PRESS RELEASE
House National Security Committee
Floyd D. Spence, Chairman

FOR IMMEDIATE RELEASE
October 23, 1998

CONTACT: Maureen Cragin
Ryan Vaart
(202) 225-2539

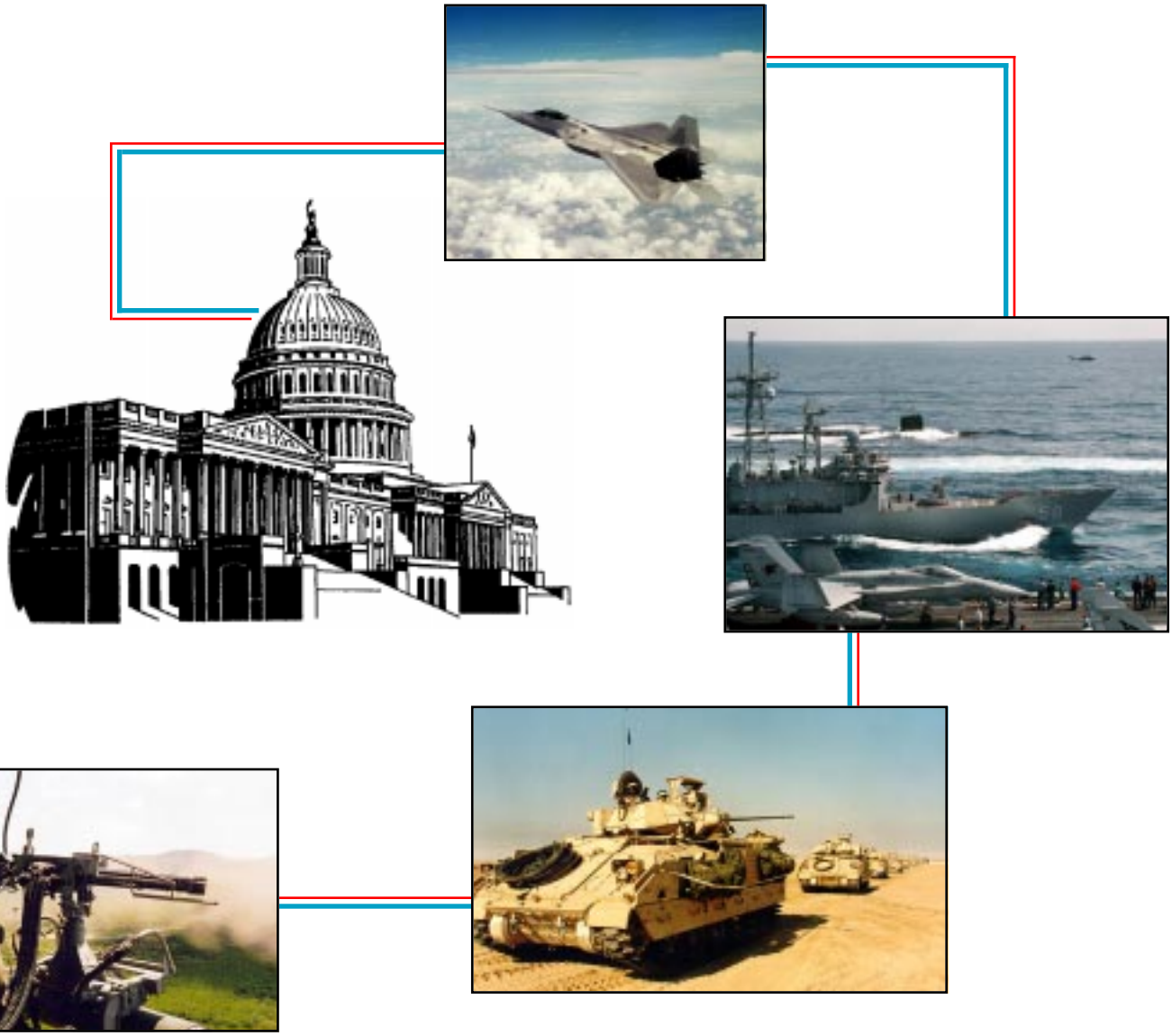
NATIONAL SECURITY ACCOMPLISHMENTS OF THE 104TH AND 105TH CONGRESSES

Introduction

Rep. Floyd D. Spence (R-SC)
Chairman, National Security Committee

During the past three years, Congress has added approximately $21 billion to the Administration's defense budget requests to address serious quality of life, readiness and modernization shortfalls. After years of criticizing the Congress for this additional spending, on September 22, 1998, President Clinton publicly acknowledged that there is a military readiness problem and that fixing it will require increased spending. Subsequent to the President's admission, the Joint Chiefs of Staff testified to readiness problems and funding shortfalls over the next five years in the range of $70-$80 billion dollars. This shortfall estimate has grown significantly since earlier this year and does not include the more than $50 billion necessary to close the military-civilian pay gap or fix the military retirement system.

