

MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND  
 RELATED AGENCIES APPROPRIATIONS BILL, 2008

JUNE 11, 2007.—Committed to the Committee of the Whole House on the State of  
 the Union and ordered to be printed

Mr. EDWARDS, from the Committee on Appropriations,  
 submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 2642]

The Committee on Appropriations submits the following report in  
 explanation of the accompanying bill making appropriations for  
 military construction, the Department of Veterans Affairs, and re-  
 lated agencies for the fiscal year ending September 30, 2008, and  
 for other purposes.

CONTENTS

	Page
Purpose of the Bill .....	2
Summary of Committee Recommendation .....	2
Comparative Statement of New Budget Authority .....	4
Items of Interest .....	11
Department of Defense:	
Military Construction .....	15
NATO Security Investment Program .....	20
Family Housing Construction and Operation and Maintenance .....	20
Chemical Demilitarization Construction, Defense-Wide .....	24
Department of Defense Base Closure Account 1990 .....	25
Department of Defense Base Closure Account 2005 .....	27
Administrative Provisions .....	32
Department of Veterans Affairs:	
Overview .....	34
Veterans Benefits Administration .....	36
Veterans Health Administration .....	40
Departmental Administration .....	47
Administrative Provisions .....	53

Related Agencies:	
American Battle Monuments Commission .....	55
U.S. Court of Appeals for Veterans Claims .....	56
Cemeterial Expenses, Army .....	57
Armed Forces Retirement Home .....	57
General Provisions .....	58
Changes in Application of Existing Law .....	59
Appropriations Not Authorized by Law .....	62
Transfer of Funds .....	62
Rescissions .....	64
Constitutional Authority .....	64
Comparison With the Budget Resolution .....	64
Five-Year Projection of Outlays .....	64
Financial Assistance to State and Local Governments .....	65
Statement of General Performance Goals and Objectives .....	65
Compliance with Rule XIII .....	65
Earmarks .....	65
Full Committee Votes .....	66
State Project List .....	67
Additional Views .....	83

#### PURPOSE OF THE BILL

The purpose of the bill is to support our military and their families and provide the benefits and medical care that our veterans have earned for their service. This is accomplished through the programs funded in the bill. Programs that provide the facilities and infrastructure needed to house, train, and equip our military personnel to defend this nation; both in the United States and abroad; programs that provide the housing and military community infrastructure that sustains quality of life for them and their families; and programs that allow the military to efficiently and effectively maintain a right-sized base structure. The bill also funds programs to ensure that all of our veterans receive the benefits and medical care that they have earned as a result of the sacrifices they have made in their service to our country. Finally, the bill funds four related agencies that provide support to our nation's heroes; the American Battle Monuments Commission, Cemeterial Expenses, Army (Arlington Cemetery), the United States Court of Appeals for Veterans Claims, and the Armed Forces Retirement Home.

#### SUMMARY OF COMMITTEE RECOMMENDATION

The Committee recommends \$109,231,766,000 in new budget authority for the programs and activities funded in the bill. This recommendation is an increase of \$18,196,417,000 above the fiscal year 2007 enacted level and an increase of \$4,000,000,000 above the President's request. Included in this amount is \$44,487,250,000 in mandatory authority and \$64,744,516,000 in discretionary authority.

The Committee recommendation highlights the commitment to our servicemembers and their families and to our veterans. The bill includes an unprecedented increase in the Department of Veterans Affairs' budget. The total funding level of \$87,696,839,000 is a 12.8 percent increase over the fiscal year 2007 enacted level. The Committee provides funding to increase support for benefits claims in order to reduce the claims processing backlog and length of time it takes to process an initial claim. The Committee provides increases for medical care funding for all veterans and provides additional funding in particular to areas that have been highlighted as

the signature injuries of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF). The Committee is also concerned with the backlog in non-recurring maintenance and has provided additional resources to address this issue. Finally, the Committee is deeply concerned by recent reports that highlight the difficulties many veterans have in obtaining their benefits and medical care and strongly urges the Department of Defense and the Department of Veterans Affairs to make every effort to partner on the development of programs that will ensure a seamless transition.

The bill also includes an unprecedented increase in the Department of Defense budget with a total funding level of \$21,371,944,000. The programs funded in the bill for the Department of Defense address the numerous challenges we have asked our military to accomplish simultaneously. They support an increase in troop strength for both the Army and Marine Corps, continue the cleanup of military bases closed during Base Realignment and Closure rounds, resource the military's global re-stationing plan, and ensure that our military personnel and their families' quality of life is preserved within these plans.

The following table compares amounts recommended in the bill to the President's request and amounts appropriated in fiscal year 2007:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2008  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - DEPARTMENT OF DEFENSE					
Military construction, Army.....	2,017,321	4,039,197	4,070,959	+2,053,638	+31,762
Rescissions.....	-43,348	---	---	+43,348	---
Total.....	1,973,973	4,039,197	4,070,959	+2,096,986	+31,762
Military construction, Navy and Marine Corps.....	1,130,821	2,104,276	2,125,138	+94,317	+20,862
Rescissions.....	-27,500	---	-5,862	+21,638	-5,862
Total.....	1,103,321	2,104,276	2,119,276	+1,015,955	+15,000
Military construction, Air Force.....	1,083,000	912,109	927,428	-155,572	+15,319
Rescissions.....	-2,694	---	-5,319	-2,625	-5,319
Total.....	1,080,306	912,109	922,109	-158,197	+10,000
Military construction, Defense-Wide.....	1,127,000	1,799,336	1,806,928	+679,928	+7,592
Rescissions.....	-110,229	---	-7,592	+102,637	-7,592
Total.....	1,016,771	1,799,336	1,799,336	+782,565	---
=====					
Total, Active components.....	5,174,371	8,854,918	8,911,680	+3,737,309	+56,762
Military construction, Army National Guard.....	473,000	404,291	439,291	-33,709	+35,000
Rescissions.....	-2,129	---	---	+2,129	---
Total.....	470,871	404,291	439,291	-31,580	+35,000

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	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Military construction, Air National Guard.....	126,000	85,517	95,517	-30,483	+10,000
Military construction, Army Reserve.....	166,000	119,684	154,684	-11,316	+35,000
Military construction, Navy Reserve.....	43,000	59,150	69,150	+26,150	+10,000
Military construction, Air Force Reserve.....	45,000	26,559	39,628	-5,372	+13,069
Rescissions.....	---	---	-3,069	-3,069	-3,069
Total.....	45,000	26,559	36,559	-8,441	+10,000
=====					
Total, Reserve components.....	850,871	695,201	795,201	-55,670	+100,000
=====					
Total, Military construction.....	6,025,242	9,550,119	9,706,881	+3,681,639	+156,762
Appropriations.....	(6,211,142)	(9,550,119)	(9,728,723)	(+3,517,581)	(+178,604)
Rescissions.....	(-185,900)	---	(-21,842)	(+164,058)	(-21,842)
=====					
North Atlantic Treaty Organization Security Investment Program.....	204,789	201,400	201,400	-3,389	---

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AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Family housing construction, Army.....	579,000	419,400	419,400	-159,600	---
Family housing operation and maintenance, Army.....	671,311	742,920	742,920	+71,609	---
Family housing construction, Navy and Marine Corps....	305,000	298,329	298,329	-6,671	---
Family housing operation and maintenance, Navy and Marine Corps.....	505,472	371,404	371,404	-134,068	---
Family housing construction, Air Force.....	1,166,000	362,747	362,747	-805,253	---
Rescissions.....	-18,000	---	---	+18,000	---
<b>Total.....</b>	<b>1,150,000</b>	<b>362,747</b>	<b>362,747</b>	<b>-787,253</b>	<b>---</b>
Family housing operation and maintenance, Air Force....	750,000	688,335	688,335	-61,665	---
Family housing construction, Defense-Wide.....	9,000	---	---	-9,000	---
Family housing operation and maintenance, Defense-Wide Department of Defense Family Housing Improvement Fund.....	49,000	48,848	48,848	-152	---
	2,475	500	500	-1,975	---
<b>Total, Family housing.....</b>	<b>4,021,258</b>	<b>2,932,483</b>	<b>2,932,483</b>	<b>-1,088,775</b>	<b>---</b>
Appropriations.....	(4,039,258)	(2,932,483)	(2,932,483)	(-1,106,775)	---
Rescissions.....	(-18,000)	---	---	(+18,000)	---
Chemical demilitarization construction, Defense-Wide..	131,000	86,176	86,176	-44,824	---
Base realignment and closure:					
Base realignment and closure account, 1990.....	252,279	220,689	270,689	+18,410	+50,000

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AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2008  
(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Base realignment and closure, 2005.....	2,489,421	8,174,315	8,174,315	+5,684,894	---
Total, Base realignment and closure.....	2,741,700	8,395,004	8,445,004	+5,703,304	+50,000
=====					
Total, title I.....	13,123,989	21,165,182	21,371,944	+8,247,955	+206,762
Appropriations.....	(13,327,889)	(21,165,182)	(21,393,786)	(+8,065,897)	(+228,604)
Rescissions.....	(-203,900)	---	(-21,842)	(+182,058)	(-21,842)

