of \$13,800,000 for proficiency flying by \$6,900,000. The House bill funded the full amount. The conferees agreed with the Senate reduction.

#### CIVILIAN PERSONNEL

The House funded the full request, while the Senate made a \$16,000,000 reduction for compensation of civilian personnel. The conferees agreed to the Senate reduction in order to comply with authorized civilian strength ceilings.

#### TRAVEL COSTS

The Air Force requested \$185,700,000 for travel costs in fiscal year 1977. The House funded the full request, while the Senate made a reduction of \$6,500,000. The conferees agreed to the Senate reduction.

#### LOW COST AIRCRAFT PROGRAM

The Senate reduced the funds for the low cost aircraft program from the \$4,700,000 budgeted and provided in the House bill to \$1,800,000. The conferees agreed to provide the full amount requested.

#### AERIAL PORTS

The Senate made a reduction of \$3,200,000 involving civilian personnel in support of aerial ports. The House bill funded the budget request in this area. The conferees agreed to the Senate reduction, and further direct the Air Force to proceed with the realignment of aerial port responsibilities to the Reserve forces, with such realignment to be completed as soon as possible. Although it may be infeasible to complete this realignment by the end of fiscal year 1977 because sufficient reserve personnel are not available, the conferees direct that the Department take expeditious action to effect this transfer and expect that substantial progress will have been made by the end of fiscal year 1977 toward completion of the directed realignment.

#### PUBLIC AFFAIRS

The Senate made a reduction of \$300,000 to the House bill, providing \$2,200,000 in support of public affairs activities. The conferees agreed with the Senate reduction.

#### POSTAL SERVICES

The Senate increased this request by \$300,000 to pay for additional postal services not included in the House bill. The conferees agreed that these services were required, and that the increased funding should be provided.

#### AIRMAN EDUCATION AND COMMISSIONING PROGRAM

A total of \$300,000 was requested in the budget for the Airman Education and Commissioning Program. The House funded the full request, while the Senate made a \$100,000 reduction. The conferees agreed to the Senate reduction.

#### OPERATION AND MAINTENANCE, DEFENSE AGENCIES

Amendment No. 16: Appropriates \$897,130,000 for Secretary of Defense activities instead of \$907,930,000 as proposed by the House and \$878,330,000 as proposed by the Senate.

Amendment No. 17: Provides \$581,830,000 for the CHAMPUS program as proposed by the House instead of \$569,030,000 as proposed by the Senate.

Amendment No. 18: Provides \$242,800,000 for Overseas Dependents Education instead of \$248,000,000 as proposed by the House and \$237,600,000 as proposed by the Senate.

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will offer a motion to appropriate \$13,100,000 for the Organization of the Joint Chiefs of Staff instead of \$13,300,000 as proposed by the House and \$13,250,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to appropriate \$72,500,000 for the Defense Contract Audit Agency instead of \$73,-

100,000 as proposed by the House and \$72,550,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to appropriate \$28,000,000 for the Defense Investigative Services instead of \$28,400,000 as proposed by the House and \$28,100,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to appropriate \$198,400,000 for the Defense Mapping Agency instead of \$200,700,000 as proposed by the House and \$198,550,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 23: Appropriates \$24,500,000 for the Defense Nuclear Agency as proposed by the Senate instead of \$26,900,000 as proposed by the House.

Amendment No. 24: Appropriates \$839,800,000 instead of \$847,200,000 as proposed by the House and \$836,200,000 for the Defense Supply Agency as proposed by the Senate.

Amendment No. 25: Appropriates \$622,270,000 for intelligence and communication activities instead of \$630,670,000 as proposed by the House and \$619,920,000 as proposed by the Senate.

Amendment No. 26: Provides a total of \$2,718,900,000 for the Defense Agencies instead of \$2,751,400,000 as proposed by the House and \$2,694,600,000 as proposed by the Senate.

The above changes in the Operation and Maintenance, Defense Agencies, appropriation accounts resulted from numerous adjustments made to the budget request. The changes are discussed in the following paragraphs.

#### GSA STANDARD LEVEL USER CHARGES

The conferees agreed to a reduction of \$3,100,000 for standard level user charges as proposed by the House instead of a reduction of \$1,600,000 as proposed by the Senate.

#### INTELLIGENCE ACTIVITIES

The conferees agreed to a reduction of \$10,100,000 for intelligence activities, instead of a reduction of \$9,600,000 as proposed by the House and \$10,800,000 as proposed by the Senate.

#### OFFICE OF THE SECRETARY OF DEFENSE

The conferees agreed to provide \$1,000,000 for manpower studies, instead of \$2,000,000 as proposed by the House and no funds as proposed by the Senate. The conferees agreed that no new contract study organization is to be established.

The conferees agreed to the reduction of \$200,000 for public affairs activities as proposed by the Senate. The House made no reduction in this area.

The conferees agreed to a \$1,000,000 reduction proposed by the Senate for civilian grade creep. The House made no reduction in this area.

The conferees agreed to make a \$500,000 reduction in travel costs as proposed by the Senate. The House made no reduction in this area.

The conferees agreed to a reduction of \$2,900,000 as proposed by the Senate for logistics studies. No reduction was made in the House bill for these studies.

#### ORGANIZATION OF THE JOINT CHIEFS OF STAFF

The conferees agreed to a reduction of \$100,000 for civilian grade creep as proposed in the Senate bill. No reduction for this item was made in the House bill.

The conferees agreed to a reduction of \$100,000 for travel as proposed by the Senate, instead of no reduction as proposed by the House.

#### DEFENSE CONTRACT AUDIT AGENCY

The conferees agreed to make a reduction of \$600,000 as proposed by the Senate for civilian grade creep. No reduction for this item was made in the House bill.

#### DEFENSE INVESTIGATIVE SERVICE

The conferees agreed to a reduction of \$400,000 for supplies, as proposed by the Senate. No reduction was made in the House bill for this item.

#### DEFENSE MAPPING AGENCY

The conferees agreed to reduction of \$1,400,000 for civilian grade creep and \$900,000 for savings as a result of potential base closings. No similar reductions were made in the House bill.

The conferees direct that the Department report to the Committees on Appropriations on the results of its study of closing one or more of the topographic field offices. Specifically, the study should address the annual savings, the closure costs and the benefits of consolidation and/or closure. The Committees expect to receive the results of the study prior to the end of October, 1976.

#### DEFENSE NUCLEAR AGENCY

The conferees agreed to a reduction of \$2,400,000 as proposed by the Senate. The House bill included the full \$2,400,000 requested for a new World-Wide Military Command and Control Systems computer. The conferees agreed that the Department of Defense should reexamine the requirement for this computer and, if it is determined to be needed, the Department may reprogram the necessary funds within the amount provided for the operation of the Defense Nuclear Agency.

#### DEFENSE SUPPLY AGENCY

The conferees agreed to the following reductions:

- \$1,500,000 requested for logistics management improvements,
- \$3,000,000 requested for integrated management of subsistence,
- \$1,500,000 requested for the Defense Automated Depot System/Defense Intransit Item Visibility System, and
- \$400,000 requested for travel.

The conferees also agreed to a reduction of \$1,000,000 for the Defense Integrated Data System. The Senate proposed a \$5,000,000 reduction, while the House made no reduction. The conferees direct that

the General Accounting Office (GAO) perform a study of the operating costs, requirements and changes made since the last GAO review of the Defense Integrated Data System.

#### DEFENSE INTELLIGENCE AGENCY

The conferees agreed to a reduction of \$1,800,000 made for civilian personnel as proposed by the Senate. No such reduction was made by the House. Although this civilian personnel reduction was made to the DIA request, the conferees direct the Office of the Secretary of Defense to reallocate this reduction to other Defense agencies as deemed appropriate.

#### DEFENSE COMMUNICATIONS AGENCY

The conferees agreed to a reduction of \$3,400,000 for the Joint Technical Support Agency. This is the same reduction proposed by the Senate. The House funded the budget request in this area.

The conferees agreed to provide \$2,100,000 for contracts in support of the World-Wide Military Command and Control Systems (WWMCCS) System Engineer, rather than \$4,200,000 as proposed by the House and no funds as proposed by the Senate. The amount provided will enable the WWMCCS System Engineer to begin contractual efforts at a more deliberate pace and will help assure that the Congress will have more time to examine and evaluate some of the very expensive proposals included in the recently completed WWMCCS Architecture study. Implementation of the recommendations in the Architecture study is a matter of congressional interest, and other than the planning and related activities of the WWMCCS System Engineer, shall not begin without prior congressional approval.

#### NATIONAL SECURITY AGENCY

The conferees agreed to a \$600,000 reduction in travel proposed by the Senate. No reduction was included in the House bill.

#### SUMMARY—DEFENSE AGENCIES

The table below shows the individual components and amendments involved in the Operation and Maintenance, Defense Agencies appropriation, and summarizes the House, Senate and Conference agreements on each one.

Amendment No.	Item	House	Senate	Conference
16	Secretary of Defense Activities.....	\$907,930,000	\$878,330,000	\$897,130,000
17	Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).....	(581,830,000)	(569,030,000)	(581,830,000)
18	Overseas dependent education.....	(248,000,000)	(237,600,000)	(242,800,000)
19	Organization of Joint Chiefs of Staff.....	13,300,000	13,250,000	13,100,000
	Office of Information.....	17,600,000	17,600,000	17,600,000
20	Defense Contract Audit Agency.....	73,100,000	72,550,000	72,500,000
21	Defense Investigative Service.....	28,400,000	28,100,000	28,000,000
22	Defense Mapping Agency.....	200,700,000	198,550,000	198,400,000
23	Defense Nuclear Agency.....	26,900,000	24,500,000	24,500,000
	Uniformed Services University of the Health Sciences.....	5,600,000	5,600,000	5,600,000
24	Defense Supply Agency.....	847,200,000	836,200,000	839,800,000
25	Intelligence and communications.....	630,670,000	619,920,000	622,270,000
26	Total, defense agencies.....	2,751,400,000	2,694,600,000	2,718,900,000

#### OPERATION AND MAINTENANCE, ARMY RESERVE

Amendment No. 27: Appropriates \$356,100,000 instead of \$374,100,000 as proposed by the House and \$351,800,000 as proposed by the Senate.

The conferees agreed to provide a total of \$2,300,000 for the stock fund surcharge, instead of \$2,000,000 as proposed by the House and \$3,000,000 as proposed by the Senate.

The Senate made a reduction of \$3,400,000 based on a repricing of certain force structure actions. The House bill included no such reduction. The conferees agreed to the Senate reduction.

The Senate made a reduction of \$10,000,000 for base operations costs, while the House funded the budget request of \$107,841,000. The conferees agreed to make a reduction of \$5,000,000.

The Senate made a reduction of \$8,200,000 denying funds requested for additional civilian Army reserve technicians. The House funded these technicians. These reductions were made in order to comply with the civilian personnel ceiling in the authorizing legislation, and the conferees agreed to the Senate reductions.

The Senate made a reduction of \$1,600,000 for additional parts and supplies. The House bill did not make a reduction in this area. The conferees agreed to the Senate reduction.

The House bill funded the full request of \$17,689,000 for travel, while the Senate made a \$100,000 reduction. The conferees agreed to the Senate reduction.

#### OPERATION AND MAINTENANCE, NAVY RESERVE

Amendment No. 28: Appropriates \$288,000,000 as proposed by the House instead of \$286,600,000 as proposed by the Senate.

The Senate receded to the amounts recommended in the House bill on all items in conference, including the stock fund surcharge, flying hours, travel and public affairs activities.

#### OPERATION AND MAINTENANCE, AIR FORCE RESERVE

Amendment No. 29: Appropriates \$350,700,000 as proposed by the Senate instead of \$351,100,000 as proposed by the House.

The conferees agreed to provide \$8,200,000 for the stock fund surcharge. The House had provided \$5,700,000 while the Senate bill included \$9,200,000.

The House reduced the budget request for EC-121 deployments by \$4,000,000. The Senate bill restored these funds. The conferees agreed to the Senate position. This subject is discussed in an earlier section of this report.

The conferees agreed to a reduction of \$4,600,000 in the flying hour program, as proposed by the Senate. The House made no similar reduction.

The Senate made a reduction of \$2,200,000 for C-130 rotation to Europe. The House disapproved these flights, but funded the budget request, allowing the funds to be used for other purposes. The conferees agreed to the Senate reduction.

The Senate made a reduction of \$100,000 below the House bill for technical representatives, and the House receded.