The National Security Committee has been working to increase public awareness of threats to our national interests and problems confronting our military, including underfunded defense budgets. Likewise, over the past four years, Congress has worked to fix as many of our military's quality of life, readiness, and modernization problems as possible given severe fiscal constraints and an expansive national security policy. The attached document provides a basic overview of the problems confronting our military services and describes just some of the initiatives undertaken by the 104th and 105th Congresses to address them. Despite a lot of good work over the past four years, readiness, quality of life, and modernization problems as well as resource shortfalls continue to worsen. We still have a lot of work to do. I pledge to continue to seek solutions to these serious problems in the 106th Congress.



The National Security Accomplishments of the 104th and 105th Congresses

Floyd D. Spence
Chairman, House National Security Committee

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Competing pressures...

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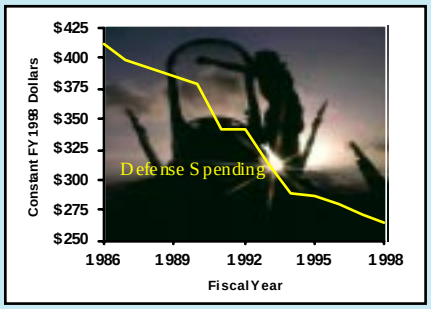
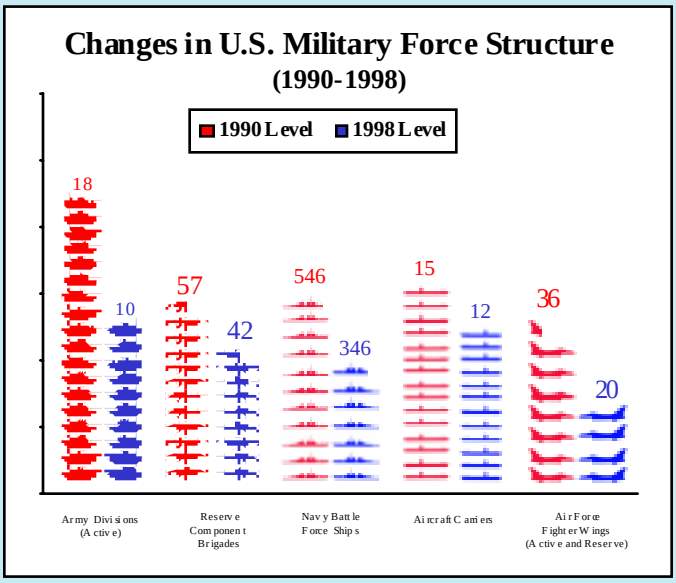


A Smaller Military:

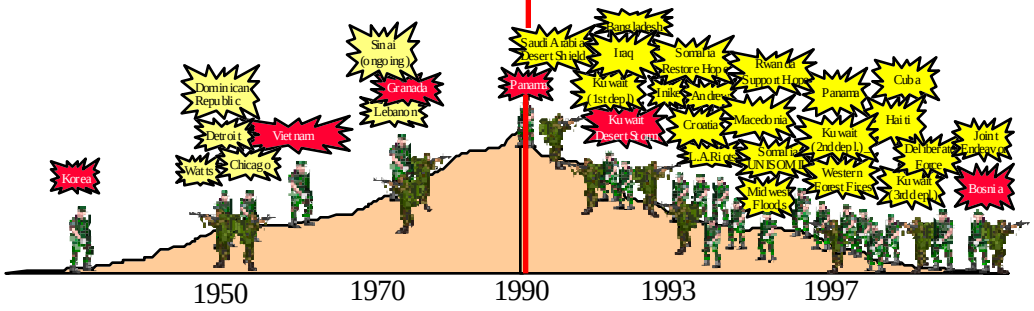


Aging Equipment:

Key equipment and weapon systems in each of the services are reaching the end of their service lives.

Increased Pace of Operations:

40 Years: 10 Deployments — 7 Years: 25 Deployments



... are stretching U.S. forces to the breaking point

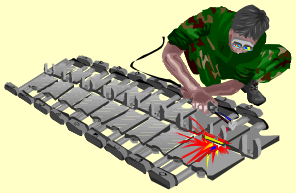
Today's "do more with less" environment is eroding the basic building blocks of readiness — training, maintenance, and morale — risking the ability of the military to successfully perform its primary mission: defending the United States.

What Have We Done?

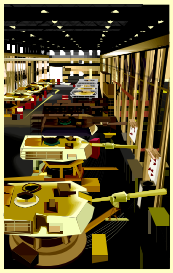
The 104th and 105th Congresses have tried to marshal resources and ensure training necessary for success on the battlefield.

Additional Funding

Over the past four years, the miltary services have suffered growing "backlogs" in critical maintenance, training, and operating accounts. In an effort to more fully fund readiness, the 104th and 105th Congresses:



- Added more than $5.5 billion to the President's budget requests in key readiness accounts including depot maintenance, real property maintenance, spare parts, day-to-day operations, and training; and

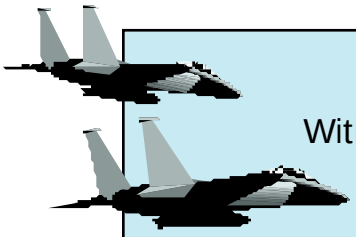


- Added more than $1 billion to the President's budget requests for construction to enhance the training and readiness of the National Guard and Reserves.

Shaping the Force

It has become critical to carefully "shape" the smaller U.S. military after more than a decade of dramatic downsizing. In support of these efforts, the 104th and 105th Congresses:

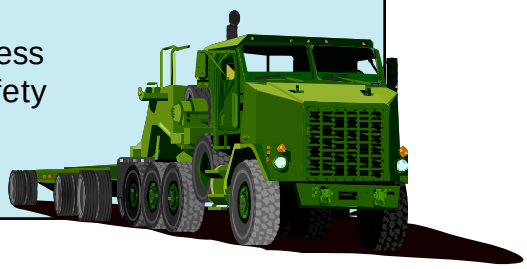
- Maintained "floors" on military personnel levels to limit the Administration's ability to further downsize the active duty military force;
- Added $135 million to the President's budget requests to bolster the services' lagging recruiting efforts;
- Increased the maximum amount that recruits may receive for college from $40,00 to $50,000; and
- Increased pay incentives to encourage personnel with specialized skills to stay in the military.



Supporting Modernization

With many of the U.S. military's key weapon systems reaching the end of their service lives, the cost of keeping equipment running is becoming prohibitive. In an effort to reduce these costs, the 104th and 105th Congresses:

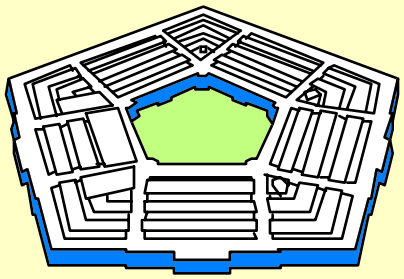
- Increased the President's procurement and research & development budgets to get more modern and maintainable equipment into the field sooner; and
- Funded modernization efforts that are key to military readiness functions, including training equipment and ammunition, safety equipment, and transport and support aircraft, vehicles, and ships.

