



H.R. 3222 – FY2008 Defense Appropriations

Executive Summary

The House will consider the conference report to accompany H.R. 3222, the Department of Defense spending bill for FY2008, on November 8, 2007, under a closed rule. H.R. 3222 provides \$459.6 billion in discretionary funding for the Department of Defense programs in fiscal year 2008, which is \$3.5 billion less than the President requested. It also represents a 9.5 percent increase (almost \$40 billion) over non-emergency appropriations for FY2007.

H.R. 3222 contains a total of \$8.7 billion for Missile Defense programs, \$185 million less than the President's request. In addition, the bill provides \$15.3 billion for Navy Shipbuilding, \$1.6 billion above the President's request, and \$22.96 billion in funding for the Defense Health Program, which is \$416 million more than the Administration's request. It does not include funding for operations in Iraq and Afghanistan for fiscal year 2008.

It is important to note that H.R. 3222 does not include a bridge fund to support the ongoing operational costs of the war. The current Continuing Resolution, which expires November 16, 2007, will provide DOD bridge funding. However, DOD loses access to the bridge funding once H.R. 3222 is enacted. Without bridge funding, the armed forces must pay for the ongoing operational costs of the war out of their base budgets.

**Note: Congress has included bridge funding for the war in the FY2005, FY2006, and FY2007 DOD Appropriations bills.*

The conference agreement also contains a continuing resolution that will fund government programs through December 14, 2007. The current continuing resolution expires on November 16, 2007. Therefore, a Continuing Resolution (CR) is necessary to avoid a government shutdown.

Floor Situation

H.R. 3222 is being considered on the floor pursuant to a closed rule. The rule:

1. Waives all points of order against the conference report and against the conference report and against its consideration.
2. Provides that the conference report shall be considered as read.

The bill was introduced by Representative John Murtha (D-PA) on July 30, 2007. The House Committee on Appropriations reported H.R. 3222 on July 30, 2007.

The conference agreement is expected to be considered on the floor on November 8, 2007.

DIVISION A – Defense Appropriations
Funding Summary

	Budget	House	Senate	Conference
Total Discretionary	\$462.9 billion	\$459.3 billion	\$460.1 billion	\$459.3 billion
Military Personnel	\$105.4 billion	\$105 billion	\$105.52 billion	\$105.3 billion
Operation & Maintenance	\$142.9 billion	\$137 billion	\$142.7 billion	\$140.1 billion
Procurement	\$99.62 billion	\$99.61 billion	\$98.2 billion	\$98.2 billion
Research & Development	\$75.1 billion	\$76.2 billion	\$75.4 billion	\$77.2 billion
Other DOD Programs	\$75.17 billion	\$26.098 billion	\$26.32 billion	\$26.32 billion
Revolving & Management Funds	\$2.5 billion	\$3.8 billion	\$2.4 billion	\$2.7 billion
Related Agencies	\$967.88 million	\$945.78 million	\$971.88 million	\$988.03 million

Key Provisions

- **Military Pay:** The conference report provides approximately \$2.2 billion to fund a 3.5 percent pay raise for all members of the armed forces. The President requested funding for a 3 percent military pay increase.
- **Increasing the Size of the Army and Marine Corps:** As requested by the President, the conference agreement provides funding to grow the force by including 7,000 new Army troops, equipping an additional 5,000 Marines, and adding 1,300 new Army Guard troops.
- **Guard and Reserve Equipment Shortfalls:** In addition to other funding included for the National Guard and Reserve, the conference agreement provides \$925 million to address equipment shortfalls for the Guard and Reserves. This is \$685 million above FY2007 levels.
- **Military Family Support Programs:** The conference report provides \$2.6 billion for various programs aimed at providing federal assistance for military families, which is \$237 million more than the President requested.
- **Defense Health Program:** The conference agreement provides \$23.458 billion for the Defense Health Program, which is \$501.5 million more than the House appropriated. It includes \$70 million for wounded warrior assistance to care for and support wounded service members and their families. The conference report also directs the Departments of Defense and Veterans Affairs to improve electronic record interoperability.
- **TRICARE Co-Payments:** The conference report provides \$1.9 billion to restore funding for the Defense Health Program, which the President’s budget proposed to instead be funded through increased TRICARE co-pays. The Congress rejected these fee increases on military retirees last year. Both the House and Senate passed authorization bills for FY2008 that do not authorize such fee increases.

- **Future Combat Systems (FCS):** The conference agreement provides \$3.357 billion for the Army's Future Combat Systems program, which is \$265 million above the House funded level and \$243 million below the President's budget request.

As the central component of Army modernization, FCS is the first comprehensive modernization effort since World War II, connecting 18 manned and unmanned systems into an extensive communications and information network. It fills capability gaps that cannot be fulfilled by solely upgrading current systems. Modernization ensures the readiness of our future force and is a strategic necessity.