The House provided the full amount requested for air medical training flights, while the Senate made a \$1,000,000 reduction. The conferees agreed to fund these flights at \$1,000,000 as requested in the budget.

#### OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

Amendment No. 30: Appropriates \$706,200,000 as proposed by the Senate instead of \$713,200,000 as proposed by the House.

The conferees agreed to provide \$8,700,000 for the stock fund surcharge instead of \$5,700,000 as proposed by the House and \$11,700,000 as proposed by the Senate.

The conferees agreed to a reduction of \$10,000,000 made in the Senate bill for the manyear support costs of the Army National Guard. No similar reduction was included in the House bill.

The House bill included the full amount requested, \$3,000,000 for chemical warfare clothing and equipment. The Senate denied these funds. The conferees agreed to provide the full amount budgeted.

#### OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Amendment No. 31: Appropriates \$774,600,000 as proposed by the House instead of \$779,300,000 as proposed by the Senate.

The conferees agreed to provide \$25,100,000 for the stock fund surcharge instead of \$20,100,000 as proposed by the House and \$30,100,000 as proposed by the Senate.

The conferees agreed to make a reduction of \$300,000 in travel costs. The House had proposed funding the budget request, while the Senate had made a \$600,000 reduction.

The conferees agreed to make a reduction of \$1,700,000 for C-130 rotation, as proposed by the Senate. This item was discussed earlier in the report.

The conferees agreed to a reduction of \$3,000,000 in the flying hour program as proposed by the Senate.

#### ARMY STOCK FUND

Amendment No. 32: Appropriates \$100,000,000 as proposed by the House instead of \$26,500,000 as proposed by the Senate. With respect to this and all other requests for stock-funded war reserve materiel, the conferees agreed that, to the extent possible and within the amounts in conference, they would provide funding for all requests where the Department provided specific identification of the items to be purchased.

#### NAVY STOCK FUND

Amendment No. 33: Appropriates \$32,000,000 as proposed by the House instead of \$7,400,000 as proposed by the Senate.

#### MARINE CORPS STOCK FUND

Amendment No. 34: Appropriates \$6,200,000 instead of \$8,600,000 as proposed by the House and \$19,100,000 as proposed by the Senate.

#### AIR FORCE STOCK FUND

Amendment No. 35: Appropriates \$58,800,000 instead of \$76,700,000 as proposed by the House and \$19,100,000 as proposed by the Senate.

#### DEFENSE STOCK FUND

Amendment No. 36: Appropriates \$22,800,000 instead of \$140,600,000 as proposed by the House and no funds as proposed by the Senate.

#### NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE

Amendment No. 37: Appropriates \$291,000 as proposed by the House instead of \$261,000 as proposed by the Senate.

#### CONTINGENCIES, DEFENSE

Amendment No. 38: Appropriates \$2,500,000 as proposed by the Senate instead of \$5,000,000 as proposed by the House. The conferees agreed to provide \$2,500,000 for contingencies, the same amount appropriated last year.

#### OTHER MATTERS RELATED TO TITLE III

*Reorganization of Office of Secretary of Defense Headquarters.*—The conferees agreed that the functions of Program Analysis and Evaluation should be performed within the Office of the Assistant Secretary of Defense (Comptroller). The conferees further agreed that the Office of the Assistant Secretary of Defense (Health and Environment) should be retained as a separate entity and not be consolidated within any other functions in the Office of the Secretary of Defense.

*Budgeting for inflation.*—The conferees agreed that the Department is to identify the amounts included in the FY 1978 budget request for inflation as outlined in the Senate report. However, the conferees further agreed that future pay increases should be budgeted in a separate supplemental request as is the present practice.

*Stock fund surcharge and industrial fund pricing.*—The Department is directed to implement the stock fund surcharge/price stabilization plan for a trial period of one year. The conferees direct that item prices be adjusted so that the funding provided in the bill will be adequate to fully fund the quantities justified in the budget and approved in this bill, except where specific reductions have been made.

*Furnishing GAO information on airlift requirements.*—The conferees agreed with Senate direction that the Defense Department furnish GAO all basic information that GAO requires in order to complete examination of the justification and requirements for the increased airlift capacity being requested by the Defense Department.

*Support of nonappropriated fund activities.*—The Senate report contains several directives relating to the nonappropriated fund activities of the Department. The House report contained no similar language. The conferees agreed that the Department should comply with the language in the Senate report.

*Justification material.*—The Senate directed that various changes be made in the operation and maintenance justification material. The conferees agreed that specific details on requirements are to be furnished by the committee staffs.

*Zero base budgeting.*—The Senate directed the Navy to submit a special exhibit, in addition to the normal Operation and Maintenance, Navy, justification book, that is prepared using the "zero base" budgeting concept. The conferees agreed to a one-year test submission as outlined in the Senate report.

*Bulk milk dispensers.*—The Senate directed the Department to continue leasing bulk milk dispensers rather than purchase them as planned by the Defense Department. The House report did not address this item. The conferees agreed that the Department of Defense should use the most economical and appropriate approach to the issue of purchase or lease of bulk milk dispensers.

*Air National Guard program adjustments.*—The Senate recommended that the Air National Guard be permitted to adjust funding to accommodate program changes not included in their budget submission as long as they were specifically identified on the base for reprogramming action. The House did not address this subject. The conferees direct that normal procedures for reprogramming are to be followed and the Senate receded.

## TITLE IV—PROCUREMENT

### AIRCRAFT PROCUREMENT, ARMY

Amendment No. 39: Appropriates \$541,900,000 instead of \$546,900,000 as proposed by the Senate and \$538,300,000 as proposed by the House.

The conferees agreed to \$20,300,000 for EH-1H helicopter modifications as proposed by the Senate instead of \$21,700,000 as proposed by the House. The \$1,400,000 reduction is in accordance with the authorizing legislation.

The conferees agreed to a reduction of \$8,000,000 for intelligence-related activities, instead of a reduction of \$13,000,000 as proposed by the House and a reduction of \$3,000,000 as proposed by the Senate.

### MISSILE PROCUREMENT, ARMY

Amendment No. 40: Appropriates \$497,400,000 instead of \$422,300,000 as proposed by the House and \$504,300,000 as proposed by the Senate.

The conferees agreed to delete \$48,000,000 to initiate production of the Stinger missile, and to provide \$8,849,000 in the Army research and development budget for the fabrication and testing of 125 development missiles deleted from the program by the Army.

The conference agreement included \$74,500,000 for the non-nuclear Lance missile as proposed by the Senate, and \$37,600,000 for the AN/TSQ-73 air defense command and control system as proposed by the House.

For missile spares and repair parts, the conferees agreed to delete \$200,000 for Safeguard spares and to provide \$500,000 for Lance

spares as proposed by the Senate; and to delete \$400,000 for Stinger spares and to provide \$4,300,000 for AN/TSQ-73 spares as proposed by the House.

Under Production Base Support, the conferees agreed to \$600,000 for the capital investment opportunities program, instead of \$300,000 as proposed by the House and \$1,000,000 as proposed by the Senate.

The conferees agree that productivity enhancement efforts of the Department of Defense, including the Army's capital investment opportunities program, have merit and some funding should be included to provide impetus to these activities. However, the conferees believe that future requests for funding for such productivity improvement projects must be accompanied by a comprehensive plan that demonstrates that proposed projects have been screened and selected and proposed for funding, and that individual projects are fully identified and justified through the normal budgetary processes. Budget justification materials should also reflect and highlight reductions or cost savings in budget authority or positions associated with productivity improvement projects previously funded or proposed for funding.

### PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

Amendment No. 41: The conferees agreed to provide a bill subtitle "(Including Transfer of Funds)" as proposed by the Senate.

Amendment No. 42: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating \$1,089,800,000 instead of \$1,117,300,000 as proposed by the House and \$1,090,200,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agreed to provide \$600,000 for the capital investment opportunities program instead of \$300,000 as proposed by the House and \$1,000,000 as proposed by the Senate.

The conferees also agreed to a general reduction of \$27,800,000 based on prior year savings from the M48/M60 tank program, as proposed by the Senate. This reduction conforms to the authorizing legislation.

Amendment No. 43: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which includes language in the bill transferring to fiscal year 1977 a total of \$27,800,000 in transition quarter funds which offsets the general reduction described above.

### XM-1 TANK PROGRAM

After the House and Senate Appropriations Committees completed their review of the fiscal year 1977 Defense appropriation budget, the Secretary of the Army announced significant changes in the XM-1 tank program. The proposed changes were a major departure from the XM-1 tank program justified to the Congress. The Conferees are in agreement that a new main battle tank should be fielded at the earliest possible date. The XM-1 program thus far has been one of the most successful development programs in progress. It has been on schedule, within cost, and the tank itself incorporates new technology that

promises to more than offset projected increases in Soviet anti-armor capabilities. The Conferees are concerned that the proposed changes could unduly delay the U.S. XM-1 program, increase the cost of the tank and degrade its performance.

The Department of Defense and the Army are put on notice that this is an item of special interest to the two appropriations committees. The Conferees agree that initiation of the revised program should be subject to the reprogramming process. Further, if the Army intends to use funds appropriated for the transition quarter for purposes other than those justified originally to the Congress, a prior approval reprogramming action to the appropriate Committees of Congress will be required.

#### PROCUREMENT OF AMMUNITION, ARMY

Amendment No. 44: Appropriates \$902,900,000 instead of \$901,900,000 as proposed by the House and \$904,000,000 as proposed by the Senate.

The conference agreement provides \$1,900,000 in production base support for the capital investment opportunities program instead of \$900,000 as proposed by the House and \$3,000,000 as proposed by the Senate.

#### OTHER PROCUREMENT, ARMY

Amendment No. 45: Appropriates \$1,366,600,000 instead of \$1,352,900,000 as proposed by the House and \$1,377,300,000 as proposed by the Senate.

The House reduced the Army request of \$11,500,000 for modification of the GOER vehicle by \$11,200,000. The Senate further reduced the request by \$300,000. The conferees agreed with the Senate reduction, thus deleting all funding for GOER modifications.

The House proposed no funding for procurement of long-lead items for the AN/TPQ-36 counter mortar radar. The Senate proposed \$6,200,000 for this procurement. The conferees agreed to the House position.

The conferees agreed to provide \$3,000,000 for the capital investment opportunities program instead of the \$1,500,000 proposed by the House and \$5,000,000 proposed by the Senate.

The House reduced the request for procurement of communications equipment by \$12,000,000 and the Senate reduced the request by \$2,000,000. The conferees agreed with the Senate position and restored \$10,000,000.

The conference agreement provides for a reduction of \$4,500,000 for intelligence related programs instead of a reduction of \$7,000,000 proposed by the House and \$2,000,000 proposed by the Senate.

The conferees agree with the House position that the Army expeditiously evaluate and select a commercial substitute for the M151A2 military specification 1/4 ton truck ("Jeep"). The conferees believe, however, that attainment of the 20% minimum commercial vehicle portion of the 1/4 ton truck fleet need not begin in fiscal year 1977 but rather at such time as it is most economically and logistically practical. This shall not be later than fiscal year 1980.

#### AIRCRAFT PROCUREMENT, NAVY

Amendment No. 46: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating \$2,843,500,000 instead of \$2,946,600,000 as proposed by the House and \$2,957,800,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agreed to provide \$65,800,000 for six A-6E attack aircraft as proposed by the Senate instead of \$125,000,000 for 12 such aircraft as proposed by the House. The amount agreed to is at the authorized level.

The conference agreement includes \$10,000,000 for three F-5F fighter aircraft, and a reduction of \$10,000,000 in the E-2C early warning aircraft program as proposed by the Senate. These amounts conform to the authorizing legislation.

The conferees also agreed to delete \$102,800,000 authorized for six US-3A carrier on-board delivery (COD) aircraft, and to include \$2,000,000 in the Navy research and development budget for a competitive development of an aircraft that meets all Navy COD requirements.

For aircraft modification, the conferees agreed to a reduction of \$9,600,000 for P-3C aircraft Harpoon modifications, a reduction of \$11,100,000 for S-3A aircraft Harpoon modifications, and a reduction of \$16,000,000 in aircraft modifications generally as proposed by the Senate. These reductions conform to the authorizing legislation.

The conferees also agreed to a reduction of \$10,200,000 in A-6E aircraft modifications associated with the Condor missile. This conference action is in consonance with the agreement to terminate the Condor missile program.

For aircraft spares and repair parts, the conferees agreed to delete \$1,300,000 in initial spares for the US-3A COD aircraft as proposed by the House.

Also agreed to was \$3,000,000 for a UH-1 helicopter flight simulator for the Navy as proposed by the Senate.