TITLE II - DEPARTMENT OF VETERANS AFFAIRS

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Veterans Benefits Administration					
Compensation and pensions.....	38,007,095	41,236,322	41,236,322	+3,229,227	---
Readjustment benefits.....	3,262,006	3,300,289	3,300,289	+38,283	---
Veterans insurance and indemnities.....	49,850	41,250	41,250	-8,600	---
Veterans housing benefit program fund program account (indefinite).....	66,234	17,389	17,389	-48,845	---
(Limitation on direct loans).....	(500)	(500)	(500)	---	---
Credit subsidy.....	-100,000	-108,000	-108,000	-8,000	---
Administrative expenses.....	154,284	154,562	154,562	+278	---
Vocational rehabilitation loans program account.....	53	71	71	+18	---
(Limitation on direct loans).....	(4,242)	(3,287)	(3,287)	(-955)	---
Administrative expenses.....	305	311	311	+6	---

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(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Native American veteran housing loan program account..	584	628	628	+44	---
(Limitation on direct loans).....	(30,000)	---	---	(-30,000)	---
<b>Total, Veterans Benefits Administration.....</b>	<b>41,440,411</b>	<b>44,642,822</b>	<b>44,642,822</b>	<b>+3,202,411</b>	<b>---</b>
=====					
Veterans Health Administration					
Medical services.....	25,516,254	27,167,671	28,906,400	+3,388,146	+1,738,729
Medical administration.....	3,177,968	3,442,000	3,635,600	+457,632	+193,600
Medical facilities.....	3,569,533	3,582,000	4,100,000	+530,467	+508,000
Medical and prosthetic research.....	413,980	411,000	480,000	+66,020	+69,000
Medical care cost recovery collections:					
Offsetting collections.....	-2,329,000	-2,414,000	-2,414,000	-85,000	---
Appropriations (indefinite).....	2,329,000	2,414,000	2,414,000	+85,000	---
<b>Total, Veterans Health Administration.....</b>	<b>32,679,735</b>	<b>34,612,671</b>	<b>37,122,000</b>	<b>+4,442,265</b>	<b>+2,509,329</b>
=====					
Departmental Administration					
General operating expenses.....	1,481,473	1,471,837	1,598,500	+117,027	+126,663
Information technology systems.....	1,214,000	1,859,217	1,859,217	+645,217	---
National Cemetery Administration.....	160,747	166,809	170,000	+9,253	+3,191
Office of Inspector General.....	70,641	72,599	76,500	+5,859	+3,901
Construction, major projects.....	399,000	727,400	1,410,800	+1,011,800	+683,400
Construction, minor projects.....	198,937	233,396	615,000	+416,063	+381,604
Grants for construction of State extended care facilities.....	85,000	85,000	165,000	+80,000	+80,000

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(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Grants for the construction of State veterans cemeteries.....	32,000	32,000	37,000	+5,000	+5,000
Total, Departmental Administration.....	3,641,798	4,648,258	5,932,017	+2,290,219	+1,283,759
Total, title II.....	77,761,944	83,903,751	87,696,839	+9,934,895	+3,793,088
Appropriations.....	(77,761,944)	(83,903,751)	(87,696,839)	(+9,934,895)	(+3,793,088)
(Limitation on direct loans).....	(34,742)	(3,787)	(3,787)	(-30,955)	---
Discretionary.....	36,476,759	39,416,501	43,209,589	+6,732,830	+3,793,088
Mandatory.....	41,285,185	44,487,250	44,487,250	+3,202,065	---

TITLE III - RELATED AGENCIES

American Battle Monuments Commission	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
Salaries and expenses.....	37,000	42,100	43,470	+6,470	+1,370
Foreign currency fluctuations account.....	5,000	11,000	11,000	+6,000	---
Total, American Battle Monuments Commission.....	42,000	53,100	54,470	+12,470	+1,370

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(Amounts in thousands)

	FY 2007 Enacted	FY 2008 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>U.S. Court of Appeals for Veterans Claims</b>					
Salaries and expenses.....	20,189	21,217	21,397	+1,208	+180
Department of Defense - Civil					
Cemeterial Expenses, Army					
Salaries and expenses.....	30,000	26,892	30,592	+592	+3,700
Armed Forces Retirement Home					
Operation and maintenance.....	55,991	55,724	55,724	-267	---
Capital program.....	1,236	---	---	-1,236	---
General fund appropriation.....	---	5,900	800	+800	-5,100
<b>Total, Armed Forces Retirement Home.....</b>	<b>57,227</b>	<b>61,624</b>	<b>56,524</b>	<b>-703</b>	<b>-5,100</b>
<b>Total, title III.....</b>					
Appropriations.....	149,416	162,833	162,983	+13,567	+150
Rescissions.....	(149,416)	(162,833)	(162,983)	(+13,567)	(+150)
<b>Grand total.....</b>	<b>91,035,349</b>	<b>105,231,766</b>	<b>109,231,766</b>	<b>+18,196,417</b>	<b>+4,000,000</b>
Appropriations.....	(91,239,249)	(105,231,766)	(109,253,608)	(+18,014,359)	(+4,021,842)
Rescissions.....	(-203,900)	---	(-21,842)	(+182,058)	(-21,842)

## ITEMS OF INTEREST

*Long-term Challenges for Military Construction.*—At \$21,165,182,000, the fiscal year 2008 military construction and family housing request represents an unprecedented investment in facilities for the Armed Forces. Requests of this magnitude are likely for the next several years due to several major initiatives with military construction impacts, including:

- *Base Realignment and Closure/Integrated Global Presence and Basing Strategy.*—The Department of Defense currently estimates that \$30.8 billion will be required from 2006 through 2011 to complete the Base Realignment and Closure (BRAC) 2005 round, which includes the Integrated Global Presence and Basing Strategy (IGPBS) initiative to re-station 70,000 troops and their families from Europe and Korea to the United States. This estimate is \$8 billion higher than that given by the Department just one year ago. The Committee is concerned that even this increased estimate is understated, due to the unrealistic construction inflation estimate used by the Administration;

- *Growing the Force.*—The Administration has proposed to increase the permanent authorized end-strength of the active Army by 65,000 soldiers, and the Marine Corps by 27,000 marines, over the next five years. The Administration also has proposed to increase the Army National Guard and Army Reserve by a combined 9,200 personnel. The Administration's fiscal year 2007 supplemental and fiscal year 2008 requests (including the Global War on Terrorism request) include over \$3.7 billion for these initiatives. The Committee also notes the Congressional Budget Office's recent estimate that up to \$15.7 billion in military construction and family housing will be required to completely implement Growing the Force; and

- *Overseas Initiatives.*—The Department continues to pursue a number of initiatives in basing overseas. The United States reached an agreement with the Government of Japan in 2006 to relocate 8,000 marines and 9,000 dependents from Okinawa to Guam. The Japanese government has agreed to fund approximately \$6 billion of the estimated \$10 billion in construction required for the move, leaving \$4 billion in U.S.-funded construction. In addition, the Army, Navy, and Air Force are pursuing an enhanced presence in Guam, which could add another \$4 billion or more to the cost of the buildup. In Korea, the Department continues to consolidate U.S. forces in hubs to the south of Seoul; although the Republic of Korea will provide the largest share of costs, current estimates call for \$750 million in additional U.S.-funded construction. In the Middle East, the Department intends to continue the buildup of infrastructure in Persian Gulf nations, while establishing "enduring" locations for U.S. forces in Afghanistan and Djibouti. The Department will also stand up a new Africa Command in 2008, which could result in new military construction requirements within the African theater. Finally, the Department will continue the establishment of numerous forward operating sites and cooperative security locations throughout the European Command, Pacific Command, Central Command, and Southern

Command areas of responsibility. Though these sites are austere and individually require relatively little in construction, their cumulative requirements are significant.

A number of other initiatives will also add to growing requirements for military construction. For example, the Army, Marine Corps, and Air Force all have large outstanding requirements to modernize unaccompanied housing. Special Operations Command estimates that \$1.7 billion will be required through fiscal year 2013 to support growth, transformation, and current operations. The Air Force currently estimates that over \$1 billion in construction is required to bed-down future deliveries of aircraft. The National Security Agency, Defense Logistics Agency, and Department of Defense Education Activity all have significant needs for recapitalization. The cumulative impact of these initiatives and requirements point to a very challenging five-to-ten year period in the construction and maintenance of military facilities. It is therefore the Committee's responsibility to continue exercising active oversight of planning and budgeting for military construction and family housing.

*Incremental Funding of Military Construction Projects.*—The Committee will continue to exercise its prerogative to recommend incremental funding of military construction projects where appropriate, in accordance with authorizing legislation. The Committee notes that several projects submitted in the fiscal year 2008 request could have been requested as incremented projects, but for the Office of Management and Budget's (OMB) insistence that only those projects subjectively determined by OMB to have a "major national security impact" will be requested as such.