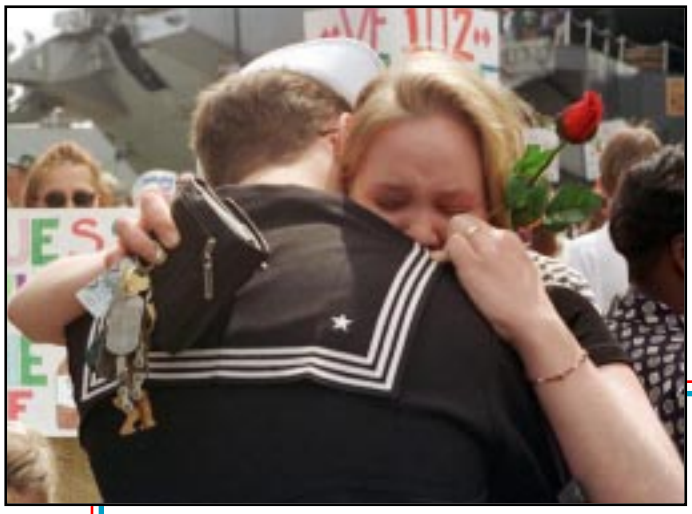


Improving Oversight

Although the symptoms of today's readiness problems have been increasingly obvious over the past four years, official Pentagon readiness reports have maintained that U.S. forces are, "as ready as they have ever been." To improve the reporting and oversight of military readiness, the 104th and 105th Congresses:

- Required DOD to provide more comprehensive reporting on key readiness indicators;
- Required DOD to standardize certain measurements of readiness across the military services, allowing both Congress and DOD to more accurately evaluate military readiness;
- Strengthened requirements on DOD reporting of funding for readiness and on the movement of funds in and out of critical readiness accounts; and
- Prevented DOD from "raiding" key readiness accounts to pay for unbudgeted peacekeeping and humanitarian operations.





The Quality of Life Challenge:

Ensuring a decent standard of living for service members and their families

The Problem:

Today's average soldier, sailor, airman, and Marine is overworked and undercompensated:

Thin Wallet

Low pay levels, combined with the gap between civilian and military pay levels (13.5 percent), leave many service members with minimal disposable income. Today, thousands of service members "moonlight" at second jobs while approximately 12,000 service members are on food stamps.

Less Satisfaction

In recent years, an increasing number of military personnel have expressed dissatisfaction that their health and retirement benefits are eroding. These service members are "talking with their feet," as each of military services report increasing difficulty recruiting and retaining qualified personnel.

Tired Feet

Frequent deployments have increased the pace of operations to record levels — rapidly wearing out the force.

Wedding Ring

Sixty-five percent of America's military is married, which turns increasing deployments and higher operating tempos into longer and more stressful family separations.

Soggy Boots

Poor housing and barracks are a common problem at U.S. bases, which is not surprising considering that the average U.S. barrack or dormitory is over 45 years old. Military families are also suffering, as 64 percent of military family housing has been characterized by the Defense Science Board as unsuitable.

What Have We Done?

To address quality of life problems, the 104th and 105th Congresses increased pay levels, enhanced the military health care system, and improved the facilities in which military personnel live and work.

Pay, Allowances, and Benefits

In an effort to recognize the contributions and sacrifices made by service members and their families, the 104th and 105th Congresses:

- Approved military pay increases of 2.4% in FY1996, 3% in FY1997, 2.8% in FY1998, and 3.6% in FY1999;
- Increased family separation pay by 33 percent;
- Increased pay for service members working in hazardous jobs;
- Increased pay for service members serving at locations that present quality of life hardships;
- Reformed the housing allowance system to ensure that service members are able to secure safe housing when forced to live in high cost areas;
- Enhanced important morale, welfare, and recreation programs by protecting commissary and exchange budgets, and supporting libraries, fitness centers, and child development centers; and
- Doubled the number of days per year that reservists may use commissary stores.