#### WEAPONS PROCUREMENT, NAVY

Amendment No. 47: Appropriates \$2,022,200,000 as proposed by the Senate instead of \$2,027,300,000 as proposed by the House.

The conference agreement provides \$87,900,000 for the AIM-7E/F Sparrow III missile as proposed by the Senate. The reduction of \$4,300,000 in this program conforms to the authorization level. The conferees agreed to a reduction of \$800,000 in initial spares for the MK-30 mobile torpedo target as proposed by the Senate.

The conferees agreed that the Condor missile program be terminated as proposed by the House. A necessary portion of the remaining funds appropriated for fiscal year 1976 and the transition quarter are to be used to pay termination costs. The Navy is directed to make an accounting to the appropriate committees of Congress as to the amount of Condor missile funds not required for contract termination.

## SHIPBUILDING AND CONVERSION, NAVY

Amendment No. 48: Deletes the House bill subtitle "(Including Transfer of Funds)". The deletion was proposed by the Senate.

Amendment No. 49: Deletes \$170,000,000 for the CSGN nuclear strike cruiser program and \$858,500,000 for the DDG-47 AEGIS destroyer program, as proposed by the Senate. The House had proposed funding these two programs, but they were not authorized.

The conferees agreed to provide \$371,000,000 to initiate the modernization and conversion of the nuclear-powered USS *Long Beach* as an AEGIS cruiser.

Amendment No. 50: Appropriates \$1,707,700,000 as proposed by the Senate instead of \$1,473,500,000 as proposed by the House for service craft, outfitting, post delivery, cost growth, and escalation in prior year programs.

Amendment No. 51: Deletes House bill language transferring \$192,800,000 from the fiscal years 1975 and 1976 to fiscal year 1977. The House had proposed that four PHM patrol hydrofoil missile ships funded in fiscal years 1975 and 1976 not be built, and that \$192,800,000 appropriated for those ships be transferred to fiscal year 1977 to offset a reduction of \$192,800,000 in the bill proposed by the House. The conferees agreed to fully fund the PHM ships, and the House transfer language was deleted from the bill as proposed by the Senate.

Amendment No. 52: Appropriates \$6,195,000,000 as proposed by the Senate instead of \$6,618,300,000 as proposed by the House for Shipbuilding and Conversion, Navy.

Amendment No. 53: Deletes House bill language transferring a total of \$192,800,000 in prior year funds. The deletion was proposed by the Senate.

## OTHER PROCUREMENT, NAVY

Amendment No. 54: Deletes the House bill subtitle "(Including Transfer of Funds)". The deletion was proposed by the Senate.

Amendment No. 55: Appropriates \$2,173,400,000 instead of \$2,157,400,000 as proposed by the House and \$2,176,900,000 as proposed by the Senate.

The conferees agreed to provide \$1,800,000 for the AN/SRN-19 Satellite Navigation Receiver as proposed by the Senate.

The conferees agreed to provide \$4,000,000 for the AN/ALQ-123 as proposed by the Senate. These funds had been provided in fiscal year 1976 and were not used by the Navy. The House proposed to transfer these funds to "Other Procurement, Navy, 1977".

The conferees agreed to provide \$6,700,000 for the productivity enhancement program, instead of \$3,000,000 as proposed by the House and \$10,200,000 as proposed by the Senate.

The conference agreement restored \$6,700,000 deleted by the House for intelligence activities.

Amendment No. 56: The conferees agreed to the Senate deletion of House language transferring \$4,000,000 from "Other Procurement, Navy, 1976/1978", to the fiscal year 1977 "Other Procurement, Navy" appropriation.

## PROCUREMENT, MARINE CORPS

Amendment No. 57: Appropriates \$328,400,000 as proposed by the House instead of \$331,000,000 as proposed by the Senate.

The conferees agreed to the House reduction of \$2,600,000 for the Stinger missile system. The Senate had proposed \$2,600,000 for this missile procurement.

## AIRCRAFT PROCUREMENT, AIR FORCE

Amendment No. 58: Provides bill subtitle "(Including Transfer of Funds)" as proposed by the Senate.

Amendment No. 59: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating \$6,067,700,000 instead of \$6,231,300,000 as proposed by the House and \$6,076,100,000 as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agreed to a reduction of \$30,100,000 in the F/TF-15A fighter aircraft program as proposed by the Senate in order to conform to the authorizing legislation.

The conferees agreed to a reduction of \$287,800,000 budgeted for sixteen F-16 lightweight fighter aircraft and to add \$151,500,000 to the \$23,400,000 budgeted for F-16 advance procurement, as proposed by the Senate. The conference agreement conforms to the authorizing legislation.

It is recognized that the conference agreement on the F-16 aircraft program in providing \$151,500,000 worth of advance procurement funding for portions of F-16 aircraft end items seriously violates the full funding principle which has been followed by the Appropriations Committees since 1951. Over the years, the full funding concept has been reviewed by the General Accounting Office and strongly supported by the Department of Defense. The one-time savings in new obligational authority would not compensate for the disadvantages inherent in incremental funding of procurement appropriations. Specific disadvantages include loss of visibility and controls built into present program year full funding; present reprogramming procedures founded on the full funding principle would be invalidated; future congresses would be committed to finance the balance of incremental starts, (or suffer costly termination charges), thereby reducing congressional impact on annual budgets; there would be a greater potential for disruption of scheduled and approved program execution if projected timing of obligations vary because of the unavailability of sufficient funding; would require significant funding of contingent liability termination costs not normally required under a full-funding system; would lose program year integrity which exists under the present full funding concept; and would result in the same unmanageable situation that existed and was corrected by congressional direction over two and one-half decades ago.

Budgeting and fiscal matters are the prerogative of the Appropriations Committees. In pursuit of their responsibilities, the Appropriations Committees have vigorously attempted to improve visibility and to gain greater control over the appropriation process. In the early 1970's, two large Army and Navy procurement appropriations were realigned into seven separate accounts. In addition, the availability of procurement and research and development appropriations were limited to specified periods of time. These steps precluded the accumulation of large appropriation balances and adjusted these accounts to more manageable levels. These actions were consistent with the fiscal control embodied in full funding and with the reprogramming process, and enhanced the ability of Congress to exercise as much control as possible over annual appropriations. The conferees wish to make clear that the agreement on the F-16 program is not intended to be a departure from full funding. It is a one time expediency and should not be construed as setting a contrary precedent.

The conferees agreed to provide \$28,800,000 for the advance tanker/cargo aircraft program instead of \$11,700,000 as proposed by the House and \$37,200,000 as proposed by the Senate.

In agreeing to provide \$28,800,000 for the advance tanker/cargo aircraft program, the conferees were mindful of an on-going Strategic Mobility Requirements Study directed by the Secretary of Defense and to be completed by December 1976. This study will involve a thorough review of the full spectrum of DOD reinforcement requirements, and a careful examination of alternative methods of providing the necessary strategic lift, including sealift, airlift and pre-positioning. In addition, the Surveys and Investigations Staff of the House Appropriations Committee has been requested to conduct a similar review of strategic mobility requirements, as well as an examination of various alternatives available to the Air Force to meet requirements for which the ATCA program has been proposed. It is quite possible these studies now underway may suggest alternative proposals or modifications to the ATCA and/or other airlift enhancement programs of the Air Force. For this reason, the conferees agreed to less than the Air Force funding request so that modification or changes in the ATCA program, if necessary in the future, could be implemented with minimal liability and cost to the government.

The conferees also agreed to delete \$2,300,000 for a KC-135 simulator and to delete \$12,000,000 for a B-52 simulator as proposed by the Senate. The funding reductions were in accordance with the authorizing legislation.

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which includes language in the bill transferring to fiscal year 1977 a total of \$21,500,000 in prior year funds, of which \$8,600,000 is to be derived from fiscal year 1976 aircraft procurement appropriations and \$12,900,000 is to be derived from transition quarter aircraft procurement appropriations. This transfer of prior year funds conforms to the authorizing legislation which reduced the fiscal year 1977 authorization for the F-15 fighter program by \$21,500,000 based on savings to be realized in fiscal year 1976 and

the transition quarter from Foreign Military Sales of the F-15 aircraft to Israel.

Amendment No. 61: The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

Until February 1, 1977, the obligation of funds appropriated in this Act for the procurement of the B-1 bomber shall be limited to a cumulative rate of not to exceed \$87,000,000 per month.

#### MISSILE PROCUREMENT, AIR FORCE

Amendment No. 62: The conferees agreed to provide a bill subtitle "(Including Transfer of Funds)" as proposed by the Senate.

Amendment No. 63: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating \$1,827,700,000 instead of \$1,853,700,000 as proposed by the House and \$1,843,200,000 as proposed by the Senate. The Managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agreed to provide \$179,900,000 for the Defense Satellite Communication System II (DSCS II) program, instead of \$172,600,000 as proposed by the House and \$195,400,000 as proposed by the Senate. Of the \$20,200,000 reduction, \$15,500,000 is to be derived from the procurement of four rather than the six DSCS II satellites budgeted. Long leadtime funding for four satellites was provided in a previously approved reprogramming action. If improvements can be made in the traveling wave tube and other elements of the DSCS II within the amounts provided, the conferees would have no objection to said improvements and would in fact encourage that they be made.

The conference agreement on the DSCS II program also provides \$7,300,000 for procurement of a Titan III-C booster from a cancelled program, a reduction of \$4,700,000 below the amount requested. These funds are to be used only for procuring a booster for the DSCS II program and any savings should not be diverted to other programs within the agency which managed the cancelled program.

The conferees agreed to a reduction of \$33,300,000 in the Maverick missile program as proposed by the Senate in order to conform with the authorizing legislation.

Amendment No. 64: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the Senate amendment which includes language in the bill transferring to fiscal year 1977 a total of \$33,300,000 which is to be derived from fiscal year 1976 missile procurement appropriations. This transfer of prior year funds conforms to the authorizing legislation which reduced the fiscal year 1977 authorization for Maverick missiles by \$33,300,000 because a like amount appropriated in fiscal year 1976 for advance procurement of optically guided (TV) Maverick missiles is no longer required.

## OTHER PROCUREMENT, AIR FORCE

Amendment No. 65: Appropriates \$2,309,700,000 instead of \$2,301,600,000 as proposed by the House and \$2,349,700,000 as proposed by the Senate.

The conference agreement does not provide funding for procurement of the Modular Guided Glide Bomb. The Senate had proposed \$23,700,000 to procure this weapon and the House had deleted the funds. Additional funds are provided in RDT&E, Air Force to continue necessary research and development on this weapon system.

The conferees provided a total of \$6,500,000 for the productivity enhancement program instead of \$3,000,000 as proposed by the House and \$10,000,000 as proposed by the Senate.

The conferees agreed to a reduction of \$32,100,000 in intelligence activities, instead of a reduction of \$36,700,000 as proposed by the House and a reduction of \$19,300,000 as proposed by the Senate.

## PROCUREMENT, DEFENSE AGENCIES

Amendment No. 66: Appropriates \$250,100,000 instead of \$244,100,000 as provided by the House and \$255,200,000 as provided by the Senate.

The conferees agreed to a reduction of \$12,000,000 in intelligence activities instead of a reduction of \$18,000,000 as proposed by the House and a reduction of \$6,900,000 as proposed by the Senate.

## REPORT LANGUAGE

## ARMOR MACHINE GUN

The conferees agreed to Senate report language indicating that the \$15,100,000 provided for the Army's armor machine gun is not contemplated for any particular weapon. This will provide the Army with the flexibility to buy the M60 machine gun in the event the Army is prohibited by the courts from purchasing the MAG-58 machine gun.

## NAVAL GUNFIRE SUPPORT DEFICIENCY

The conferees agreed with Senate report language, which essentially reiterates the direction in the House report last year, with respect to an existing naval gunfire support deficiency. It is agreed that funds budgeted for MK-71 gun mounts and their associated guided projectile ordnance be utilized for no other purpose, that DoD make every effort to introduce commonality into the various guided munitions programs, and that airborne designation systems be actively pursued in order to achieve the full potential of guided ordnance.

## FLIGHT SIMULATOR PROGRAMS

The conferees agreed to Senate report language urging the Air Force to assign high priority to flight simulator procurement in order to obtain substantial savings resulting from a reduction in the flying hour program, as well as the submission of reports relating to simula-

tor modification and management along with the fiscal year 1978 budget.

## FREE ASSETS

The conferees also agreed to House report language directing the Department of Defense to submit free asset projections along with the fiscal year 1978 budget submission and updating these projections by March 15th of each year, including a comparison of the estimates with the actual free assets generated the previous year.