*Planning for Growing the Force.*—The Committee remains concerned about the ability of the Army and Marine Corps to adequately plan and execute military construction and family housing requirements for the Administration's proposed end-strength increases over the next five years, especially in the context of concurrent base realignment and closure actions. The manner in which budget requests for Growing the Force have been presented and justified thus far give the impression of a rushed, improvisational planning process. With both the fiscal year 2007 supplemental and fiscal year 2008 requests, the Army and Marine Corps have submitted large requests for unspecified construction and then scrambled to backfill these lump sum requests with specific locations and projects. Despite frequently expressed concerns about this process, the Committee has been supportive of Growing the Force, but also believes that an independent review of this planning is needed. The Committee therefore directs the General Accountability Office (GAO) to review the planning and budgeting process for Growing the Force requirements and report its findings to the Committee by March 15, 2008. This report may include a review of models and processes used to generate construction requirements and costs, the process for determining where Growing the Force projects will be located, the use of interim facilities, the impact of base realignment and closure requirements on Growing the Force, environmental impact issues, and any other information that GAO considers relevant.

*Impact of Growing the Force on Defense-Wide Military Construction.*—The Committee believes that the proposal to increase the end-strength of the active Army and Marine Corps will have a sub-

stantial impact on construction requirements for Defense Agencies and activities that fall under the Military Construction, Defense-Wide account, such as the Tricare Management Activity, the Defense Logistics Agency, and the Department of Defense Education Activity. The Committee therefore directs the Secretary of Defense to submit a report to the Committee providing estimates of Defense-Wide military construction requirements related to Growing the Force, and the extent to which these requirements are incorporated in the current Future Years Defense Plan. This report shall be submitted no later than October 1, 2007.

*Potential Missile Defense Sites in Central Europe.*—The Committee believes that the construction requirements for any future missile defense sites in Central Europe should be incorporated into the Overseas Master Plan for European Command, and therefore directs that the appropriate data be incorporated into the plan upon the conclusion of any missile defense basing agreements with host nations.

*Impact of BRAC on Local School Districts.*—The Committee remains concerned by the potential impact of the 2005 Base Realignment and Closure (BRAC) process on school districts in proximity to installations that will gain large numbers of additional military personnel and school-age dependents. The Committee is concerned that the influx of new students in these districts due to BRAC will strain the physical and operational capacities of local schools, resulting in a reduced quality of life for both military and civilian families. The Committee urges the Department of Defense to work closely with local school districts and base commands to accurately project the increases in school-age population near these installations and help these communities plan for the necessary infrastructure and operating costs to minimize the impact on educational quality. The Committee intends to continue monitoring this issue and work with the Department of Defense to identify possible remedies for this situation.

*Facilities Sustainment, Restoration and Modernization (FSRM).*—The Department is directed to continue describing on form 1390 the backlog of FSRM requirements at installations with future construction projects. For troop housing requests, form 1391 should describe any FSRM conducted in the past two years. Likewise, future requirements for unaccompanied housing at the corresponding installation should be included. Additionally, the forms should include English equivalent measurements for projects presented in metric measurement. Rules for funding repairs of facilities under the Operation and Maintenance accounts are described below:

(1) components of the facility may be repaired by replacement. Such replacement can be up to current standards or codes;

(2) interior arrangements and restorations may be included as repair;

(3) additions, new facilities, and functional conversions must be performed as military construction projects. Such projects may be done concurrently with repair projects as long as the final conjunctively funded project is a complete and usable facility; and

(4) the appropriate service secretary shall notify the appropriate committees 21 days prior to carrying out any repair project with an estimated cost in excess of \$7,500,000.

*Increase in Use of 10 U.S.C. 2811 Authority.*—The Committee notes a significant increase in the use of authority under 10 U.S.C. 2811 to execute repair projects with operation and maintenance funds. The Committee is concerned that this practice is being used as a substitute for permanent military construction when facilities are in need of replacement. The Committee therefore directs the Department of Defense to submit a report providing the amounts executed using 10 U.S.C. 2811 authority over the last five fiscal years for which data are available. The data shall be broken out by account and shall include the total number of individual projects executed within each fiscal year. This report shall be submitted no later than September 14, 2007.

*Funding Levels for FSRM and Base Operating Support (BOS).*—The Committee remains concerned that the services are taking risks in the FSRM and BOS accounts. The perennial underfunding of these accounts negatively affects both quality of life and the rate at which military facilities must be replaced. The Committee notes that the recently publicized problems with facility conditions at Walter Reed Army Medical Center and other military health care facilities are partly attributable to this long-standing practice. Even though the Department of Defense has set a goal of funding 95 percent of sustainment, all of the services' fiscal year 2008 requests for FSRM fall short of this mark. The respective percentages of sustainment funded in the services' requests are as follows: Army, 86 percent; Navy, 83 percent; Marine Corps, 89 percent; and Air Force, 92 percent. Likewise, the services continue to take risks in the BOS account. Shortfalls in BOS have often been covered in the past by raiding FSRM funds. The Committee continues to urge the services to end this practice by fully funding both BOS and FSRM requirements in the budget.

*Execution Rates of Military Construction Projects.*—The Committee notes the increased incidence of scope reductions, project cancellations, and bid busts for military construction projects in recent years. Heightened demand in the construction market and shortages of certain materials have driven up construction prices, affecting the ability of the Department of Defense to execute military construction projects within the year of funding without either scaling back requirements or seeking approval for reprogramming. The Committee therefore directs the Department to provide a report to the Committee on the rate of execution for military construction projects within the year of funding during each of the last five fiscal years for which data is available. The data shall be broken out by each military construction and family housing construction account included in this Act. This report shall be submitted no later than September 14, 2007.

*Reprogramming Criteria.*—Reprogramming requests are required for military construction and family housing projects when the increase equals or exceeds 25 percent of the appropriated amount or \$2,000,000, whichever is less.

*Future Veterans Health Care Estimates.*—The Committee is concerned that the President's budget has not accurately projected the cost of health care for our veterans from fiscal year 2008 through fiscal year 2012. While the Veterans Health Administration has averaged a four percent increase in workload for the last five years and the Centers for Medicare and Medicaid Services projects that

“health spending growth is anticipated to remain in the seven percent range over the next decade,” the current budget estimates for hospital and medical care for veterans for the fiscal years through 2012 are actually lower than the budget request for fiscal year 2008 of \$35,304,000,000. Additionally the Committee is not confident that the actuarial model currently used to project health care demand for our Operation Enduring Freedom/Operation Iraqi Freedom veterans has sufficiently matured to ensure accuracy. For these reasons, the Committee has included a general provision directing the Congressional Budget Office to submit a report projecting the annual funding level necessary for the Department to continue providing health care for our veterans from fiscal year 2009 through fiscal year 2012.

*Seamless Transition.*—Recent reviews of the health care programs for our servicemembers and veterans continue to highlight challenges in caring for our traumatic brain injury, polytrauma injury, blast injury, burn, mental health/PTSD, and amputee patients as well as continued difficulty with seamless transition and information sharing. With the large volume of Reserve and National Guard that have deployed to Operation Enduring Freedom and Operation Iraqi Freedom, it is critical that the Department of Defense and Department of Veterans Affairs work as partners if they are to ensure that care is available to this geographically dispersed population and all veterans. The Committee strongly urges the Department to make every effort to collaborate with the Department of Defense on programs and initiatives that serve our veterans. Additionally, the Committee has provided funding authority within this bill that highlights this issue.

TITLE I

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION OVERVIEW

Fiscal year 2007 enacted level .....	\$6,025,242,000
Fiscal year 2008 budget request .....	9,550,119,000
Committee recommendation in the bill .....	9,706,881,000
Comparison with:	
Fiscal year 2007 enacted level .....	3,681,639,000
Fiscal year 2008 budget request .....	156,762,000

Military construction accounts provide funds for new construction, construction improvements, planning and design, and host nation support. Projects funded by these accounts include facilities for operations, training, maintenance, research and development, supply, medical care, and force protection, as well as unaccompanied housing, utilities infrastructure, and land acquisition.

The Committee recommends a total appropriation of \$9,706,881,000 for Military Construction, an increase of \$3,681,639,000 above the fiscal year 2007 enacted level and an increase of \$156,762,000 above the budget request.

*Construction Inflation.*—The Committee is concerned that the inflation adjustments used by the Administration for military construction and family housing are insufficient to keep pace with actual price inflation in the construction market. The adjustment used by the Administration is 2.2 percent. According to a March 2007 report by the Association of General Contractors, the price of

construction materials alone could be rising at a 6 to 8 percent rate by the end of the calendar year. Underestimates of construction inflation have real world consequences in the form of scope reductions and project cancellations. The Committee directs the Department of Defense and the Office of Management and Budget to budget more realistically for inflation in military construction and family housing.

*Report on Projects Provided for Hurricane Recovery.*—The Committee directs the Department of Defense to provide a report on the execution of military construction and family housing projects provided for recovery from hurricanes in P.L. 108–324, P.L. 109–148, and P.L. 109–234. This report should include the award date, estimated completion date, and current working estimate for each project, as well as an explanation regarding each unawarded project. This report shall be submitted no later than July 31, 2007.