Education

Recognizing that their childrens' education is a vital component of service members' quality of life, the 104th and 105th Congresses:

- Provided $140 million for DOD to support local school systems in areas with a significant military population;
- Provided authority for DOD to give educational funds to service members who are stationed in overseas areas that lack DOD operated schools so that they may choose the school that their children attend; and
- Simplified the process under which home schooled and National Guard Youth Challenge students may join the military by establishing a five-year pilot program under which up to 6,250 home school diploma recipients and Youth Challenge Program students with GEDs annually may enlist in the military as if they had received high school diplomas.

Health Care

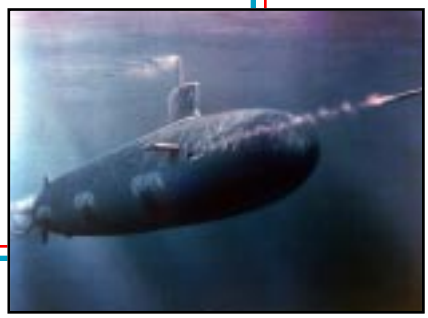
To enhance medical care provided for service members and their families, and to address growing concerns about the availability of military health care services for Medicare-eligible military retirees and their families, the 104th and 105th Congresses:

- Directed numerous improvements to the new TRICARE program to ensure that the program provides a quality, uniform benefit for all military beneficiaries;
- Established a three-year demonstration program to allow up to 66,000 Medicare-eligible retirees and their families to enroll in FEHBP beginning January 1, 2000, under the same cost-sharing arrangements as other federal employees;
- Enacted several initiatives to ensure that military members and veterans suffering from Gulf War illnesses are treated properly, and consistently authorized additional funds for research on the causes and treatment of Gulf War illnesses;
- Directed DOD to plan the redesign of its pharmacy system to ensure that all military beneficiaries, including retirees, have access to a universal pharmacy benefit;
- Added nearly $650 million to the chronically underfunded defense health program;
- Established a three-year demonstration program to allow Medicare-eligible military retirees to receive comprehensive health care at military facilities which would then be reimbursed by Medicare; and
- Required DOD to establish a dental insurance plan for military retirees, their dependents and surviving spouses, as well as one for military reservists.

Basic Living Conditions

Four years ago, the Defense Science Board determined that approximately two-thirds of DOD's military housing is "inadequate." To improve basic living conditions for military personnel and their families, the 104th and 105th Congresses provided:

- an additional $2.8 billion above the President's military construction budgets for improvements in housing, quality of life, and working conditions;
- $3.5 billion for over 33,100 new and renovated family housing units and other neighborhood improvements;
- $2.9 billion to build nearly 220 barracks and dormitories;
- $147 million to construct 41 child development centers; and
- a five-year program to bring private sector expertise and efficiencies into the development and construction of military housing.



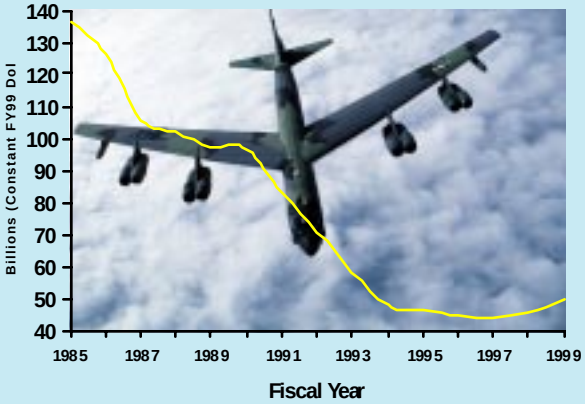
The Modernization Challenge:

Maintaining the technological edge on the battlefield

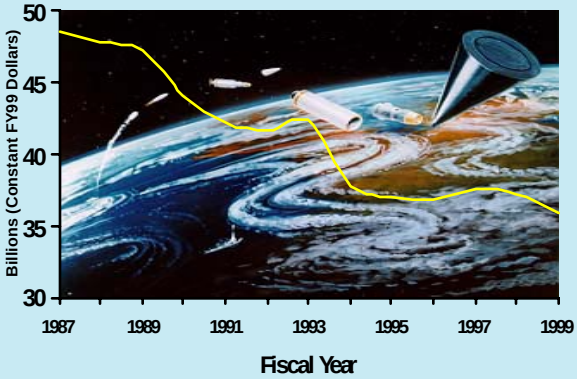
The Problem:

Severe reductions since the mid-1980s in spending on the research and fielding of new equipment is jeopardizing our military's technological edge:

The 64 percent reduction in procurement spending since 1985...