TITLE V—RESEARCH, DEVELOPMENT, TEST,  
AND EVALUATION

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

Amendment No. 67: Appropriates, \$2,280,816,000 instead of \$2,254,951,000 as proposed by the Senate and \$2,284,948,000 as proposed by the House.

The conferees agreed to delete all funds for the Aerial Scout Helicopter as proposed by the House instead of \$2,000,000 as proposed by the Senate.

The conferees agreed to provide \$5,000,000 for the Surface-to-Surface Missile Rocket System as proposed by the Senate instead of \$1,000,000 as proposed by the House.

The conferees agreed to provide \$3,000,000 for the Terminal Homing Systems program instead of \$2,000,000 as proposed by the House and \$4,000,000 as proposed by the Senate.

The conferees agreed to provide \$100,000,000 for the Ballistic Missile Defense Systems Technology program as proposed by the House instead of \$75,000,000 as proposed by the Senate. This is the authorized amount.

The conferees agreed to provide \$25,349,000 for the STINGER Surface-to-Air Missile program as proposed by the House instead of \$16,500,000 as proposed by the Senate. The amount provided includes an additional \$8,849,000 to purchase missiles for testing and related research efforts.

The conferees agreed to provide \$650,000 for the LANCE (Improvement) program as proposed by the Senate instead of no funds as proposed by the House.

The conferees agreed to provide \$2,010,000 for Foreign Weapons Evaluation instead of \$1,000,000 as proposed by the House and \$3,500,000 as proposed by the Senate.

The conferees agreed to deny all funds requested for a classified program as proposed by the House instead of \$544,000 as proposed by the Senate. This action terminates the program.

The conferees agreed to provide \$1,000,000 for the Advanced Concepts Laboratory instead of \$2,000,000 as proposed by the Senate and no funds as proposed by the House.

The conferees agreed to provide \$4,000,000 for the Light Armored Antitank System as proposed by the Senate instead of \$3,000,000 as proposed by the House.

The conferees agreed to provide \$2,631,000 for the Military Construction and Engineering Technology program instead of \$1,831,000

as proposed by the House and \$3,061,000 as proposed by the Senate. The Army should delete any pavement research programs that duplicate research efforts of the Federal Highway Administration or the Federal Aviation Administration.

The conferees agreed to provide \$9,564,000 for the Food Technology program instead of \$9,064,000 as proposed by the House and \$10,064,000 as proposed by the Senate.

The conferees agreed to provide \$3,955,000 for the Operations Technology for Military Facilities program instead of \$3,755,000 as proposed by the House and \$4,015,000 as proposed by the Senate.

The conferees agreed to a reduction of \$760,000 in medical research programs instead of \$1,200,000 as proposed by the House. The Senate made no reduction. The reduction is to be applied as follows:

Rocky mountain spotted fever.....	-\$300, 000
Trypanosomiasis .....	-90, 000
Gonorrhea .....	-70, 000
General immunology and entomology.....	-300, 000
<b>Total .....</b>	<b>-760, 000</b>

The conferees agreed to provide \$300,000 for Contemporary Issue Development instead of \$500,000 as proposed by the Senate and no funds as proposed by the House.

The conferees agreed to make no general reduction as proposed by the Senate instead of a \$40,595,000 reduction as proposed by the House.

The conferees agreed to provide funds at the authorized level for the following programs:

[In thousands of dollars]

Program	House amount	Senate amount	Conference amount
Aircraft survivability.....	3, 620	3, 000	3, 000
Advanced attack helicopter.....	134, 101	130, 801	130, 801
Advanced ballistic missile defense.....	106, 851	103, 000	103, 000
Hi-energy laser components.....	26, 490	21, 000	21, 000
Army/Navy SAM.....	4, 000	1, 500	1, 500
Kwajalein Missile Range.....	86, 553	83, 000	83, 000
Chaparral/Vulcan.....	10, 184	8, 000	8, 000
Advanced multipurpose missile.....	3, 000	0	0
XM 204 howitzer.....	2, 985	2, 900	2, 900
Bushmaster.....	22, 512	20, 000	20, 000
Communications/electronics.....	5, 845	4, 000	4, 000
Electrical and electronics.....	13, 806	12, 000	12, 000
Environmental quality technology.....	13, 199	12, 000	12, 000
Army training technology.....	4, 901	3, 800	3, 800
RPV/Drones.....	7, 478	5, 678	5, 678
RPV support technology.....	2, 500	1, 500	1, 500
ARM countermeasures.....	4, 140	2, 500	2, 500
Advanced electronic devices.....	1, 500	0	0
Command and control.....	9, 581	5, 000	5, 000
Testing.....	35, 168	33, 000	33, 000
Programwide activities.....	62, 831	60, 000	60, 000
Major R.D.T. & E. facilities.....	162, 504	157, 000	157, 000
Federal Contract Research Centers.....		-670	-670
Nonsystem training devices.....	3, 775	2, 888	2, 888

#### RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

Amendment No. 68: Appropriates \$3,722,792,000 instead of \$3,765,125,000 as proposed by the House and \$3,696,503,000 as proposed by the Senate.

The conferees agreed to provide \$7,985,000 for the Center for Naval Analysis (Navy) as proposed by the Senate instead of \$7,235,000 as proposed by the House.

The conferees agreed to deny all funds for the All Weather Attack program as proposed by the House instead of \$1,000,000 as proposed by the Senate.

The conferees agreed to provide \$2,000,000 for the VCX (Carrier-on-Board Delivery) aircraft instead of \$982,000 as proposed by the Senate and \$40,982,000 as proposed by the House. The funds provided will enable the Navy to initiate a fully competitive development program for a VCX aircraft that can meet all Navy COD requirements.

The conferees agreed to provide \$28,000,000 for the Air-to-Air Missile System Engineering program as proposed by the Senate instead of \$18,449,000 as proposed by the House.

The conferees agreed to provide \$568,551,000 for the TRIDENT Missile program instead of \$572,551,000 as proposed by the House and \$519,551,000 as proposed by the Senate. The Senate and the authorizing legislator provided \$519,551,000 for the TRIDENT Missile in the Navy RDT&E appropriation and an additional \$49,000,000 for the same program in the Defense Agencies RDT&E appropriation. The amount agreed to by the conferees is the total of the amounts proposed by the Senate in both the Navy RDT&E and Defense Agencies appropriations.

The conferees agreed to provide \$14,800,000 for the SEAFARER program as proposed by the House instead of \$27,100,000 as proposed by the Senate. The conference agreement will permit the SEAFARER program to continue at essentially last year's level. The conference agreement specifically excludes any of the \$4,700,000 requested for full-scale development. The conferees felt initiation of full-scale development was premature at this time. The conferees also believe the PISCES experiment should be conducted before making a final decision on the SEAFARER program. If the Navy can gain the concurrence of the authorizing committees, the conferees would not object to the Navy using \$2,300,000 of the \$14,800,000 provided in fiscal year 1977 to conduct the PISCES experiment.

The conferees agreed to deny the funds specially budgeted for the Lightweight ASW torpedo program since the funds were deleted by the authorizing legislation. The conferees share the concern of the Authorizing Committees and agree that funds may be reprogrammed internally to provide for the MK-46 NEARTIP program.

The conferees agreed to provide \$5,000,000 for the SPARROW Missile Replacement Development program as proposed by the Senate, however, the funds have been placed in the Air Force RDT&E appropriation.

The conferees agreed to provide \$11,000,000 for the U.S.S. *Long Beach* Conversion program as proposed by the Senate instead of no funds as proposed by the House.

The House had language which denied use of funds in the Ship Development (Engineering) program for the PHM Support Ship. The Senate had no similar language. The House conferees receded and funds can be used for the PHM Support Ship.

The conferees agreed to provide \$12,300,000 for the Fire Control Systems (Engineering) program as proposed by the Senate instead of \$9,300,000 as proposed by the House.

The conferees agreed to provide \$18,262,000 for the Tactical Towed Array Sonar instead of \$14,262,000 as proposed by the House and \$22,262,000 as proposed by the Senate.

The conferees agreed to provide \$2,031,000 for the Foreign Weapons Evaluation program as proposed by the House instead of \$3,500,000 as proposed by the Senate.

The conferees agreed to provide \$2,900,000 for the MK 30 Mobile target instead of \$3,000,000 as proposed by the House and no funds as proposed by the Senate.

The conferees agreed upon a general reduction of \$160,000 in medical research activities instead of the \$760,000 reduction proposed by the House and no reduction as proposed by the Senate.

The conferees agreed to a general reduction of \$9,400,000 in Intelligence Activities.

The conferees agreed that no RDT&E, Navy general reduction would be made as proposed by the Senate instead of the \$124,079,000 reduction proposed by the House.

The conferees agreed to provide \$2,000,000 for the Shipboard Intermediate Range Combat System as proposed by the Senate instead of no funds as proposed by the House.

The conferees agreed to provide the authorized amount for the following programs:

(In thousands of dollars)

Program	House amount	Senate amount	Conference amount
Avionics	7,500	6,500	6,500
V/STOL developments	4,127	3,000	3,000
Aircraft systems (advanced)	2,714	2,500	2,500
Tactical airborne reconnaissance	8,100	6,100	6,100
LAMPS MK III	83,200	73,700	73,700
Aerial target system development	14,477	12,600	12,600
CH-53E	14,043	12,000	12,000
A-6 squadrons	5,630	0	0
Strike warfare weaponry technology	42,400	34,000	34,000
Advance air-launched air-to-air missile	6,652	2,721	2,721
Air and sea launched antiship missile	1,049	0	0
Army-Navy area SAM	2,700	1,000	1,000
Sea launched cruise missile (advanced)	17,551	12,551	12,551
HARM missile	33,495	30,000	30,000
NATO Sea Sparrow	11,502	6,000	6,000
Sea launched cruise missile	144,900	107,250	107,250
Vertical launched standard missile	5,515	4,000	4,000
Ships, submarines and boats technology	28,200	27,200	27,200
Aircraft launching and retrieving	6,476	3,676	3,676
Hi-performance undersea vehicle	3,000	1,500	1,500
Advanced command data systems	9,884	3,858	3,858
Ship development (advanced)	19,297	13,997	13,997
Combat systems integration	3,516	1,437	1,437
Test bed development and demonstration	22,217	20,000	20,000
Ship development (Eng)	21,000	18,902	18,902
CVNX development	11,472	0	0
Advanced Marine Corps weapon systems	8,300	6,200	6,200
Lightweight ASW torpedo	8,438	0	0
Directed energy program	3,736	0	0
Advanced electronic components	973	0	0
Ocean engineering technical development	14,145	13,145	13,145
Integrated information support	7,659	6,659	6,659
Education and training	8,849	8,300	8,300
Tactical electronic support	5,387	4,887	4,887
R.D.T. & E. ship and aircraft support	55,989	53,989	53,989
Federal contract research centers		-1,110	-1,110

# RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

Amendment No. 69: Appropriates \$3,749,530,000 instead of \$3,773,430,000 as proposed by the House and \$3,740,530,000 as proposed by the Senate.

The conferees agreed to provide \$3,200,000 for the Preliminary Design and Development program instead of \$2,700,000 as proposed by the House and \$3,700,000 as proposed by the Senate.

The conferees agreed to deny all funds for the Low Cost Aircraft program as proposed by the House instead of \$500,000 as proposed by the Senate.

The conferees agreed to provide \$500,000 for the Tactical AGM Missile program as proposed by the Senate instead of no funds as proposed by the House.

The conferees agreed to provide \$5,000,000 for the SPARROW Replacement Missile. The Senate proposed that this program be funded in the Navy appropriation and the House proposed no funds for this program. The conferees agreed to provide the funds for this program to the Air Force rather than the Navy.

The conference agreement provides \$30,600,000 for the Defense Satellite Communications System III (DSCS III) program as proposed by the Senate rather than \$10,600,000 as proposed by the House. The approved amount will permit full-scale development of DSCS III satellites which will be suitable for launch both with the Titan III-C booster and with the Space Shuttle. This compatibility with the Space Shuttle is important since the DSCS III will be operational into the 1990's when the Shuttle may be the only available launch vehicle.

The conferees agreed to provide \$1,000,000 for the Low Cost Avionics program as proposed by the Senate instead of no funds as proposed by the House.

The conferees agreed to provide \$5,200,000 for Base Security as proposed by the Senate instead of \$4,000,000 as proposed by the House.

