

FACT SHEETDEFENSE APPROPRIATIONS BILL, 1977

The President today signed the Department of Defense Appropriation Act for 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:

	Budget Authority (\$ In Billions)		
	<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.

Congressional Additions

The appropriation categories for operating expenses, military personnel and operation and maintenance were increased by a total of \$254 million above the President's request. The Administration's 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 nuclear powered USS Longbeach to provide advanced surface to air missile capability.
- \$213 million for repair of the USS Belknap which recently suffered collision damage.
- \$76 million for the procurement of additional A-6E and 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.

Congressional Reductions

Military personnel and operation and maintenance categories were reduced by a total of \$1,003 million. Some of the major reductions are:

- \$138 million for war reserve material.
- \$126 million to cover future inflation in stock fund purchases.
- \$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.

The Retired Military Personnel appropriation was reduced by \$112 million reflecting approval of the President's proposal in the January budget to eliminate the 1% kicker for retired military personnel. Although not reflected in this budget, this reduction applies to all Federal civilian retirees as well.

Procurement was reduced by \$2,863 million. Prior Congressional action on the Authorization Act required reductions of \$2,122 million, including:

- \$1,549 million for shipbuilding and conversion programs.
- \$848 million for a new conventionally-powered destroyer with advanced surface to air missile capability.
- \$521 million for guided missile frigates.
- \$170 million for long-lead items for a nuclear-powered strike cruiser.
- \$137 million for the F-16 aircraft. This cut is inconsistent with Congressional and Administration policy to fully fund all major procurement.
- \$ 67 million for 6 rather than 12 carrier delivery aircraft.

The Appropriation Act reduced procurement by an additional \$741 million, including:

- \$104 million to eliminate the 6 authorized carrier delivery aircraft.
- \$103 million for a fleet oiler ship.
- \$83 million for financing adjustments.
- \$57 million for intelligence programs.
- \$51 million for the Army's Stinger surface to air missile.
- \$13 million for the Navy's Candor 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. Major reductions include \$200 million for ship systems research and \$63 million for the ship launched cruise missile.

This legislation will reduce 1977 Defense outlays by \$1.2 billion from the President's budget, as amended.

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