... and the 26 percent reduction in research and development spending since 1987...



... has forced the U.S. military to rely upon aging equipment such as...

Amphibious Assault Vehicles:
30-year old design

B-52 Bombers:
45-year old design

CH-46 Helicopters:
40-year old design

What Have We Done?

The 104th and 105th Congresses attempted to address growing modernization shortfalls — aptly labelled a "procurement holiday" by the Congressional Budget Office — by adding funds to key programs in order to fulfill some of the unfunded requirements identified by the Joint Chiefs of Staff.

Added Funds

To address modernization shortfalls, the 104th and 105th Congresses increased modernization spending in an effort to move the procurement budget significantly closer to the $60 billion annual target established by the Chairman of the Joint Chiefs and endorsed by the Secretary of Defense. These efforts included:

- Adding approximately $15 billion to the President's procurement budget requests; and
- Adding more than $4 billion to the President's research and development budget requests.

Technologies for the Battlefield

To better ensure the domination of the U.S. military on the battlefield, the 104th and 105th Congresses added funds to the President's budget requests in order to get key military systems out to the operating forces sooner:

- $854 million to purchase an additional 10 Air Force F-15 and 16 F-16 fighter aircraft;
- $974 million to purchase an additional amphibious transport dock ship for the Navy/Marine Corps;
- $2.2 billion to procure an additional next generation attack submarine;
- $387 million to purchase four additional V-22 tilt rotor aircraft;
- $720 million to procure an additional DDG-51 guided missile destroyer;
- $1.4 billion to procure an additional amphibious assault ship for the Navy/Marine Corps;
- $269 million to purchase almost 5,000 High Mobility Multi-purpose Wheeled Vehicles (HMMWVs); and
- $4 billion to purchase and upgrade equipment for National Guard and Reserve forces.

Research and Development for the Future

To extend the technological edge that U.S. forces enjoy today to the battlefields of the future, the 104th and 105th Congresses funded key initiatives including:

- $15.7 billion to develop defenses against the growing threat of ballistic missile attack;
- $7.9 billion to develop and prepare the Air Force F-22 fighter aircraft for production;
- $1.8 billion to develop the Navy's F/A-18E/F fighter;
- $1.5 billion to develop a multi-service, stealthy attack aircraft — the Joint Strike Fighter;

- $1.3 billion to develop the Army's future attack helicopter — the Comanche;
- $1.7 billion for research and development on the Navy's next generation attack submarine;
- $870 million to develop the Army's future howitzer — the Crusader;
- $277 million for research and development of the Marine Corps' Advanced Amphibious Assault Vehicle (AAAV);
- $2.3 billion to develop the V-22 tilt rotor aircraft;

- $16.2 billion for basic research to ensure a strong and stable defense science and technology program; and
- $2.3 billion to develop and procure defenses and protection against chemical and biological weapons.

The Reform Challenge:

Creating a more efficient Pentagon to generate savings to address readiness, quality of life, and modernization shortfalls

The Problem:

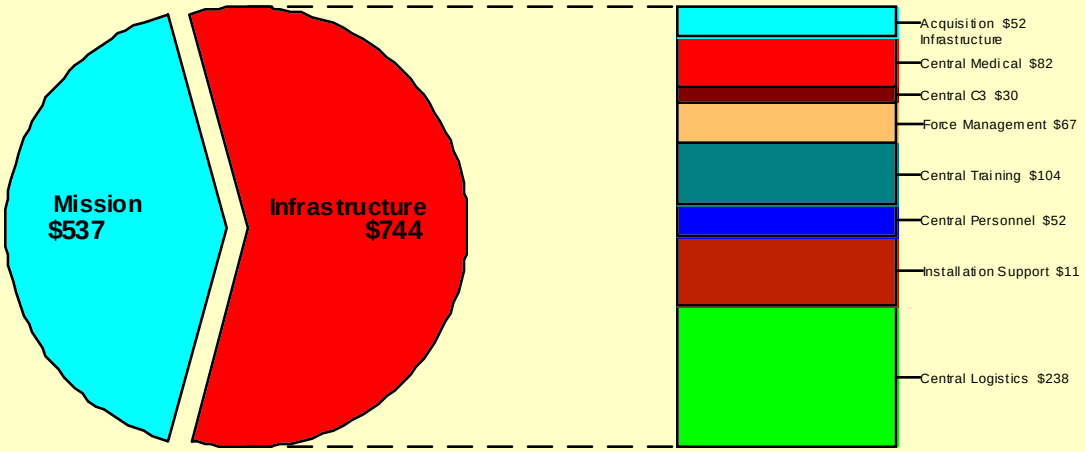
Fiscal constraints and the need for additional resources to address readiness, quality of life, and modernization shortfalls, demand a more cost efficient Pentagon:

"Tooth" versus "Tail" Costs

Various non-mission costs, including logistics, management, and support costs, will consume nearly 60 percent of DOD's budget through fiscal year 2001, leaving only 40 percent of the defense budget for mission-related expenses.

DOD Tooth vs. Tail Costs for FY1997 - FY2001

(dollars in billions)



Source: General Accounting Office

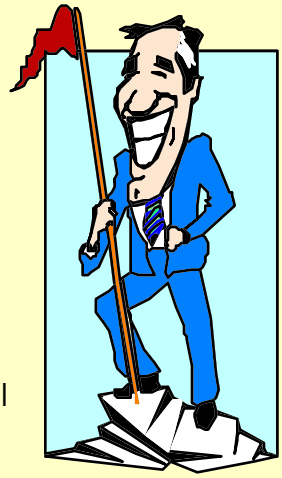
What Have We Done?

The 104th and 105th Congresses directed organizational, structural, business practice, acquisition, and policy reforms in an effort to compel the Pentagon to operate more efficiently.

Bureaucracy, Staff, and Organizational Reforms

Despite post-Cold War downsizing of the U.S. military, the Pentagon remains one of the world's largest bureaucracies. To free up resources and manpower for combat units, the 104th and 105th Congresses:

- Mandated a 25 percent reduction in DOD management headquarters and support staffs over five years;
- Mandated cuts of 65,000 DOD acquisition bureaucrats;
- Eliminated two Assistant Secretary of Defense positions;
- Mandated that the Office of the Secretary of Defense consider ways to streamline and consolidate offices to downsize its operations;
- Legislated a charter for the Joint Requirement Oversight Council to eliminate overlapping and duplicative military programs;



- Refocused the Defense Advanced Research Agencies on military programs and away from questionable research;
- Required that the White House Communications Agency limit its activities to national security related support;
- Improved coordination while reducing duplication among military fraud and criminal audit organizations;
- Eliminated the Defense Airborne Reconnaisance Organization; and
- Consolidated numerous agencies responsible for imaging and mapping into the National Imagery and Mapping Agency.

Business Practice Reforms

The 104th and 105th Congresses forced significant changes in Pentagon business practices through two key measures — the Federal Acquisition Reform Act of 1996 (authored by Chairman Bill Clinger and Chairman Floyd Spence) and the Spence-Dellums Defense Reform Act of 1997 — significant elements of which were incorporated into recent defense authorization bills. To compel the Pentagon to adopt smarter business practices, the 104th and 105th Congresses also:

- Cut rapidly growing "consultant" budgets and imposed greater discipline on DOD procurement of consultant services;
- Restructured the multi-billion dollar Defense Business Operating Fund (DBOF) to make it a more efficient and business-like fund for maintenance and supply activities;
- Required DOD personnel to increase use of "government purchase cards" when making small purchases, significantly reducing paperwork and overhead costs;
- Required DOD to privatize printing, payroll, and travel administration activities;
- Required DOD to adopt more efficient private industry inventory practices, including maintenance of smaller inventories of noncritical items;
- Established tighter controls on Department of Energy budget practices;
- Authorized DOD to privatize base utility systems in order to lower the costs of operating military bases;
- Eliminated duplicative and unnecessary government audits;
- Cut costs by encouraging DOD to purchase commercial products and services and by eliminating numerous statutory and regulatory barriers to such purchases;

- Allowed key defense technical testing facilities to market their unique services to the private sector;
- Eliminated the costly and unnecessary requirement for contractor warranties on all weapon systems; and
- Mandated pilot programs in order to demonstrate the potential cost-savings associated with privatizing some defense support services.

Facts and Figures:

Useful facts and statistics about America's national defenses

The Facts:

Defense Budgets

- National defense is the only major category of federal spending to decline from fiscal year 1990 to fiscal year 2000.

- From 1995 through 1997, Congress used the annual Budget Resolution to add $21 billion to the President's defense budget requests. This total includes:
    - $7 billion in fiscal year 1996,
    - $11 billion in fiscal year 1997; and
    - $3 billion in fiscal year 1998.

- For fiscal year 1999, Congress added over $9 billion to the President's defense budget in the Omnibus Appropriations Act for Fiscal Year 1999.

- Fiscal year 1999 will be the first year since fiscal year 1986 that the defense budget has not declined.

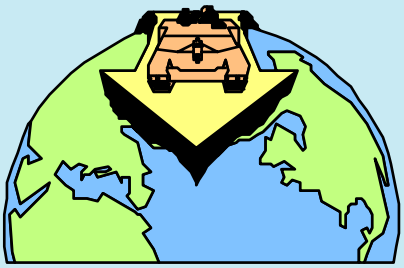
- The Joint Chiefs of Staff recently testified that the five year defense budget is underfunded by more than $80 billion. This estimate does not include the more than $50 billion necessary to fix the military-civilian pay gap and the military retirement system.

Shrinking Defense Forces

- As defense spending has declined, the downsizing of U.S. military forces has been dramatic:
    - Since 1987, active duty military personnel have been reduced by more than 800,000;
    - Since 1990, the active duty Army has shrunk from 18 to 10 divisions;
    - Since 1988, the Navy has reduced its ships from 565 to 346;
    - Since 1990, the Air Force has shrunk from 36 to 20 fighter wings (active and reserve); and
    - Since 1988, the U.S. military has closed more 900 facilities around the world and 97 major bases in the U.S.

Increasing Military Deployments

- At the same time that U.S. military forces are shrinking, operations around the world are increasing:
  - "We remain forward deployed with 125,000 troops per day that are overseas on forward exercises or operations...," Chairman of the Joint Chiefs General Shelton (September 1998);
  - The Army conducted 10 "operational events" during the 31 year period of 1960-1991, but 26 "operational events" in the seven years since 1991; and
  - The Marine Corps participated in 15 "contingency operations" during the 7-year period 1982 – 1989, but 62 "contingency operations" just since the fall of the Berlin Wall (1989).



Peacekeeping and Humanitarian Missions

- In total, peacekeeping and humanitarian assistance operations have cost nearly $17 billion from 1991 through 1998, costs that are estimated to reach $19.6 billion by the end of fiscal year 1999.
- Operations in the former Yugoslavia alone account for nearly $7.6 billion through fiscal year 1998 and are expected to cost another $1.9 billion in fiscal year 1999.
- Costs in Southwest Asia since the Persian Gulf War account for $6.1 billion, and will grow to approximately $7 billion by the end of fiscal year 1999.

- Migrant-related operations in Haiti and Cuba account for $1.4 billion (since 1991).
- Several smaller operations, such as those conducted in Somalia and Rwanda, account for an additional $1.9 billion (since 1991).