The conferees agreed to provide \$6,200,000 for the Integrated Program for Air Base Defense instead of \$4,200,000 as proposed by the House and \$8,200,000 as proposed by the Senate.

The conferees agreed to provide \$69,000,000 for the Advanced Airborne Command Post as proposed by the Senate instead of \$65,200,000 as proposed by the House.

The conferees agreed to provide \$14,000,000 for the Drone/RPV System Development Program instead of \$11,000,000 as proposed by the House and \$17,000,000 as proposed by the Senate. The reduction of \$3,000,000 is applicable to the COMPASS COPE RPV project.

The conference agreement includes \$36,500,000 for Surface Defense Suppression as proposed by the House instead of \$22,500,000 as proposed by the Senate. The additional funds are to be used to purchase planar and cruciform GBU-15 Modular Guided Glide Bombs for testing.

The conferees agreed to provide \$2,000,000 for the Foreign Weapons Evaluation program instead of \$1,000,000 as proposed by the House and \$3,500,000 as proposed by the Senate.

The conferees agreed to provide \$16,300,000, the authorized amount, for advanced development of the Precision Location Strike System

(PLSS) instead of no funds as proposed by the House. The conferees further agreed that NATO should participate in the funding of this program since two or three of the four systems to be procured will be located in Europe. The Department of Defense is directed to initiate negotiations with our NATO allies to determine if they will provide financial assistance and the extent of such participation. The Department of Defense should submit a report to the House and Senate Committees on Appropriations describing in detail the extent of participation, if any, or the reasons for lack of NATO support.

The conferees agreed to provide \$8,000,000 for Advanced Systems Engineering and Planning instead of \$10,000,000 as proposed by the Senate and no funds as proposed by the House.

The conferees agreed to a general reduction of \$500,000 instead of no reduction as proposed by the Senate and a \$31,870,000 reduction as proposed by the House.

The conferees agreed to provide the authorized amount for the following programs:

[In thousands of dollars]

Program	House amount	Senate amount	Conference amount
Defense research sciences.....	86,000	78,000	78,000
Environment.....	24,000	22,600	22,600
Air-to-Air ARM.....	3,000	1,000	1,000
Advanced aerial target technology.....	9,100	7,500	7,500
CONUS air defense.....	1,000	0	0
F-15 squadrons.....	51,000	35,000	35,000
Lightweight radar missile prototype.....	5,000	0	0
Advanced ICBM technology.....	84,000	69,000	69,000
Advanced SRAAM systems technology.....	4,300	3,500	3,500
Tactical AIM missile.....	4,700	1,700	1,700
Tactical drone support.....	1,500	1,000	1,000
Space surveillance technology.....	24,500	20,500	20,500
Space communications.....	29,800	27,800	27,800
Space defense systems.....	12,800	12,000	12,000
Space boosters.....	13,900	12,000	12,000
Conventional weapons.....	19,000	16,200	16,200
Advanced tactical weapons.....	4,900	0	0
Armament ordnance development.....	8,900	7,900	7,900
Close air support weapons system.....	41,000	30,000	30,000
Electronic warfare technology.....	9,300	7,800	7,800
Electro-optical warfare.....	8,000	6,500	6,500
Command, control, communications advanced development.....	6,000	4,500	4,500
TAC information processing.....	9,500	8,500	8,500
Recon/electronic warfare.....	14,200	12,700	12,700
Applications for information processing techniques.....	2,800	1,500	1,500
AWACS.....	109,600	104,600	104,600
Expendable drones.....	7,000	2,000	2,000
Long-haul communications.....	8,300	6,500	6,500
PRAM-PO.....	10,000	2,500	2,500
Acquisition and command support.....	202,200	202,700	202,700
Test and evaluation support.....	306,400	307,900	307,900
Financing adjustment for FMS.....	-8,000	-13,000	-13,000
Federal contract research centers.....		-4,270	-4,270

#### RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

Amendment No. 70: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating \$651,280,000 instead of \$652,800,000 as proposed by the House and \$700,480,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agreed to provide \$15,100,000 for the Technical Support to OSD/JCS program as proposed by the House instead of \$15,300,000 as proposed by the Senate.

The conferees agreed to a general reduction of \$5,900,000 in Intelligence Activities as proposed by the Senate instead of a \$7,500,000 reduction as proposed by the House.

The conferees agreed to transfer the \$49,000,000 in the Emergency Fund to the Navy RDT&E appropriation since both the authorizing legislation and the Senate had provided that these funds be used only for the TRIDENT Missile program.

The conferees agreed to provide the authorized amount for the following programs:

[In thousands of dollars]

Program	House amount	Senate amount	Conference amount
DARPA general reduction.....	-10,000	-10,400	-10,400
DNA general reduction.....		-1,000	-1,000
Federal contract research center reduction.....		-1,720	-1,720

#### TITLE VII—GENERAL PROVISIONS

Amendment No. 71: Section 707—Provides a limitation on the Overseas Dependent Education Program of \$248,000,000 as proposed by the House instead of \$249,480,000 as proposed by the Senate.

Amendment No. 72: Section 708—Technical amendment made in conjunction with an additional amendment to this section.

Amendment No. 73: Section 708—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in a Senate amendment permitting cryptologic support in foreign countries.

Amendment No. 74: Section 714—The conferees agreed to delete a Senate amendment that would have phased out the appropriation subsidy for commissary operations over a six year period. The House did not include any such phase out.

The conferees agreed that, to the extent that the Department is able to achieve management improvements and economies in commissary operations, as directed in the Conference Report on Defense authorization (Senate Report 94-1004), future commissary appropriated funds subsidies will be reduced accordingly.

Amendment No. 75: Section 714—The conferees agreed to delete a Senate amendment that provided for the payment of transportation costs of commissary goods shipped to and in Alaska.

Amendment No. 76: Section 723—Reported in technical disagreement. The Senate included a section not in the House bill, that requires certain material procured to be grown or produced in the United States or its possessions (the "Buy America" provisions) and provided that the exception permitting the Department to procure specialty metals from foreign sources does not override existing legislation requiring the Department to report agreements on reciprocal weapons purchases. The Senate language also permitted total contractual set-asides to labor surplus areas under certain conditions. The

conferees agreed to include the "Buy America" language proposed by the Senate but delete the two provisos discussed above.

The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as discussed above. The amended language agreed to by the conferees follows:

SEC. 723. No part of any appropriation contained in this Act, except for small purchases in amounts not exceeding \$10,000, shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or specialty metals including stainless steel flatware, not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, wool, or specialty metals including stainless steel flatware, grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: *Provided*, That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further*, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations: *Provided further*, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendments Nos. 77 through 81: Change section numbers because of Senate amendment number 76 which inserted new section 723.

Amendments Nos. 82 and 83: Section 728—The conferees agreed to change the fund restriction from "congressional" liaison activities as proposed by the House to a new broader category of "legislative" liaison activities as proposed by the Senate. This applies the restrictive language to a wider variety of current activities.

The conferees also agreed to a limitation of funds for these activities of \$5,000,000 in lieu of \$1,500,000 as proposed by the House and \$7,900,000 as proposed by the Senate.

Amendments Nos. 84 through 90: Change section numbers.

Amendment No. 91: Section 735—Reported in technical disagreement. The Senate added language that prohibits the transfer of funds between stock and/or industrial funds or the obligation of working capital funds for the purchase of war reserve materials prior to notification to the Appropriations Committees of the House and Senate. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment that requires the notification to be made to the Congress. The amended language agreed to by the conferees follows:

SEC. 735. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that transfers between a stock fund account and an industrial fund account may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. No obligations may be made against a working capital fund to procure war reserve materiel inventory unless the Secretary of Defense has notified the Congress prior to any such obligation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendments Nos. 92 through 99: Change section numbers.

Amendment No. 100: Section 743—Reported in technical disagreement. The House language in this section provided a prohibition on the use of CHAMPUS funds for pastoral, family, child or marital counselors. The Senate added language providing an exception to the prohibition on counselors when a medical doctor refers the patient to the counselor for treatment of a specific problem with a report to the medical doctor required. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment.

Amendment No. 101: Section 743—The Houses included a prohibition on the use of CHAMPUS funds for payments for perceptual or visual training. The Senate deleted this prohibition. The conferees agreed with the Senate position.

However, the conferees direct the General Accounting Office (GAO) to make a comprehensive study of the reasons for making such payments under the CHAMPUS program. The GAO should determine if the payments for such services are provided under other federally-sponsored health care or insurance programs. In addition, the GAO should determine the cost effectiveness of this training in comparison to potential medical cost if the training is not provided. A determination should be made of the amount of funds for this type of training provided under other federally-funded programs. The GAO should also determine the cost of this service to the CHAMPUS program.

Amendments Nos. 102 and 103: Change section numbers.

Amendment No. 104: Section 745—The conferees agreed to an amendment to a Senate amendment which established a limitation of 50 percent on the number of ROTC scholarships that are awarded to cadets for the two-year Senior Reserve Officers' Training Corps course.

The House had proposed that the scholarships be awarded without regard to the current limitation in order to expand scholarship selection and permit the military services to make maximum use of the scholarships in terms of increasing commissioned officer production. The conference agreement establishes a 60 percent limitation.

Amendment No. 105: Section 745a—The conferees agreed to restore the matter stricken by the said amendment with an amendment limiting the number of Naval Districts to not more than four.

The Senate bill deleted the House provision which would have disestablished all Naval Districts after June 30, 1977. The conferees' action does not preclude the total disestablishment of the Naval District management structure if the Navy desires to do so.

Amendment No. 106: Section 746—The conferees agreed to the House provision which limits total lump sum terminal leave payments to 60 days over an entire military career. The Senate had added an additional provision which would have limited the amount paid to that authorized for basic pay. Currently, termination pay for unused leave is provided on the basis of basic pay, quarters allowances and subsistence allowance. Public Law 94-361, the fiscal year 1977 Defense authorization act, limits the payment to basic pay for all leave accumulated after July 14, 1976, but allows payments of all elements of Regular Military Compensation (RMC) for leave accumulated prior to enactment of that Act.

Amendment No. 107: Section 747—Reported in technical disagreement. The Senate added language requiring examination and evaluation by responsible Department of Defense officials and a report to the Armed Services and Appropriations Committees prior to payment of any claim against the United States. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment that requires such a report only in the case of claims in excess of \$5,000,000, and further requires the report to be made to the Congress.

The amended language agreed to by the conferees is as follows:

SEC. 747. None of the funds appropriated in this Act may be used to pay any claim over \$5,000,000 against the United States, unless such claim has been thoroughly examined and evaluated by officials of the Department of Defense responsible for determining such claims and a report is made to the Congress as to the validity of these claims.

The managers on the part of the Senate will move to concur to the amendment of the House to the amendment of the Senate.

Amendment No. 108: Section 748—The conferees agreed to amend the Senate provision by limiting the number of enlisted aides employed by the Department of Defense to 300.

The Senate bill included language which would have eliminated support for all enlisted aides. Current authorizing legislation limits the number of enlisted aides to 396. The conferees believe that the enlisted

aides should not be assigned by rank, but according to the representational/social responsibilities of the officers concerned. All personnel serving as enlisted aides are to be volunteers.

The conferees also direct that the Defense Department undertake a study of alternatives to the continuation of employing enlisted aides. This study might incorporate such alternative possibilities as service on an *ad hoc* basis, part-time service, temporary service, occasional service from a manpower pool, or complete elimination of any institutionalized support. This study, including any proposed authorizing legislation, should be completed in time for consideration during deliberations on the FY 1978 Defense budget.

Amendment No. 109: The conferees agreed to delete a provision proposed by the Senate which prohibited the use of appropriated funds for the direct procurement of transportation for the shipment of military exchange goods overseas. The House bill included no similar provision. The conferees agreed to delete the provisions. Existing legislation covers this matter.

Amendment No. 110: The Senate bill included a provision that required Social Security Act criteria of reasonable cost or reasonable charge to be applied to CHAMPUS payments. The House bill did not include a similar provision. The conferees agreed to delete the provision and direct the General Accounting Office to perform a study of the feasibility, advisability, and cost savings that would result from inclusion of such a provision in law. The GAO report should provide specific comparisons between CHAMPUS reimbursement methods and those used under the Medicare (Social Security Act) reasonable cost/reasonable charge criteria, along with an explanation of the reasons for the differences.

Amendment No. 111: The conferees agreed to a provision added by the Senate to the House bill that placed a \$24,000,000 limitation on public affairs activities of the Department of Defense.

Amendment No. 112: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in a Senate amendment inserting a new section which enables South Vietnamese refugees to be employed by the Government of the United States.