*Transfer of Funds to Foreign Currency Account.*—The Committee directs the Department of Defense to submit a report no later than December 3, 2007, on the amounts of expired funds transferred from military construction and family housing accounts to the Foreign Currency Fluctuations, Construction, Defense account at the end of fiscal year 2007.

*Projects.*—Congress has made significant reforms in the way it reviews funding for the Federal government, reforms which the Committee takes very seriously as it executes its constitutional authority. Earmarking or directed spending of Federal dollars does not begin with Congress. It begins with the Executive Branch. The military construction projects submitted by the Administration appear on pages 66 through 79. The Administration, in selecting these projects, goes through a process that is the functional equivalent of earmarking. When the Committee reviews the budget request, it goes through a process of rigorous review and may alter or modify this list to reflect additional priorities.

The Committee provides no recommendation at this time for specific projects contained in either the Administration’s budget or proposed by Members of Congress. Individual project allocations will be considered comprehensively after the Committee has properly analyzed all relevant information.

#### MILITARY CONSTRUCTION, ARMY

Fiscal year 2007 enacted level .....	\$1,973,973,000
Fiscal year 2008 budget request .....	4,039,197,000
Committee recommendation in the bill .....	4,070,959,000
Comparison with:	
Fiscal year 2007 enacted level .....	2,096,986,000
Fiscal year 2008 budget request .....	31,762,000

The Committee recommends an appropriation of \$4,070,959,000 for Military Construction, Army, an increase of \$2,096,986,000 above the fiscal year 2007 enacted level and an increase of \$31,762,000 above the budget request.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS  
(INCLUDING RESCISSION OF FUNDS)

Fiscal year 2007 enacted level .....	\$1,103,321,000
Fiscal year 2008 budget request .....	2,104,276,000
Committee recommendation in the bill (including rescission) .....	2,119,276,000
Comparison with:	
Fiscal year 2007 enacted level .....	1,015,955,000
Fiscal year 2008 budget request .....	15,000,000

The Committee recommends an appropriation of \$2,125,138,000 and a rescission of \$5,862,000 for Military Construction Navy and Marine Corps, an increase of \$1,015,955,000 above the fiscal year 2007 enacted level and an increase of \$15,000,000 above the budget request.

The Committee recommends the following rescissions due to bid savings on previously appropriated projects:

Public Law/location	Project title	Recommendation
PL 108-132 (FY 2004)		
AL: Barin OLF .....	Clear Zone Land Acquisition .....	- 2,420,000
NC: Camp Lejeune .....	Consolidated Armories .....	- 3,442,000
Total .....		- 5,862,000

*Carrier Homeporting.*—The Committee understands that it is the Navy’s publicly stated policy to maintain two nuclear carrier-capable homeports on the east coast. The Committee further understands that the Navy is in the process of drafting an environmental impact statement (EIS) that includes the evaluation of the necessary infrastructure and dredging required to make Naval Station Mayport the second such homeport in addition to Naval Station Norfolk, and that a draft EIS will be released in early 2008. The Committee directs the Navy to provide a report to the Committee identifying the military construction requirements and an estimated timetable for completion for making Mayport a nuclear carrier-capable homeport no later than 30 days after release of the draft EIS.

*Outlying Landing Field, North Carolina.*—The Committee does not support the establishment of an Outlying Landing Field (OLF) at Site C in North Carolina. The Committee further notes that the defense authorization bill that passed the House on May 17, 2007 recommends no authorization for the fiscal year 2008 budget request and further repeals prior authorizations for an OLF at Site C. The Committee is aware that the Navy is in the process of considering alternative sites for an OLF in North Carolina to serve Naval Air Station Oceana and Marine Corps Air Station Cherry Point. The Committee intends to closely monitor the Navy’s progress in considering alternative locations in North Carolina, and expects the Navy to fully and fairly consider pilot safety, negative environmental impacts, and potential disruptive effects on surrounding communities in its consideration of such sites. The Committee directs the Navy to provide a progress report on its efforts no later than July 31, 2007.

**MILITARY CONSTRUCTION, AIR FORCE**  
(INCLUDING RESCISSION OF FUNDS)

Fiscal year 2007 enacted level .....	\$1,080,306,000
Fiscal year 2008 budget request .....	912,109,000
Committee recommendation in the bill (including rescission) .....	922,109,000
Comparison with:	
Fiscal year 2007 enacted level .....	(158,197,000)
Fiscal year 2008 budget request .....	10,000,000

The Committee recommends an appropriation of \$927,428,000 and a rescission of \$5,319,000 for Military Construction, Air Force, a decrease of \$158,197,000 below the fiscal year 2007 enacted level and an increase of \$10,000,000 above the budget request.

The Committee recommends the following rescission due to bid savings on a previously appropriated project:

Public Law/location	Project title	Recommendation
P.L. 108-324 (FY 2005)		
Greenland: Thule AB .....	Dormitory .....	- 5,319,000
Total .....		- 5,319,000

**MILITARY CONSTRUCTION, DEFENSE-WIDE**

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

Fiscal year 2007 enacted level .....	\$1,016,771,000
Fiscal year 2008 budget request .....	1,799,336,000
Committee recommendation in the bill (including rescission) .....	1,799,336,000
Comparison with:	
Fiscal year 2007 enacted level .....	782,565,000
Fiscal year 2008 budget request .....	- - -

The Committee recommends an appropriation of \$1,806,928,000 and a rescission of \$7,592,000 for Military Construction, Defense-Wide, an increase of \$782,565,000 above the fiscal year 2007 enacted level and the same as the budget request.

The Committee recommends the following rescission from a Missile Defense Agency (MDA) project. The Committee notes that MDA has the authority to fund construction in support of missile defense systems with research, development, testing and evaluation (RDT&E) funds. The Committee directs MDA to fund this project under its RDT&E construction authority:

Public Law/location	Project title	Recommendation
PL 110-5 (FY 2007)		
Kwajalein Atoll .....	Launch Control Facility Upgrades	- 7,592,000
Total .....		- 7,592,000

**MILITARY CONSTRUCTION, ARMY NATIONAL GUARD**

Fiscal year 2007 enacted level .....	\$470,871,000
Fiscal year 2008 budget request .....	404,291,000
Committee recommendation in the bill .....	439,291,000
Comparison with:	
Fiscal year 2007 enacted level .....	(31,580,000)
Fiscal year 2008 budget request .....	35,000,000

The Committee recommends an appropriation of \$439,291,000 for Military Construction, Army National Guard, a decrease of

\$31,580,000 below the fiscal year 2007 enacted level and an increase of \$35,000,000 above the budget request.

#### MILITARY CONSTRUCTION, AIR NATIONAL GUARD

Fiscal year 2007 enacted level .....	\$126,000,000
Fiscal year 2008 budget request .....	85,517,000
Committee recommendation in the bill .....	95,517,000
Comparison with:	
Fiscal year 2007 enacted level .....	(30,483,000)
Fiscal year 2008 budget request .....	10,000,000

The Committee recommends an appropriation of \$95,517,000 for Military Construction, Air National Guard, a decrease of \$30,483,000 below the fiscal year 2007 enacted level and an increase of \$10,000,000 above the budget request.

#### MILITARY CONSTRUCTION, ARMY RESERVE

Fiscal year 2007 enacted level .....	\$166,000,000
Fiscal year 2008 budget request .....	119,684,000
Committee recommendation in the bill .....	154,684,000
Comparison with:	
Fiscal year 2007 enacted level .....	(11,316,000)
Fiscal year 2008 budget request .....	35,000,000

The Committee recommends an appropriation of \$154,684,000 for Military Construction, Army Reserve, a decrease of \$11,316,000 below the fiscal year 2007 enacted level and an increase of \$35,000,000 above the budget request.

#### MILITARY CONSTRUCTION, NAVY RESERVE

Fiscal year 2007 enacted level .....	\$43,000,000
Fiscal year 2008 budget request .....	59,150,000
Committee recommendation in the bill .....	69,150,000
Comparison with:	
Fiscal year 2007 enacted level .....	26,150,000
Fiscal year 2008 budget request .....	10,000,000

The Committee recommends an appropriation of \$69,150,000 for Military Construction, Navy Reserve, an increase of \$26,150,000 above the fiscal year 2007 enacted level and an increase of \$10,000,000 above the budget request.

#### MILITARY CONSTRUCTION, AIR FORCE RESERVE

##### (INCLUDING RESCISSION OF FUNDS)

Fiscal year 2007 enacted level .....	\$45,000,000
Fiscal year 2008 budget request .....	26,559,000
Committee recommendation in the bill (including rescission) .....	36,559,000
Comparison with:	
Fiscal year 2007 enacted level .....	(8,441,000)
Fiscal year 2008 budget request .....	10,000,000

The Committee recommends an appropriation of \$39,628,000 and a rescission of \$3,069,000 for Military Construction, Air Force Reserve, a decrease of \$8,441,000 below the fiscal year 2007 enacted level and an increase of \$10,000,000 above the budget request.