- **Joint Strike Fighter (F-35):** The conference report provides \$4.121 billion in Research, Development, Test and Evaluation (RDT&E) funding for the Joint Strike Fighter (JSF), \$680 million more than requested by the President. This increase includes additional funding for the development of an alternative engine (\$480 million) and for development activities related to the JSF (\$200 million).

Note: The JSF is the next generation multi-role strike fighter for the Air Force, Navy, and Marine Corps. Although each service will use the aircraft for different missions, it is designed to save money by sharing a common airframe and components, making maintenance, field support, and interoperability more efficient and cost-effective. According to the Congressional Research Service, DOD currently plans production of 2,458 JSFs.

- **F-22 Raptor:** The bill fully funds the President's request for 20 F-22s (\$3.153 billion).

Note: Due to cost and schedule overruns, Congress had mandated an annual GAO assessment of the F-22 program.

- **Blackhawk Helicopters (U-60):** The conference report to accompany H.R. 3222 provides \$770,751,000 for the procurement of 52 Blackhawk Helicopters, which is consistent with House and Senate passed funding levels.
- **Reliable Replacement Warhead:** The conference agreement provides \$15 million for the Reliable Replacement Warhead, which is the same as the Senate passed funding level. The House did not provide any funding for this program.
- **Stryker Vehicles:** The conference agreement provides \$924.98 million for the procurement of Stryker vehicles, which fully funds the President's budget request. The Stryker is a 19-ton, eight wheeled armored vehicle that provides the Army with a family of ten different vehicles.
- **Navy Shipbuilding:** The conference report provides \$14.595 billion for Navy shipbuilding and conversion activities, which is \$938 million more than the President requested. This funding covers the construction of 5 additional ships: 2 LPD-17 Amphibious Transport Docs, 1 SSN-774 Attack Submarine, 1 CBN – 78 Aircraft Carrier, and 1 Littoral Combat Ship.

Note: The conference agreement directs that future ship construction not begin until after the ship design is complete.

- **Missile Defense:** The conference report provides \$8.7 billion for missile defense programs, which cuts \$185 million in funding from the President's request. The bill decreases funding for the "third site" missile defense system in Europe by \$85 million. The President had requested \$310 million. This funding is critical for enabling our military to develop and field a robust, layered ballistic missile defense system.
- **Mine Resistant Ambush Protected Vehicle (MRAP):** The conference report provides \$11.66 billion in emergency funding for MRAPs.

**Note: The House- passed appropriations bill did not include funding for MRAPs because they had planned to include that funding in the FY2008 Supplemental, which has not been considered by the House or Senate.*

- **Permanent Basing:** The conference agreement retains a House passed provision that prohibits DOD from permanently establishing U.S. military bases in Iraq.

**Note: On July 25, 2007, the House passed H.R. 2929, which states as policy that the U.S. not establish any permanent bases or military installations in Iraq. The House has voted seven times (three of which have been signed into law) on provisions stating similar policies. Legislative Digest for H.R. 2929*

- **Prohibits Torture:** The conference report also retains a House passed provision that prohibits funding for activities contradicting the UN Convention Against Torture.

DIVISION B- Continuing Resolution

Included in the conference report to H.R. 3222 is the Continuing Resolution through December 14, 2007.

**Note: The current Continuing Resolution runs through November 16, 2007.*

Additional appropriations included in the CR:

- \$1,025,398,000 for the Census Bureau's periodic census
- Payment to the heirs of the late Representative Jo Ann Davis.
- Extends the date for a provision limiting the liability of air carriers for claims rising out of acts of terrorism.

**Note: The House voted to extend this provision as a part of the FAA Reauthorization Act of 2007 on September 20, 2007.*

- \$3 billion for the "Road Home" program through the Department of Housing and Urban Development (HUD).

**Note: The “Road Home” is a program to assist homeowners whose homes were damaged by Hurricanes Katrina and Rita. According to HUD, the program “seeks to help thousands of displaced homeowners whose primary residences were either destroyed or suffered major damage due to Hurricanes Katrina and Rita. Among the requirements of the program, homeowner assistance grants will be based on the extent of damage and the owner’s commitment to repair, rebuild, or relocate within the state. Homeowners may also agree to sell their home to the state with no requirement to resettle or otherwise remain in their community.*

- \$500 million for the Forest Service and the Bureau of Land Management for emergency wildland fire suppression, wildfire risk reduction, reconstruction and recovery.

**Note: According to the conference report, “The conferees have included funds to repay other program funds borrowed during fiscal year 2007 to fund emergency wildfire suppression activities, provide additional suppression resources to offset the cost of fighting the devastating Southern California wildfires, and fund critical hazardous fuels and rehabilitation activities.”*

- \$2.9 billion in emergency appropriations to the Federal Emergency Management Agency’s disaster relief fund for continued and anticipated disaster response and relief efforts.

Staff Contact

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