The same provision was included in the Defense Appropriation Act for fiscal year 1976.

## TITLE VIII—RELATED AGENCY

### INTELLIGENCE COMMUNITY OVERSIGHT

Amendment No. 113: Appropriates \$5,600,000 for "Intelligence Community Oversight" as proposed by the House.

The conferees agreed that a separate appropriation for "intelligence Community Oversight" would give increased independence and stature to the activities of the Intelligence Community Staff and to the National Foreign Intelligence Board. This independence will help assure vigorous oversight of the intelligence community.

The conferees also agreed that a public appropriation would do no harm and could do much good as a symbol of the congressional intent that there be strong, central direction of the intelligence community. The conferees agreed, however, that other elements of the intelligence

and intelligence-related budgets should not be revealed, since to do so could result in harmful effects to United States security.

The main desire of the conferees is to enable the Intelligence Community Staff and the National Foreign Intelligence Board to achieve policy independence. There is no intent to preclude the provision under the Economy Act and other general authorities of certain administrative services, including but not limited to, security, communications, financial, logistics, and computer services by other elements of the intelligence community (or even the non-intelligence community within the dictates of security). However, any such administrative services must be funded from the "Intelligence Community Oversight" appropriation through transfers or other appropriate devices. There is to be no augmentation of this appropriation, except by supplemental appropriations. There is also to be no carryover of unobligated funds, since this is intended to be an annual appropriation. The normal apportionment procedures of the Office of Management and Budget should apply to this appropriation. Within the above caveats, the conferees agreed that, to the extent it is permissible under existing law, the authorities granted to the Director of Central Intelligence and to the Central Intelligence Agency in regard to such activities as hiring and procurement practices may apply to the activities funded by the "Intelligence Community Oversight" appropriation.

While the conferees have no objection to provision of reimbursed support services from other sources, they feel it would be inappropriate to depend on other sources for policy sensitive services. To do so would be to deny the intent of Congress, which is that the Intelligence Community Staff and the National Foreign Intelligence Board be totally independent.

The Committees will expect that separate budget justifications and congressional testimony shall be presented in defense of the 1978 budget request for "Intelligence Community Oversight". This justification material in addition to the normal information concerning personnel levels and dollars requested, shall include a discussion of the principal achievements of the Intelligence Community Staff, the National Foreign Intelligence Board, and the Committee on Foreign Intelligence, including a summary by program and agency of the amounts requested and the amounts approved for intelligence and intelligence related activities.

#### CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY FUND

Amendment No. 114: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating \$28,300,000, the budget request, rather than \$52,200,000 as proposed by the Senate and nothing as proposed by the House which did not consider this request due to lack of authorization.

The text of the provision follows:

#### CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY FUND

For payment to the Central Intelligence Agency Retirement and Disability Fund, to maintain proper funding level

for continuing the operation of the Central Intelligence Agency Retirement and Disability System, \$28,300,000, subject to the enactment of legislation authorizing such payment.

The managers on the part of the Senate will move to concur to the amendment of the House to the amendment of the Senate.

#### INTELLIGENCE AND INTELLIGENCE-RELATED PROGRAMS

For intelligence and intelligence-related programs, which are funded in many appropriations, the conferees have agreed to reductions of \$89,700,000, as compared to reductions of \$149,700,000 as proposed by the House and reductions of \$45,500,000 as proposed by the Senate. These amounts are adjusted to include the \$28,300,000 provided in the conference agreement for the Central Intelligence Agency Retirement and Disability Fund.

#### CONSOLIDATED TELECOMMUNICATIONS AND COMMAND CONTROL PROGRAMS

For consolidated Telecommunications and Command Control Programs, which are also funded in many appropriations, the conferees have agreed to reductions of \$85,900,000, rather than reductions of \$112,000,000 as proposed by the House and reductions of \$60,200,000 as proposed by the Senate. These reductions affect the following programs:

	(Dollars in millions)		
	House	Senate	Conference
WWMCCS ADP (DNA).....		-\$2.4	-\$2.4
WWMCCS system engineer.....		-4.2	-2.1
Joint technical support.....		-3.4	-3.4
Pentagon communications center consolidation.....	-\$10.0		
DSCS II:			
Titan III-C.....	-12.0	-4.7	-4.7
Satellites.....	-15.5		-15.5
DSCS III.....	-20.0		
Space communications.....		-2.0	-2.0
SEAFARER.....	-15.0	-2.7	*-15.0
Airborne command post.....	-13.8	-10.0	-10.0
C <sup>2</sup> advanced development.....		-1.5	-1.5
Army communications electronics R. & D.....	-5	-2.3	-2.3
DCS long haul communications.....		-1.8	-1.8
Items not in conference.....	-25.2	-25.2	-25.2
Total reductions.....	-112.0	-60.2	-85.9

\*Includes report language permitting conduct of PISCES experiment, if approved by authorizing committees.

#### OTHER MATTERS ADDRESSED BY ONLY ONE COMMITTEE

The reports of both the Senate and House Committees contain numerous requests for additional studies and data including requests to cooperate and support investigations and reviews by special committee staffs and the General Accounting Office. These requests do not involve substantive changes in terms of resource allocation or operating procedures. The conferees direct the Department of Defense to treat these requests as being approved by the Committee of Conference, unless this report clearly states that the Committee of Conference has not adopted a request of this nature.

## CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1977 recommended by the Committee of Conference with comparisons to the fiscal year 1976 amount, the 1977 budget estimates, and the House and Senate bills for 1977 follow:

New budget (obligational) authority, fiscal year 1976-----	\$92,399,538,000
Transfer from other accounts, fiscal year 1976-----	99,300,000
Total funding available, 1976-----	92,498,838,000
Budget estimates of new (obligational) authority (as amended), fiscal year 1977-----	107,964,472,000
House bill, new (obligational) authority, fiscal year 1977-----	105,397,343,000
Transfer from other accounts-----	196,800,000
Total funding available, 1977-----	105,594,143,000
Senate bill, new (obligational) authority, fiscal year 1977-----	104,014,226,000
Transfer from other accounts-----	82,600,000
Total funding available, 1977-----	104,096,826,000
Conference agreement, new (obligational) authority, fiscal year 1977-----	104,343,835,000
Transfer from other accounts-----	82,600,000
Total funding available, 1977-----	104,426,435,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1976-----	+11,944,297,000
Transfer from other accounts-----	-16,700,000
Total funding available, 1976-----	+11,927,597,000
Budget estimates of new (obligational) authority (as amended) fiscal year 1977-----	-3,620,637,000
Transfer from other accounts-----	+82,600,000
Total funding available, 1977-----	-3,538,037,000
House bill, new (obligational) authority, fiscal year 1977-----	-1,053,508,000
Transfer from other accounts-----	-114,200,000
Total funding available, 1977-----	-1,167,708,000
Senate bill, new (obligational) authority, fiscal year 1977-----	+329,609,000
Transfer from other accounts-----	
Total funding available, 1977-----	+329,609,000

GEORGE MAHON,  
ROBERT L. F. SIKES,  
DANIEL J. FLOOD,  
JOSEPH P. ADDABBO,  
JOHN J. McFALL,  
JOHN J. FLYNT, Jr.,  
ROBERT N. GIAIMO,  
BILL CHAPPELL,  
BILL D. BURLISON,  
JACK EDWARDS,  
J. K. ROBINSON,  
JACK KEMP,  
E. A. CEDERBERG,

*Managers on the Part of the House.*

JOHN L. McCLELLAN,  
JOHN C. STENNIS,  
JOHN O. PASTORE,  
WARREN G. MAGNUSON,  
GALE W. MCGEE,  
WILLIAM PROXMIRE,  
JOSEPH M. MONTTOYA,  
DANIEL K. INOUE,  
LAWTON CHILES,  
STUART SYMINGTON,  
HENRY M. JACKSON,  
MILTON R. YOUNG,  
ROMAN L. HRUSKA,  
CLIFFORD P. CASE,  
HIRAM L. FONG,  
TED STEVENS,  
RICHARD S. SCHWEIKER,  
STROM THURMOND,

*Managers on the Part of the Senate.*

# Ninety-fourth Congress of the United States of America

## AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,  
one thousand nine hundred and seventy-six*

### An Act

Making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1977, for military functions administered by the Department of Defense, and for other purposes, namely:*

#### TITLE I

##### MILITARY PERSONNEL

###### MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere); \$8,564,011,000.

###### MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; \$6,002,268,000.

###### MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); \$1,854,334,000.

###### MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; \$7,136,706,000.

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RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3019, and 3033 of title 10, United States Code, or while undergoing reserve training or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, as authorized by law; \$469,919,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Naval Reserve on active duty under section 265 of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, as authorized by law; \$215,010,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 265 of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, as authorized by law; \$78,173,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 265, 8019, and 8033 of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Air Reserve Officers' Training Corps, as authorized by law; \$163,807,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under sections 265, 3033, or 3496 of title 10 or section 708 of title 32, United States Code, or while undergoing training, or while performing drills or equivalent duty, as authorized by law; \$714,665,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under sections 265, 8033, or 8496 of title 10 or section 708 of title 32, United States Code, or while undergoing training, or while performing drills or equivalent duty, as authorized by law; \$219,515,000.

H. R. 14262—3

TITLE II

RETIRED MILITARY PERSONNEL

RETIRED PAY, DEFENSE

For retired pay and retirement pay, as authorized by law, of military personnel on the retired lists of the Army, Navy, Marine Corps, and the Air Force, including the reserve components thereof, retainer pay for personnel of the Inactive Fleet Reserve, and payments under section 4 of Public Law 92-425 and chapter 73 of title 10, United States Code; \$8,381,700,000.

TITLE III

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed \$2,929,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; \$7,898,285,000, of which not less than \$480,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed \$4,462,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; \$9,565,164,000, of which not less than \$243,000,000 shall be available only for the maintenance of real property facilities: *Provided*, That of the total amount of this appropriation made available for the alteration, overhaul, and repair of naval vessels, not more than \$1,733,085,000 shall be available for the performance of such work in Navy shipyards of which not less than \$22,000,000 shall be available for such work only at the Ship Repair Facilities, Guam.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; \$569,288,000, of which not less than \$74,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not

#### H. R. 14262—4

to exceed \$2,393,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; \$8,107,077,000, of which not less than \$380,000,000 shall be available only for the maintenance of real property facilities.

#### OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments and the Defense Civil Preparedness Agency), as authorized by law; as follows: for the Secretary of Defense activities, \$897,130,000, of which \$581,830,000 shall be available only for the Civilian Health and Medical Program of the Uniformed Services, and \$242,800,000 shall be available only for Overseas Dependents Education; for the organization of the Joint Chiefs of Staff, \$13,100,000; for the Office of Information for the Armed Forces, \$17,600,000; for the Defense Contract Audit Agency, \$72,500,000; for the Defense Investigative Service, \$28,000,000; for the Defense Mapping Agency, \$198,400,000; for the Defense Nuclear Agency, \$24,500,000; for the Uniformed Services University of the Health Sciences, \$5,600,000; for the Defense Supply Agency, \$839,800,000; and for intelligence and communications activities, \$622,270,000; in all: \$2,718,900,000: *Provided*, That of the total amount of this appropriation, not to exceed \$8,384,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: *Provided further*, That not less than \$30,000,000 of the total amount of this appropriation shall be available only for the maintenance of real property facilities: *Provided further*, That the Secretary of Defense may transfer up to 3 per centum of the amount of any subdivision of this appropriation to any other subdivision of this appropriation, but no subdivision may thereby be increased by more than 5 per centum and the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority.

#### OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$356,100,000, of which not less than \$22,800,000 shall be available only for the maintenance of real property facilities.

#### OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$288,000,000, of which not less than \$13,500,000 shall be available only for the maintenance of real property facilities.

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OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$14,800,000, of which not less than \$500,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$350,700,000, of which not less than \$8,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); \$706,200,000, of which not less than \$15,800,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; \$774,600,000, of which not less than \$8,800,000 shall be available only for the maintenance of real property facilities.

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ARMY STOCK FUND

For the Army stock fund, \$100,000,000.

NAVY STOCK FUND

For the Navy stock fund, \$32,000,000.

MARINE CORPS STOCK FUND

For the Marine Corps stock fund, \$6,200,000.

AIR FORCE STOCK FUND

For the Air Force stock fund, \$58,800,000.