The Committee recommends the following rescission due to a cancelled project:

Public Law/location	Project title	Recommendation
PL 109-114 (FY 2006): AK: Elmendorf AFB .....	C-17 Convert Hangar for AFRC Group HQ.	- 3,069,000
Total .....	.....	- 3,069,000

#### NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Fiscal year 2007 enacted level .....	\$204,789,000
Fiscal year 2008 budget request .....	201,400,000
Committee recommendation in the bill .....	201,400,000
Comparison with:	
Fiscal year 2007 enacted level .....	(3,389,000)
Fiscal year 2008 budget request .....	- - -

The North Atlantic Treaty Organization Security Investment Program (NSIP) consists of annual contributions by NATO member countries. The program finances the costs of construction needed to support the roles of the major NATO commands. The investments cover facilities such as airfields, fuel pipelines and storage, harbors, communications and information systems, radar and navigational aids, and military headquarters.

The Committee recommends an appropriation of \$201,400,000 for NSIP, a decrease of \$3,389,000 below the fiscal year 2007 enacted level and the same as the budget request.

Occasionally, the U.S. has been forced to delay temporarily the authorization of projects due to shortfalls in U.S. obligation authority. The Committee directs the Secretary of Defense to notify the Committee 30 days prior to taking such action.

#### FAMILY HOUSING OVERVIEW

Fiscal year 2007 enacted level .....	\$4,021,258,000
Fiscal year 2008 budget request .....	2,932,483,000
Committee recommendation in the bill .....	2,932,483,000
Comparison with:	
Fiscal year 2007 enacted level .....	(1,088,775,000)
Fiscal year 2008 budget request .....	- - -

Family housing construction accounts provide funds for new construction, construction improvements, the Federal government costs for family housing privatization projects, and planning and design. The operation and maintenance accounts provide funds to pay for maintenance and repair, furnishings, management, services, utilities, leasing, interest, mortgage insurance, and miscellaneous expenses.

The Committee recommends a total appropriation of \$2,932,483,000 for the family housing construction and operation and maintenance accounts, a decrease of \$1,088,775,000 below the fiscal year 2007 enacted level and the same as the budget request.

*Family Housing Privatization Progress Reports.*—The Committee directs the Department of Defense to continue submitting semi-annual progress reports on the family housing privatization program. The Committee further directs the Department to include in each future report a breakout of military tenant satisfaction rates by project.

*Inclusion of Child Development Centers in Family Housing Privatization Projects.*—Senior non-commissioned officers of the mili-

tary services have annually identified child care as one of the most pressing concerns of enlisted personnel and their families in hearings before the Committee. The Committee notes that 10 U.S.C. 2881 allows for the acquisition or construction of ancillary facilities as part of military housing privatization projects. These include facilities for “any nonappropriated fund activity of the Department of Defense for the morale, welfare, and recreation of members of the Armed Forces,” which would include child care and development. The Committee therefore directs the Department of Defense and the services to actively seek the inclusion of child care and development facilities within housing privatization projects wherever financially feasible.

*Foreign Currency Savings and Sub-Account Transfers.*—The Committee directs that savings from foreign currency re-estimates be used to maintain existing family housing units. The Comptroller is directed to report to the Committee on how these savings are allocated by December 3, 2007. In addition, only 10 percent of funds made available to the construction and operation and maintenance sub-accounts may be transferred between the sub-accounts. Such transfers must be reported to the Committee within 30 days of such action.

*Leasing Reporting Requirements.*—The Secretary of Defense is directed to report to the Committee quarterly on the details of all new or renewed domestic leases entered into during the previous quarter that exceed the cost threshold set by 10 U.S.C. 2828(b)(2), including certification that less expensive housing was not available for lease. For foreign leases, the Department is directed to: (1) perform an economic analysis on all new leases or lease/contract agreements where more than 25 units are involved; (2) report the details of new or renewed lease agreements that exceed the cost threshold set by 10 U.S.C. 2828(e)(1) 21 days prior to entering into such an agreement; and (3) base leasing decisions on the economic analysis.

*Reprogramming Criteria.*—The reprogramming criteria that apply to military construction projects (25 percent of the funded amount or \$2,000,000, whichever is less) apply to new housing construction projects and improvement projects over \$2,000,000 as well.

*Projects.*—Congress has made significant reforms in the way it reviews funding for the Federal government, reforms which the Committee takes very seriously as it executes its constitutional authority. Earmarking or directed spending of Federal dollars does not begin with Congress. It begins with the Executive Branch. The family housing construction projects submitted by the Administration appear on pages 79 through 81. The Administration, in selecting these projects, goes through a process that is the functional equivalent of earmarking. When the Committee reviews the budget request, it goes through a process of rigorous review and may alter or modify this list to reflect additional priorities.

The Committee provides no recommendation at this time for specific projects contained in either the Administration’s budget or proposed by Members of Congress. Individual project allocations will be considered comprehensively after the Committee has properly analyzed all relevant information.

## FAMILY HOUSING CONSTRUCTION, ARMY

Fiscal year 2007 enacted level .....	\$579,000,000
Fiscal year 2008 budget request .....	419,400,000
Committee recommendation in the bill .....	419,400,000
Comparison with:	
Fiscal year 2007 enacted level .....	(159,600,000)
Fiscal year 2008 budget request .....	---

The Committee recommends an appropriation of \$419,400,000 for Family Housing Construction, Army, a decrease of \$159,600,000 below the fiscal year 2007 enacted level and the same as the budget request. The appropriation includes \$52,000,000 to construct new family housing units, \$365,400,000 to improve or privatize existing units, and \$2,000,000 for planning and design. This funding level supports the elimination of 10,023 inadequate family housing units.

## FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

Fiscal year 2007 enacted level .....	\$671,311,000
Fiscal year 2008 budget request .....	742,920,000
Committee recommendation in the bill .....	742,920,000
Comparison with:	
Fiscal year 2007 enacted level .....	71,609,000
Fiscal year 2008 budget request .....	---

The Committee recommends an appropriation of \$742,920,000 for Family Housing Operation and Maintenance, Army, an increase of \$71,609,000 above the fiscal year 2007 enacted level and the same as the budget request.

## FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

Fiscal year 2007 enacted level .....	\$305,000,000
Fiscal year 2008 budget request .....	298,329,000
Committee recommendation in the bill .....	298,329,000
Comparison with:	
Fiscal year 2007 enacted level .....	(6,671,000)
Fiscal year 2008 budget request .....	---

The Committee recommends an appropriation of \$298,329,000 for Family Housing Construction, Navy and Marine Corps, a decrease of \$6,671,000 below the fiscal year 2007 enacted level and the same as the budget request. The appropriation includes \$57,167,000 to construct new family housing units, \$237,990,000 to improve or privatize existing units, and \$3,172,000 for planning and design. The Navy and Marine Corps currently project to have all contracts in place by the end of fiscal year 2007 to eliminate all family housing units defined as inadequate.

## FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

Fiscal year 2007 enacted level .....	\$505,472,000
Fiscal year 2008 budget request .....	371,404,000
Committee recommendation in the bill .....	371,404,000
Comparison with:	
Fiscal year 2007 enacted level .....	(134,068,000)
Fiscal year 2008 budget request .....	---

The Committee recommends an appropriation of \$371,404,000 for Family Housing Operation and Maintenance, Navy and Marine

Corps, a decrease of \$134,068,000 below the fiscal year 2007 enacted level and the same as the budget request.

#### FAMILY HOUSING CONSTRUCTION, AIR FORCE

Fiscal year 2007 enacted level .....	\$1,150,000,000
Fiscal year 2008 budget request .....	362,747,000
Committee recommendation in the bill .....	362,747,000
Comparison with:	
Fiscal year 2007 enacted level .....	(787,253,000)
Fiscal year 2008 budget request .....	---

The Committee recommends an appropriation of \$362,747,000 for Family Housing Construction, Air Force, a decrease of \$787,253,000 below the fiscal year 2007 enacted level and the same as the budget request. The appropriation includes \$56,275,000 to construct new family housing units, \$294,262,000 to improve or privatize existing units, and \$12,210,000 for planning and design. This funding level supports the elimination of 3,704 inadequate family housing units.

#### FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

Fiscal year 2007 enacted level .....	\$750,000,000
Fiscal year 2008 budget request .....	688,335,000
Committee recommendation in the bill .....	688,335,000
Comparison with:	
Fiscal year 2007 enacted level .....	(61,665,000)
Fiscal year 2008 budget request .....	---

The Committee recommends an appropriation of \$688,335,000 for Family Housing Operation and Maintenance, Air Force, a decrease of \$61,665,000 below the fiscal year 2007 enacted level and the same as the budget request.