DEFENSE STOCK FUND

For the Defense Agencies stock fund, \$22,800,000.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

For the necessary expenses, in accordance with law, for construction, equipment, and maintenance of rifle ranges; the instruction of citizens in marksmanship; the promotion of rifle practice; and the travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions; \$291,000, of which amount not to exceed \$7,500 shall be available for incidental expenses of the National Board; and from other funds provided in this Act, not to exceed \$329,000 worth of ammunition may be issued under authority of title 10, United States Code, section 4311.

CLAIMS, DEFENSE

For payment, not otherwise provided for, of claims authorized by law to be paid by the Department of Defense (except for civil functions), including claims for damages arising under training contracts with carriers, and repayment of amounts determined by the Secretary concerned, or officers designated by him, to have been erroneously collected from military and civilian personnel of the Department of Defense, or from States, territories, or the District of Columbia, or members of the National Guard units thereof; \$82,500,000.

CONTINGENCIES, DEFENSE

For emergency and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes; \$2,500,000.

COURT OF MILITARY APPEALS, DEFENSE

For salaries and expenses necessary for the United States Court of Military Appeals; \$1,239,000.

TITLE IV  
PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$541,900,000, to remain available for obligation until September 30, 1979.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$497,400,000, to remain available for obligation until September 30, 1979.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$1,089,800,000, and in addition \$27,800,000 which shall be derived by transfer from "Procurement of Weapons and Tracked Combat Vehicles, Army, July 1, 1976/1978", to remain available for obligation until September 30, 1979.

## PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized in military construction authorization Acts, and the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$902,900,000, to remain available for obligation until September 30, 1979.

## OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and nontracked combat vehicles; the purchase of not to exceed two thousand seven hundred and sixty-five passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$1,366,600,000, to remain available for obligation until September 30, 1979.

## AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment including ordnance, spare parts, and accessories therefor; specialized equipment, expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; \$2,843,500,000, to remain available for obligation until September 30, 1979.

## WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and

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private plants; reserve plant and Government and contractor-owned equipment layaway; \$2,022,200,000, to remain available for obligation until September 30, 1979.

#### SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; as follows: for the Trident submarine program, \$791,500,000; for the SSN-688 nuclear attack submarine program, \$958,700,000; for the CG-26 U.S.S. Belknap conversion program, \$213,000,000; for the CVN nuclear attack aircraft carrier program, \$350,000,000; for the U.S.S. Long Beach conversion program, \$371,000,000; for the FFG guided missile frigate program, \$1,179,500,000; for the AD destroyer tender program, \$260,400,000; for the AS submarine tender program, \$260,900,000; for the AO fleet oiler program, \$102,300,000; for service craft, outfitting, post delivery, cost growth, and escalation on prior year programs, \$1,707,700,000, in all: \$6,195,000,000, to remain available for obligation until September 30, 1981: *Provided*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: *Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

#### OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and ships authorized for conversion), purchase of not to exceed nine hundred and forty-nine passenger motor vehicles for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; \$2,173,400,000, to remain available for obligation until September 30, 1979.

#### PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and vehicles for the Marine Corps, including purchase of not to

exceed one hundred and fifty-four passenger motor vehicles for replacement only; \$328,400,000, to remain available for obligation until September 30, 1979.

**AIRCRAFT PROCUREMENT, AIR FORCE**

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to the approval of title as required by section 355, Revised Statutes, as amended; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; \$6,067,700,000, and in addition, \$21,500,000, of which \$8,600,000 shall be derived by transfer from "Aircraft Procurement, Air Force, 1976/1978", and \$12,900,000 which shall be derived by transfer from "Aircraft Procurement, Air Force, July 1, 1976/1978", to remain available for obligation until September 30, 1979. Until February 1, 1977, the obligation of funds appropriated in this Act for the procurement of the B-1 bomber shall be limited to a cumulative rate of not to exceed \$87,000,000 per month.

**MISSILE PROCUREMENT, AIR FORCE**

(INCLUDING TRANSFER OF FUNDS)

For construction, procurement, and modification of missiles, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to the approval of title as required by section 355, Revised Statutes, as amended; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; \$1,827,700,000, and in addition, \$33,300,000, which shall be derived by transfer from "Missile Procurement, Air Force, 1976/1978", to remain available for obligation until September 30, 1979.

**OTHER PROCUREMENT, AIR FORCE**

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed one thousand two hundred and fifteen passenger motor vehicles of which one thousand one hundred and ninety-four shall be for replacement only; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section

9774 of title 10, United States Code, for the foregoing purposes, and such lands and interests therein may be acquired, and construction prosecuted thereon prior to the approval of title as required by section 355, Revised Statutes, as amended; reserve plant and Government and contractor-owned equipment layaway; \$2,809,700,000, to remain available for obligation until September 30, 1979.

**PROCUREMENT, DEFENSE AGENCIES**

For expenses of activities and agencies of the Department of Defense (other than the military departments and the Defense Civil Preparedness Agency) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; purchase of three hundred and eighty-seven passenger motor vehicles for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to the approval of title as required by section 355, Revised Statutes, as amended; reserve plant and Government and contractor-owned equipment layaway; \$250,100,000, to remain available for obligation until September 30, 1979.

**TITLE V**

**RESEARCH, DEVELOPMENT, TEST, AND EVALUATION**

**RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY**

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; \$2,280,816,000, to remain available for obligation until September 30, 1978.

**RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY**

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; \$3,722,792,000, to remain available for obligation until September 30, 1978.

**RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE**

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; \$3,749,530,000, to remain available for obligation until September 30, 1978.

**RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES**

For expenses of activities and agencies of the Department of Defense (other than the military departments and the Defense Civil Prepared-

ness Agency), necessary for basic and applied scientific research, development, test, and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; \$651,280,000, to remain available for obligation until September 30, 1978: *Provided*, That such amounts as may be determined by the Secretary of Defense to have been made available in other appropriations available to the Department of Defense during the current fiscal year for programs related to advanced research may be transferred to and merged with this appropriation to be available for the same purposes and time period: *Provided further*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to carry out the purposes of advanced research to those appropriations for military functions under the Department of Defense which are being utilized for related programs to be merged with and to be available for the same time period as the appropriation to which transferred.

#### DIRECTOR OF TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director of Defense Test and Evaluation in the direction and supervision of test and evaluation, including initial operational testing and evaluation; and performance of joint testing and evaluation; and administrative expenses in connection therewith; \$30,000,000, to remain available for obligation until September 30, 1978.

### TITLE VI

#### SPECIAL FOREIGN CURRENCY PROGRAM

For payment in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States for expenses in carrying out programs of the Department of Defense, as authorized by law; \$3,665,000, to remain available for obligation until September 30, 1978: *Provided*, That this appropriation shall be available in addition to other appropriations to such Department, for payments in the foregoing currencies.

### TITLE VII

#### GENERAL PROVISIONS

SEC. 701. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 702. During the current fiscal year, the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force, respectively, if they should deem it advantageous to the national defense, and if in their opinions the existing facilities of the Department of Defense are inadequate, are authorized to procure services in accordance with section 3109 of title 5, United States Code, under regulations prescribed by the Secretary of Defense, and to pay in connection therewith travel expenses of individuals, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty station and return as may be authorized by law: *Provided*, That such contracts may be renewed annually.

SEC. 703. During the current fiscal year, provisions of law prohibit-

ing the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense.

SEC. 704. Appropriations contained in this Act shall be available for insurance of official motor vehicles in foreign countries, when required by laws of such countries; payments in advance of expenses determined by the investigating officer to be necessary and in accord with local custom for conducting investigations in foreign countries incident to matters relating to the activities of the department concerned; reimbursement of General Services Administration for security guard services for protection of confidential files; reimbursement of the Federal Bureau of Investigation for expenses in connection with investigation of defense contractor personnel; and all necessary expenses, at the seat of government of the United States of America or elsewhere, in connection with communication and other services and supplies as may be necessary to carry out the purposes of this Act.

SEC. 705. Any appropriation available to the Army, Navy, or the Air Force may, under such regulations as the Secretary concerned may prescribe, be used for expenses incident to the maintenance, pay, and allowances of prisoners of war, other persons in Army, Navy, or Air Force custody whose status is determined by the Secretary concerned to be similar to prisoners of war, and persons detained in such custody pursuant to Presidential proclamation.

SEC. 706. Appropriations available to the Department of Defense for the current fiscal year for maintenance or construction shall be available for acquisition of land or interest therein as authorized by sections 2672 or 2675 of title 10, United States Code.

SEC. 707. Appropriations for the Department of Defense for the current fiscal year shall be available, (a) except as authorized by the Act of September 30, 1950 (20 U.S.C. 236-244), for primary and secondary schooling for minor dependents of military and civilian personnel of the Department of Defense residing on military or naval installations or stationed in foreign countries, as authorized for the Navy by section 7204 of title 10, United States Code, in an amount not exceeding \$248,000,000, when the Secretary of the Department concerned finds that schools, if any, available in the locality, are unable to provide adequately for the education of such dependents: *Provided*, That under such regulations as may be issued by the Secretary of Defense, such schooling in a school operated by the Department of Defense under this section may be provided without tuition for minor dependents of civilian and military personnel of the Department of Defense who died while entitled to compensation or active duty pay: *Provided further*, That where such personnel die subsequent to January 11, 1971, such schooling must be continued or commenced within one year after the date of death; (b) for expenses in connection with administration of occupied areas; (c) for payment of rewards as authorized for the Navy by section 7209(a) of title 10, United States Code, for information leading to the discovery of missing naval property or the recovery thereof; (d) for payment of deficiency judgments and interests thereon arising out of condemnation proceedings; (e) for leasing of buildings and facilities including payment of rentals for special purpose space at the seat of government, and in the conduct of field exercises and maneuvers or, in administering the provisions of title 43, United States Code, section 315q, rentals may be paid in advance; (f) payments under contracts for maintenance of tools and facilities for twelve months beginning at any time during the fiscal year; (g) maintenance of defense access roads certified as important to national defense in accordance with section 210 of title 23,

United States Code; (h) for the purchase of milk for enlisted personnel of the Department of Defense heretofore made available pursuant to section 1446a, title 7, United States Code, and the cost of milk so purchased, as determined by the Secretary of Defense, shall be included in the value of the commuted ration; (i) transporting civilian clothing to the home of record of selective service inductees and recruits on entering the military services; (j) payments under leases for real or personal property for twelve months beginning at any time during the fiscal year; and (k) pay and allowances of not to exceed nine persons, including personnel detailed to International Military Headquarters and Organizations, at rates provided for under section 625(d)(1) of the Foreign Assistance Act of 1961, as amended.

SEC. 708. Appropriations for the Department of Defense for the current fiscal year shall be available for: (a) donations of not to exceed \$25 to each prisoner upon each release from confinement in military or contract prison and to each person discharged for fraudulent enlistment; (b) authorized issues of articles to prisoners, applicants for enlistment and persons in military custody; (c) subsistence of selective service registrants called for induction, applicants for enlistment, prisoners, civilian employees as authorized by law, and supernumeraries when necessitated by emergent military circumstances; (d) reimbursement for subsistence of enlisted personnel while sick in hospitals; (e) expenses of prisoners confined in non-military facilities; (f) military courts, boards, and commissions; (g) utility services for buildings erected at private cost, as authorized by law, and buildings on military reservations authorized by regulations to be used for welfare and recreational purposes; (h) exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law; (i) expenses of Latin American cooperation as authorized for the Navy by law (10 U.S.C. 7208); (j) expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed \$25 in any one case; and (k) expenses of arrangements with foreign countries for cryptologic support.

SEC. 709. Insofar as practicable, the Secretary of Defense shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this Act by making available or causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this Act, and by making available or causing to be made available to purchasing and contracting agencies of the Department of Defense information as to commodities and services produced and furnished by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishings of commodities and services financed with funds appropriated by this Act.

SEC. 710. No appropriation contained in this Act shall be available for expenses of operation of messes (other than organized messes the operating expenses of which are financed principally from nonappropriated funds) at which meals are sold to officers or civilians, except under regulations approved by the Secretary of Defense, which shall (except under unusual or extraordinary circumstances) establish rates for such meals sufficient to provide reimbursements of operating expenses and food costs to the appropriations concerned: *Provided*, That officers and civilians in a travel status receiving a per diem allowance in lieu of subsistence shall be charged at the rate of not less

than \$2.50 per day: *Provided further*, That for the purposes of this section payments for meals at the rates established hereunder may be made in cash or by deduction from the pay of civilian employees: *Provided further*, That members of organized nonprofit youth groups sponsored at either the national or local level, when extended the privilege of visiting a military installation and permitted to eat in the general mess by the commanding officer of the installation, shall pay the commuted ration cost of such meal or meals.