#### FAMILY HOUSING CONSTRUCTION, DEFENSE-WIDE

Fiscal year 2007 enacted level .....	\$9,000,000
Fiscal year 2008 budget request .....	---
Committee recommendation in the bill .....	---
Comparison with:	
Fiscal year 2007 enacted level .....	(9,000,000)
Fiscal year 2008 budget request .....	---

The Committee does not recommend an appropriation for Family Housing Construction, Defense-Wide. This is a decrease of \$9,000,000 below the fiscal year 2007 enacted level and the same as the budget request.

#### FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

Fiscal year 2007 enacted level .....	\$49,000,000
Fiscal year 2008 budget request .....	48,848,000
Committee recommendation in the bill .....	48,848,000
Comparison with:	
Fiscal year 2007 enacted level .....	(152,000)
Fiscal year 2008 budget request .....	---

The Committee recommends an appropriation of \$48,848,000 for Family Housing Operation and Maintenance, Defense-Wide, a decrease of \$152,000 below the fiscal year 2007 enacted level and the same as the budget request.

## DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

Fiscal year 2007 enacted level .....	\$2,475,000
Fiscal year 2008 budget request .....	500,000
Committee recommendation in the bill .....	500,000
Comparison with:	
Fiscal year 2007 enacted level .....	(1,975,000)
Fiscal year 2008 budget request .....	---

The Family Housing Improvement Fund (FHIF) is authorized by section 2883, title 10, United States Code, and provides the Department of Defense with authority to finance joint ventures with the private sector to revitalize and to manage the Department's housing inventory. The statute authorizes the Department to use limited partnerships, make direct and guaranteed loans, and convey Department-owned property to stimulate the private sector to increase the availability of affordable, quality housing for military personnel.

The FHIF is used to build or renovate family housing by mixing or matching various legal authorities, and by utilizing private capital and expertise to the maximum extent possible. The fund is administered as a single account without fiscal year limitations and contains appropriated and transferred funds from family housing construction accounts.

The Committee recommends an appropriation of \$500,000 for the Department of Defense Family Housing Improvement Fund, a decrease of \$1,975,000 below the fiscal year 2007 enacted level and the same as the budget request.

## CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2007 enacted level .....	\$131,000,000
Fiscal year 2008 budget request .....	86,176,000
Committee recommendation in the bill .....	86,176,000
Comparison with:	
Fiscal year 2007 enacted level .....	(44,824,000)
Fiscal year 2008 budget request .....	---

The Chemical Demilitarization Construction, Defense-Wide account provides funds for the design and construction of full-scale chemical disposal facilities and associated projects to upgrade installation support facilities and infrastructures required to support the Chemical Demilitarization program.

The Committee recommends an appropriation of \$86,176,000 for Chemical Demilitarization Construction, Defense-Wide, a decrease of \$44,824,000 below the fiscal year 2007 enacted level and the same as the budget request.

*Projects.*—Congress has made significant reforms in the way it reviews funding for the Federal government, reforms which the Committee takes very seriously as it executes its constitutional authority. Earmarking or directed spending of Federal dollars does not begin with Congress. It begins with the Executive Branch. The table below is a breakout of the chemical demilitarization construction projects submitted by the Administration. The Administration, in selecting these projects, goes through a process that is the functional equivalent of earmarking. When the Committee reviews the budget request, it goes through a process of rigorous review and may alter or modify this list to reflect additional priorities.

The Committee provides no recommendation at this time for specific projects contained in either the Administration’s budget or proposed by Members of Congress. Individual project allocations will be considered comprehensively after the Committee has properly analyzed all relevant information.

[In thousands of dollars]

Location	FY 2008 administration request
Colorado: Pueblo Chem-Agent Disposal Pilot Plant .....	35,159
Kentucky: Blue Grass Chem-Agent Disposal Pilot Plant .....	51,017

**BASE REALIGNMENT AND CLOSURE ACCOUNT 1990**

Fiscal year 2007 enacted level .....	\$252,279,000
Fiscal year 2008 budget request .....	220,689,000
Committee recommendation in the bill .....	270,689,000
Comparison with:	
Fiscal year 2007 enacted level .....	18,410,000
Fiscal year 2008 budget request .....	50,000,000

The Committee recommends an appropriation of \$270,689,000 for the Base Realignment and Closure Account 1990, an increase of \$18,410,000 above the fiscal year 2007 enacted level and an increase of \$50,000,000 above the budget request. The Committee is aware that there is a backlog of remaining requirements, particularly for cleanup of unexploded ordnance, for closed installations dating back to the 1988 BRAC round. The Committee is concerned by the slow pace of progress in remediating these properties and directs the Department of Defense to make funding for previous BRAC rounds a higher priority.

*Reprogramming Guidelines for BRAC 1990.*—The Committee directs the Department of Defense to seek a prior approval reprogramming when the amount to be obligated for a site or closure package exceeds the amount programmed in the fiscal year 2008 budget request (as identified by the following table) by 20 percent or \$2,000,000, whichever is less. These guidelines shall not apply to sites or closure packages for which the programmed amount is less than \$2,000,000.

*Projects.*—Congress has made significant reforms in the way it reviews funding for the Federal government, reforms which the Committee takes very seriously as it executes its constitutional authority. Earmarking or directed spending of Federal dollars does not begin with Congress. It begins with the Executive Branch. The table below is an illustrative list of base realignment and closure construction projects submitted by the Administration. The Administration, in selecting these projects, goes through a process that is the functional equivalent of earmarking. When the Committee reviews the budget request, it goes through a process of rigorous review and may alter or modify this list to reflect additional priorities.

The Committee provides no recommendation at this time for specific projects contained in either the Administration’s budget or proposed by Members of Congress. Individual project allocations will be considered comprehensively after the Committee has properly analyzed all relevant information.

(In thousands of dollars)

BRAC location/closure package	FY 2008 administration request
<b>Army</b>	
Alabama .....	103
ARL Woodbridge .....	135
Cameron Station .....	73
Fort Chaffee .....	30
Fort Devens .....	1,237
Fort McClellan .....	659
Fort Meade .....	2,491
Fort Monmouth .....	41
Fort Ord .....	24,620
Fort Ritchie .....	436
Fort Wingate .....	10,163
Jefferson .....	3,923
Letterkenny Army Depot .....	53
Lexington .....	110
Minor Fort Dix .....	32
Minor FORSCOM .....	60
Minor Fort Lewis .....	2,003
Oakland Army Base .....	2
Pueblo .....	6,212
Red River Army Depot .....	239
Sacramento .....	836
Savanna Army depot .....	4,952
Seneca Army depot .....	737
Stratford Engine Plant .....	660
Tooele .....	401
Umatilla .....	493
Vint Hill Farms .....	179
Defense Distribution Depot Ogden .....	906
Army Program Management .....	11,930
Subtotal, Army .....	73,716
<b>NAVY</b>	
Adak .....	9,279
Agana .....	838
Alameda .....	30,658
Barbers Point .....	26
Cecil Field .....	1,452
Charleston Naval Supply Center .....	53
Dallas .....	841
Davisville .....	1,617
El Toro .....	10,898
Key West .....	6
Long Beach Naval Shipyard .....	265
Long Beach Naval Station .....	775
Louisville .....	54
Mare Island .....	11,254
Memphis .....	646
Moffett Field .....	2,725
Oakland FISC .....	4,850
Orlando USRD .....	116
Orlando NTC .....	565
Philadelphia Naval Station .....	34
Roosevelt Roads .....	16,321
San Diego NTC .....	2,768
San Francisco PWC .....	1,155
South Weymouth .....	3,854
Treasure Island .....	6,765
Treasure Island—Hunters Point Annex .....	36,909
Trenton .....	600
Tustin .....	1,648
Warminster .....	755
White Oak .....	300
Various Locations .....	23,415
Planning, Design, and Management .....	7,315

[In thousands of dollars]

BRAC location/closure package	FY 2008 administration request
Unspecified .....	1
Land Sales Revenue .....	- 178,758
Subtotal, Navy .....	0
<b>AIR FORCE</b>	
Kelly AFB .....	9,275
McClellan AFB .....	29,931
Reese AFB .....	7,071
Program Management '95 .....	42,332
Program Management '93 .....	9,104
Program Management '91 .....	45,546
Unspecified .....	1
Subtotal, Air Force .....	143,260
<b>DEFENSE LOGISTICS AGENCY</b>	
Memphis .....	3,196
Philadelphia DPSC .....	517
Subtotal, DLA .....	3,713

#### BASE REALIGNMENT AND CLOSURE ACCOUNT 2005

Fiscal year 2007 enacted level .....	\$2,489,421,000
Fiscal year 2008 budget request .....	8,174,315,000
Committee recommendation in the bill .....	8,174,315,000
Comparison with:	
Fiscal year 2007 enacted level .....	5,684,894,000
Fiscal year 2008 budget request .....	- - -

The Committee recommends an appropriation of \$8,174,315,000 for the Base Realignment and Closure Account 2005, an increase of \$5,684,894,000 above the fiscal year 2007 enacted level and the same as the budget request. This funding supports the most recent base realignment and closure round which affects over 800 locations across the nation through 24 major closures, 24 major realignments, and 765 other actions.

*BRAC and Inflation Estimates.*—The Committee is deeply concerned that the costs for the 2005 BRAC program remain underestimated by the Department of Defense, in part due to unrealistic inflation estimates. The Committee is especially concerned that the business plans upon which BRAC construction estimates are based were formed using outdated pricing guidelines and area cost factors. The Committee therefore directs the Secretary of Defense to submit a report on the application of DOD facilities pricing guides and area cost factors to BRAC business plans. This report shall identify what year's pricing guide and area cost factor was applied to the construction estimates included in each business plan, and indicate the additional cost that would be incurred if all business plans were updated to reflect the most recent pricing guide and area cost factors. This report shall be submitted no later than October 1, 2007.

*Prior Notice of Significant Changes to the BRAC 2005 program.*—The Committee directs the Department of Defense to notify the Committee 14 days in advance of obligating funds to implement a recommendation of the 2005 Base Realignment and Closure Commission if the amount to be obligated exceeds the amount programmed for that recommendation in the 2008 budget request (as

identified by the following table) by 20 percent or \$10,000,000, whichever is less. These guidelines shall not apply to recommendations for which the programmed amount is less than \$5,000,000.

*Reserve Centers.*—The Committee requests the Secretary of Defense to submit a report no later than February 1, 2008 on excess property at reserve centers realigned in the 2005 BRAC round. For each such reserve center, the report shall identify and describe unused acreage and any improvements thereon, provide an estimate of the fair market value (if available) of such property, identify the authorities under which such property may be transferred to a non-Federal entity, and indicate any potential impact of reducing excess property on operations or training.

*Projects.*—Congress has made significant reforms in the way it reviews funding for the Federal government, reforms which the Committee takes very seriously as it executes its constitutional authority. Earmarking or directed spending of Federal dollars does not begin with Congress. It begins with the Executive Branch. The table below is an illustrative list of base realignment and closure construction projects submitted by the Administration. The Administration, in selecting these projects, goes through a process that is the functional equivalent of earmarking. When the Committee reviews the budget request, it goes through a process of rigorous review and may alter or modify this list to reflect additional priorities.

The Committee provides no recommendation at this time for specific projects contained in either the Administration's budget or proposed by Members of Congress. Individual project allocations will be considered comprehensively after the Committee has properly analyzed all relevant information.

[In thousands of dollars]

BRAC recommendation	FY 2008 administration request
ARMY	
2—Fort Gillem .....	13,194
3—Fort McPherson .....	3,327
4—Fort Bragg .....	56,164
5—Fort Monmouth .....	268,298
6—Fort Hood .....	220,369
7—Red River .....	12,352
8—Fort Monroe .....	2,000
9—Maneuver Training .....	269,119
10—Operational Army (IGPBS) .....	756,891
11—RC Alabama .....	42,225
12—RC Arizona .....	4,090
13—RC Arkansas .....	44,592
14—RC California .....	23,900
15—RC Connecticut .....	6,403
18—RC Hawaii .....	49,201
19—RC Illinois .....	51,610
20—RC Indiana .....	28,605
21—RC Iowa .....	285
22—RC Kentucky .....	4,669
23—RC Louisiana .....	40,701
24—RC Maryland .....	2,074
25—RC Massachusetts .....	14,820
27—RC Minnesota .....	17,829
28—RC Missouri .....	30,263
29—RC Montana .....	19,412
30—RC Nebraska .....	3,055
33—RC New Mexico .....	3,379

(In thousands of dollars)

BRAC recommendation	FY 2008 administration request
34—RC New York .....	98,965
37—RC Ohio .....	55,795
38—RC Oklahoma .....	149,338
40—RC Pennsylvania .....	57,930
44—RC Texas .....	140,242
45—RC Vermont .....	23,000
46—RC Washington .....	25,372
48—RC Wisconsin .....	6
49—RC Wyoming .....	42,057
50—Single Drill Sergeant School .....	26,610
51—US Army Garrison (Selfridge) .....	5,361
52—USAR New England .....	5,056
53—USAR Northeast .....	69,597
54—USAR Northwest .....	10,951
55—USAR Southeast .....	1,259
56—USAR Southwest .....	8,443
57—MCLB Barstow .....	2,450
73—Army/Navy/USMC Reserve Centers .....	30,100
121—Combat Service Support Centers .....	413,221
122—JCTR Transmgmt .....	13,400
124—JCTR Religious Training .....	11,600
126—Net Fires Center .....	106,768
129—Co-Loc Misc AF & NG Lease .....	1,472
131—Co-Loc Intel Act .....	276
137—Consolidate CPOs .....	96
138—Consolidate Correctional Facilities .....	8,254
142—Consolidate TRANSCOM .....	1,100
143—Consolidate Act-Rsv P&R Centers .....	112,794
144—Joint Mobilization Sites .....	71
148—Re-loc Army HQ & FOA .....	30,711
151—River Bank AAP .....	11,127
152—Sierra AD .....	15,732
153—Rock Island Arsenal .....	17,918
154—Newport Chemical Depot .....	800
155—Kansas AAP .....	25,482
157—Mississippi AAP .....	706
160—Umatilla Chemical Depot .....	1,800
162—Lone Star AAP .....	39,000
163—Deseret Chemical Depot .....	1,000
169—Walter Reed .....	57,730
173—Convert Inpatient Services .....	921
174—JCOE for Chem-Bio .....	60,157
175—Commodity Management Privatization .....	1,006
176—Depot Level Repairables .....	29,653
183—Consolidate Sea Vehicle .....	1,516
187—Defense Research Led Lab .....	6,008
Army Program Management .....	304,068
Subtotal, Army .....	4,015,746
NAVY	
63—NSCS Athens .....	4,657
62—NAS Atlanta .....	8,734
57—MCLB Barstow .....	4,087
65—NAS Brunswick .....	46,272
59—NWS Seal Beach DET Concord .....	12,896
71—NS Ingleside & NAS Corpus Christi .....	49,214
66—MCSA Kansas City .....	90
64—NSA New Orleans .....	30,525
70—NS Newport .....	116
67—NS Pascagoula .....	1,169
61—OTC Pensacola .....	91
68—NAS JRB Willow Grove & Cambria RAP .....	87,215
72—Engineering Field Division/Activity .....	25,522
73—Marine Corps Reserve Centers .....	8,737
76—Navy Reserve Centers .....	8,931

(In thousands of dollars)

BRAC recommendation	FY 2008 administration request
123—Culinary Training .....	10
125—JSF Flight Training Site .....	254
124—Religious Training & Education .....	35
137—Consolidated CPOs .....	99
138—Consolidated Correctional Facilities .....	206
131—Co-loc MILDEP Investigation Agencies .....	143,132
146—Joint Basing .....	11,770
149—Re-loc Misc Dept of Navy .....	2,025
165—Fleet Readiness Centers .....	20,137
166—Naval Shipyard Detachments .....	11,110
165—Ship Intermediate Maintenance Activity Norfolk .....	19,450
170—Brooks City Base .....	8
173—Convert Inpatient Services to Clinics .....	1,205
174—Joint Chem, Bio, and Medical .....	21,095
172—San Antonio Regional Medical Center .....	10,744
169—Walter Reed .....	720
175—Commodity Management Privatization .....	36
176—Depot Level Repairables .....	311
177—Supply, Storage & Distribution Management .....	13
188—Fixed Wing Air Platform .....	8,804
186—Integrated Weapons & Armaments .....	119
181—Maritime C4ISR .....	1,181
184—Naval Integrated Weapons & Armaments .....	140,762
189—Rotary Wing Platform .....	521
Navy Planning, Design, and Management .....	47,648
Various Locations .....	4,044
Subtotal, Navy .....	733,695
AIR FORCE:	
3A—Fort McPherson .....	25,000
68—NAS JRB Willow Grove & Cambria RAP .....	123
79—Eielson AFB, Moody AFB, & Shaw AFB .....	7,055
80—Kulis AGS / Elmendorf AFB .....	26,790
81—Fort Smith AGS & Luke AFB .....	12
82—Beale AFB & Selfridge ANGB .....	10,962
83—March ARB .....	5,184
84—Onizuka AFS .....	1,974
85—Bradley IAP AGS, Barnes AGS, Selfridge ANGB, Shaw AFB, Martin State AGS .....	5,811
87—Robins AFB .....	2,102
88—Boise Air Terminal AGS .....	678
89—Mountain Home AFB, Nellis AFB, & Elmendorf AFB .....	3,356
90—Capital AGS & Hulman RAP AGS .....	3,482
91—New Orleans ARS .....	3,312
92—Andrews AFB, Will Rogers AGS, Tinker AFB, Randolph AFB .....	1,613
93—Martin State AGS .....	656
94—Otis ANGB, Lambert-St Louis IAP AGS, Atlantic City AGS .....	39,871
95—W.K. Kellogg AGS .....	1,109
97—Key Field AGS .....	164
98—Great Falls IAP AGS .....	3,868
100—Cannon AFB .....	929
101—Niagara Falls ARS .....	2,561
103—Pope AFB, Pittsburgh IAP ARS, Yeager AGS .....	38,607
104—Grand Forks AFB .....	53,613
105—Hector IAP AGS .....	1,639
106—Mansfield Lahm MAP AGS .....	6,216
107—Springfield-Beckley MAP AGS .....	287
108—Portland IAP AGS .....	10,874
110—Nashville IAP AGS .....	7,769
111—Ellington Field AGS .....	4,651
112—Lackland AFB .....	520
113—Hill AFB, Edwards AFB, Mountain Home AFB, Luke AFB, Nellis AFB .....	6,997
115—Richmond AGS, Des Moines IAP AGS .....	3,074
116—Fairchild AFB .....	346
117—General Mitchell ARS .....	143
118—Air Force Logistics Support Centers .....	1,330