SEC. 711. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 712. Appropriations of the Department of Defense available for operation and maintenance may be reimbursed during the current fiscal year for all expenses involved in the preparation for disposal and for the disposal of military supplies, equipment, and materiel, and for all expenses of production of lumber or timber products pursuant to section 2665 of title 10, United States Code, from amounts received as proceeds from the sale of any such property: *Provided*, That a report of receipts and disbursements under this limitation shall be made quarterly to Congress: *Provided further*, That no funds available to agencies of the Department of Defense shall be used for the operation, acquisition, or construction of new facilities or equipment for new facilities in the continental limits of the United States for metal scrap baling or shearing or for melting or sweating aluminum scrap unless the Secretary of Defense or an Assistant Secretary of Defense designated by him determines, with respect to each facility involved, that the operation of such facility is in the national interest.

SEC. 713. (a) During the current fiscal year, the President may exempt appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense.

(b) Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of Revised Statutes 3732 (41 U.S.C. 11).

(c) Upon determination by the President that it is necessary to increase the number of military personnel on active duty subject to existing laws beyond the number for which funds are provided in this Act, the Secretary of Defense is authorized to provide for the cost of such increased military personnel, as an excepted expense in accordance with the provisions of Revised Statutes 3732 (41 U.S.C. 11).

(d) The Secretary of Defense shall immediately advise Congress of the exercise of any authority granted in this section, and shall report monthly on the estimated obligations incurred pursuant to subsections (b) and (c).

SEC. 714. No appropriation contained in this Act shall be available in connection with the operation of commissary stores of the agencies of the Department of Defense for the cost of purchase (including commercial transportation in the United States to the place of sale but excluding all transportation outside the United States) and maintenance of operating equipment and supplies, and for the actual or estimated cost of utilities as may be furnished by the Government and of shrinkage, spoilage, and pilferage of merchandise under the control of such commissary stores, except as authorized under regulations promulgated by the Secretaries of the military departments concerned with the approval of the Secretary of Defense, which regu-

lations shall provide for reimbursement therefor to the appropriations concerned and, notwithstanding any other provision of law, shall provide for the adjustment of the sales prices in such commissary stores to the extent necessary to furnish sufficient gross revenue from sales of commissary stores to make such reimbursement: *Provided*, That under such regulations as may be issued pursuant to this section all utilities may be furnished without cost to the commissary stores outside the continental United States and in Alaska: *Provided further*, That no appropriation contained in this Act shall be available in connection with the operation of commissary stores within the continental United States unless the Secretary of Defense has certified that items normally procured from commissary stores are not otherwise available at a reasonable distance and a reasonable price in satisfactory quality and quantity to the military and civilian employees of the Department of Defense.

SEC. 715. No part of the appropriations in this Act shall be available for any expense of operating aircraft under the jurisdiction of the armed forces for the purpose of proficiency flying, as defined in Department of Defense Directive 1340.4, except in accordance with regulations prescribed by the Secretary of Defense. Such regulations (1) may not require such flying except that required to maintain proficiency in anticipation of a member's assignment to combat operations and (2) such flying may not be permitted in cases of members who have been assigned to a course of instruction of ninety days or more.

SEC. 716. No part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in any one shipment having a net weight in excess of thirteen thousand five hundred pounds.

SEC. 717. Vessels under the jurisdiction of the Department of Commerce, the Department of the Army, Department of the Air Force, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned.

SEC. 718. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year.

SEC. 719. During the current fiscal year the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

In addition to the foregoing, agencies of the Department of Defense may accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense agreements or occupational arrangements and such agencies may use the same for the support of the United States forces in such areas, without specific appropriations therefor: *Provided*, That the foregoing authority shall not be available for the conversion of heating plants from coal to oil at defense facilities in Europe: *Provided further*, That within thirty days after the end of each quarter the Secretary of Defense shall render to Congress and to the Office of

Management and Budget a full report of such property, supplies, and commodities received during such quarter.

SEC. 720. During the current fiscal year, appropriations available to the Department of Defense for research and development may be used for the purposes of section 2353 of title 10, United States Code, and for purposes related to research and development for which expenditures are specifically authorized in other appropriations of the service concerned.

SEC. 721. No appropriation contained in this Act shall be available for the payment of more than 75 per centum of charges of educational institutions for tuition or expenses of off-duty training of military personnel, nor for the payment of any part of tuition or expenses for such training for commissioned personnel who do not agree to remain on active duty for two years after completion of such training.

SEC. 722. No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the senior division, Reserve Officers' Training Corps, who has not executed a certificate of loyalty or loyalty oath in such form as shall be prescribed by the Secretary of Defense.

SEC. 723. No part of any appropriation contained in this Act, except for small purchases in amounts not exceeding \$10,000, shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or specialty metals including stainless steel flatware, not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, wool, or specialty metals including stainless steel flatware, grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: *Provided*, That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further*, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations: *Provided further*, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

SEC. 724. None of the funds appropriated in this Act shall be used for the construction, replacement, or reactivation of any bakery, laundry, or drycleaning facility in the United States, its territories or possessions, as to which the Secretary of Defense does not certify in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates.

SEC. 725. During the current fiscal year, appropriations of the Department of Defense shall be available for reimbursement to the United States Postal Service for payment of costs of commercial air

transportation of military mail between the United States and foreign countries.

SEC. 726. Appropriations contained in this Act shall be available for the purchase of household furnishings, and automobiles from military and civilian personnel on duty outside the continental United States, for the purpose of resale at cost to incoming personnel, and for providing furnishings, without charge, in other than public quarters occupied by military or civilian personnel of the Department of Defense on duty outside the continental United States or in Alaska, upon a determination, under regulations approved by the Secretary of Defense, that such action is advantageous to the Government.

SEC. 727. During the current fiscal year, appropriations available to the Department of Defense for pay of civilian employees shall be available for uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901; 80 Stat. 508).

SEC. 728. Funds provided in this Act for legislative liaison activities of the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense shall not exceed \$5,000,000 for fiscal year 1977: *Provided*, That this amount shall be available for apportionment to the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense as determined by the Secretary of Defense.

SEC. 729. Of the funds made available by this Act for the services of the Military Airlift Command, \$100,000,000 shall be available only for procurement of commercial transportation service from carriers participating in the civil reserve air fleet program; and the Secretary of Defense shall utilize the services of such carriers which qualify as small businesses to the fullest extent found practicable: *Provided*, That the Secretary of Defense shall specify in such procurement, performance characteristics for aircraft to be used based upon modern aircraft operated by the civil air fleet.

SEC. 730. During the current fiscal year, appropriations available to the Department of Defense for operation may be used for civilian clothing, not to exceed \$40 in cost for enlisted personnel: (1) discharged for misconduct, unfitness, unsuitability, or otherwise than honorably; (2) sentenced by a civil court to confinement in a civil prison or interned or discharged as an alien enemy; or (3) discharged prior to completion of recruit training under honorable conditions for dependency, hardship, minority, disability, or for the convenience of the Government.

SEC. 731. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by the contractor of personnel required for the performance by the contractor of obligations under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, or (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract.

SEC. 732. Funds appropriated in this Act for maintenance and repair of facilities and installations shall not be available for acquisition of new facilities, or alteration, expansion, extension, or addition of existing facilities, as defined in Department of Defense Directive 7040.2,

dated January 18, 1961, in excess of \$75,000: *Provided*, That the Secretary of Defense may amend or change the said directive during the current fiscal year, consistent with the purpose of this section.

SEC. 733. During the current fiscal year, upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed \$750,000,000 of the appropriations or funds available to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided*, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority.

SEC. 734. None of the funds appropriated in this Act may be used to make payments under contracts for any program, project, or activity in a foreign country unless the Secretary of Defense or his designee, after consultation with the Secretary of the Treasury or his designee, certifies to the Congress that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law is not feasible for the purpose, stating the reason therefor.

SEC. 735. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that transfers between a stock fund account and an industrial fund account may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. No obligations may be made against a working capital fund to procure war reserve material inventory unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 736. No part of the funds appropriated under this Act shall be used to pay salaries of any Federal employee who is convicted in any Federal, State, or local court of competent jurisdiction, of inciting, promoting, or carrying on a riot, or any group activity resulting in material damage to property or injury to persons, found to be in violation of Federal, State, or local laws designed to protect persons or property in the community concerned.

SEC. 737. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, or a grant to any applicant who has been convicted by any court of general jurisdiction of any crime which involves the use of or the assistance to others in the use of force, trespass, or the seizure of property under control of an institution of higher education to prevent officials or students at such an institution from engaging in their duties or pursuing their studies.

SEC. 738. None of the funds available to the Department of Defense shall be utilized for the conversion of heating plants from coal to oil at defense facilities in Europe.

SEC. 739. None of the funds appropriated by this Act shall be available for any research involving uninformed or nonvoluntary human beings as experimental subjects.

SEC. 740. Appropriations for the current fiscal year for operation and maintenance of the active forces shall be available for medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel, except elective private treatment); welfare and recreation; hire of passenger motor vehicles; repair of facilities; modification of personal property; design of vessels; industrial mobilization; installation of equipment in public or private plants; military communications facilities on merchant vessels; acquisition of services, special clothing, supplies, and equipment; and expenses for the Reserve Officers' Training Corps and other units at educational institutions.

SEC. 741. No part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for the reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

SEC. 742. No funds appropriated in this Act shall be available to pay claims for nonemergency inpatient hospital care provided under the Civilian Health and Medical Program of the Uniformed Services for services available at a facility of the uniformed services within a 40-mile radius of the patient's residence.

SEC. 743. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services under the provisions of section 1079(a) of title 10, United States Code, shall be available for (a) services of pastoral counselors, or family and child counselors, or marital counselors unless the patient has been referred to such counselor by a medical doctor for treatment of a specific problem with results of that treatment to be communicated back to the physician who made such referral; (b) special education, except when provided as secondary to the active psychiatric treatment on an institutional inpatient basis; (c) therapy or counseling for sexual dysfunctions or sexual inadequacies; (d) treatment of obesity when obesity is the sole or major condition treated; (e) reconstructive surgery justified solely on psychiatric needs including, but not limited to, mammary augmentation, face lifts, and sex gender changes; or (f) any other service or supply which is not medically necessary to diagnose and treat a mental or physical illness, injury, or bodily malfunction as diagnosed by a physician, dentist, or a clinical psychologist, as appropriate.

SEC. 744. None of the funds appropriated in this Act may be expended by the Department of the Army for the design, procurement of plant equipment, or construction of new ammunition plant facilities except in areas in which existing ammunition plant facilities are being closed, placed in layaway, or at which production has been curtailed.

SEC. 745. Funds appropriated in this Act shall be available for the appointment, pay, and support of persons appointed as cadets and midshipmen in the two-year Senior Reserve Officers' Training Corps course in excess of the 20 percent limitation on such persons imposed by section 2107(a) of title 10, United States Code, but not to exceed 60 percent of total authorized scholarships.

SEC. 745a. None of the funds appropriated in this Act shall be available for the operation and support of more than four Naval districts as established by sections 5221 and 5222, title 10, United States Code, after June 30, 1977.

SEC. 746. None of the funds appropriated by this Act shall be available to pay any member of the uniformed service for unused accrued leave pursuant to section 501 of title 37, United States Code, for more than sixty days of such leave, less the number of days for which payment was previously made under section 501 after February 9, 1976.

SEC. 747. None of the funds appropriated in this Act may be used to pay any claim over \$5,000,000 against the United States, unless such claim has been thoroughly examined and evaluated by officials of the Department of Defense responsible for determining such claims and a report is made to the Congress as to the validity of these claims.

SEC. 748. None of the funds appropriated by this Act may be used to support more than 300 enlisted aides for officers in the United States Armed Forces.

SEC. 749. No appropriation contained in this Act may be used to pay for the cost of public affairs activities of the Department of Defense in excess of \$24,000,000.

SEC. 750. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act, who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, or the Baltic countries lawfully admitted to the United States for permanent residence, or (5) South Vietnamese refugees paroled into the United States between January 1, 1975, and the date of enactment of this Act: *Provided*, That, for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined not more than \$4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal-clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

## TITLE VIII—RELATED AGENCY

### INTELLIGENCE COMMUNITY OVERSIGHT

For necessary expenses for intelligence community oversight, \$5,600,000.

H. R. 14262—22

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY FUND

For payment to the Central Intelligence Agency Retirement and Disability Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System, \$28,300,000, subject to the enactment of legislation authorizing such payment.

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

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*