(In thousands of dollars)

BRAC recommendation	FY 2008 administration request
119—F100 Engine Centralized Inter Repair Facilities .....	387
123—JOINT COE for Culinary Training .....	300
124—JOINT COE for Religious Training and Education .....	10
125—JSF Initial Joint Training Site .....	43,075
128—Undergrad Pilot and Navigator Training .....	58,882
129—Co-loc Misc AF & NG Lease .....	34,810
137C—Consolidated CPDs .....	11,644
142—Consolidate TRANSCOM .....	86,272
143B—Consolidate/Co-loc Recruiting Centers .....	9,022
146—Joint Basing .....	3,697
147—Air Force Real Property Agency .....	4,107
170—Brooks City Base .....	239,454
172—San Antonio Regional Medical Center .....	227,937
173F—Convert Inpatient Services (MacDill) .....	60
173H—Convert Inpatient Services (Scott) .....	70
175—Commodity Management Privatization .....	1,442
176—Depot Level Repairables .....	14,595
177—Supply, Storage, and Distribution Management .....	707
187—Defense Research Led Lab .....	85,476
188A—Centers for Fixed Wing RDT&E .....	2,289
195—Galena FOL .....	1,391
Program Management BRAC 05 .....	75,507
Subtotal, Air Force .....	1,183,812
COUNTERINTELLIGENCE FIELD ACTIVITY:	
131—Co-loc Investigative Agencies—West Peterson .....	2,779
DEFENSE COMMISSARY AGENCY:	
139—DECA Fort Lee .....	31,530
DEFENSE CONTRACT MANAGEMENT AGENCY:	
133—Co-loc Misc OSD Leased Loc .....	4,000
DEFENSE FINANCE & ACCOUNTING SERVICE:	
145—Close/Realign DFAS Sites .....	129,152
DEFENSE INFORMATION SYSTEMS AGENCY:	
140—Realign Arlington Service Center .....	1,749
140—Move Sky IV and V to Fort Meade .....	6,120
140—Construct Facility at Fort Meade .....	267,236
140—Realign DJC2 to Fort Meade .....	437
140—Realign JTRS to Fort Meade .....	437
Subtotal, DISA .....	275,979
DEFENSE INTELLIGENCE AGENCY:	
130—Co-loc MILDEP Adjudication .....	1,315
167—Bolling AFB/Crystal Park 5 .....	41,000
Subtotal, DIA .....	42,315
DEFENSE LOGISTICS AGENCY:	
175—Commodity Management Privatization .....	5,600
176—Procurement & Item Management .....	54,918
177—Supply, Storage, and Distribution Management .....	153,182
Subtotal, DLA .....	213,700
DEFENSE SECURITY SERVICE:	
130—Fort Meade .....	582
131—Quantico .....	3,503
Subtotal, DSS .....	4,085
DEFENSE THREAT REDUCTION AGENCY:	
174—Aberdeen Proving Ground .....	1,750
MISSILE DEFENSE AGENCY:	
134—Co-loc Missile and Space Agencies .....	103,219
NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY:	
168—NGA .....	438,880
NATIONAL SECURITY AGENCY:	
130—Fort Meade .....	2,831
TRICARE MANAGEMENT ACTIVITY-DHP:	
169—Walter Reed .....	434,200

(In thousands of dollars)

BRAC recommendation	FY 2008 administration request
172—San Antonio Regional Medical Center .....	226,816
Subtotal, TMA .....	661,016
WASHINGTON HEADQUARTERS SERVICE:	
133—Co-loc 4th Estate WHS .....	326,051
130—Consolidate Adjudication—WHS .....	3,264
130—Consolidate Adjudication—WHS .....	490
137—Co-loc CPOs to Columbus .....	21
Subtotal, WHS .....	329,826

### ADMINISTRATIVE PROVISIONS

The bill includes 28 provisions that were included in the fiscal year 2006 enacted appropriations bill. The bill also includes one new provision proposed by the Administration. This provision was included in the fiscal year 2007 House passed appropriations bill. Finally, the bill includes one new provision not proposed by the Administration. The administrative provisions included in the bill are as follows:

Section 101 prohibits the use of funds for payments under a cost-plus-a-fixed-fee contract for construction where cost estimates exceed \$25,000. An exception for Alaska is provided.

Section 102 permits the use of construction funds for the hire of passenger motor vehicles.

Section 103 permits funds to be expended on the construction of defense access roads under certain circumstances.

Section 104 prohibits construction of new bases in the United States without a specific appropriation.

Section 105 limits the use of funds for the purchase of land or land easements that exceed 100 percent of value except under certain conditions.

Section 106 prohibits the use of funds to acquire land, prepare sites, or install utilities for family housing except housing for which funds have been appropriated.

Section 107 limits the use of minor construction funds to be transferred or relocated from one installation to another.

Section 108 prohibits the procurement of steel unless American producers, fabricators, and manufacturers have been allowed to compete.

Section 109 prohibits the use of funds to pay real property taxes in foreign nations.

Section 110 prohibits the use of funds to initiate a new installation overseas without prior notification.

Section 111 establishes a preference for American architectural and engineering services where the services are in Japan, NATO member countries, and countries bordering the Arabian Gulf. The Administration proposed to delete this provision.

Section 112 establishes a preference for American contractors for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in countries bordering the Arabian Gulf, except bids by Marshallese contractors for military construction on Kwajalein Atoll.

Section 113 requires the Secretary of Defense to give prior notice to Congress of military exercises where construction costs, either temporary or permanent, exceed \$100,000. The Administration proposed to delete this provision.

Section 114 limits obligations to no more than 20 percent during the last two months of the fiscal year. The Administration proposed to delete this provision.

Section 115 allows funds appropriated in prior years to be used for new projects authorized during the current session of Congress.

Section 116 allows the use of expired or lapsed funds to pay the cost of supervision for any project being completed with lapsed funds.

Section 117 provides that funds for military construction projects are available until the end of the fourth fiscal year following the fiscal year in which funds are appropriated, subject to certain conditions.

Section 118 requires the Secretary of Defense to report annually on actions taken during the current fiscal year to encourage other member nations of NATO, Japan, Korea, and United States allies bordering the Arabian Gulf to assume a greater share of defense costs. The Administration proposed to delete this provision.

Section 119 allows for the transfer of proceeds from "Base Realignment and Closure Account, Part I" to the continuing Base Realignment and Closure accounts.

Section 120 allows for the transfer of funds from Family Housing, Construction accounts to the Department of Defense Family Housing Improvement Fund and funds from Military Construction accounts to the Department of Defense Military Unaccompanied Housing Improvement Fund.

Section 121 prohibits the obligation of funds for Partnership for Peace Programs in the New Independent States of the former Soviet Union. The Administration proposed to delete this provision.

Section 122 requires the Secretary of Defense to notify Congressional Committees sixty days prior to issuing a solicitation for a contract with the private sector for military family housing. The Administration proposed to delete this provision.

Section 123 provides transfer authority to the Homeowners Assistance Program.

Section 124 requires that funds in this title be the sole source of all operation and maintenance for flag and general officer quarter houses, and limits the repair on these quarters to \$35,000 per year without notification. The Administration proposed to modify this provision.

Section 125 prohibits funds appropriated for the NATO Security Investment Program from being obligated or expended for the purpose of missile defense studies. The Administration proposed to delete this provision.

Section 126 requires the Secretary of Defense or any other official of the Department of Defense to respond in writing to a question or inquiry submitted by the chairman or another member of the subcommittee within 21 days. The Administration proposed to delete this provision.

Section 127 makes funds in the Ford Island Improvement Fund available until expended.

Section 128 prohibits the use of funds for military construction, family housing, or land acquisition projects at installations closed or realigned under BRAC, except under certain conditions. The Administration proposed to delete this provision.

Section 129 allows the transfer of expired funds to the “Foreign Currency Fluctuations, Construction, Defense” account. This provision was included in the fiscal year 2007 House passed appropriations bill and is proposed by the Administration in fiscal year 2008.

Section 130 prohibits the use of funds in this title for any activity related to the construction of an Outlying Landing Field in Washington County, North Carolina.

## TITLE II

### DEPARTMENT OF VETERANS AFFAIRS

Fiscal year 2007 enacted level .....	<sup>1</sup> \$77,761,944,000
Fiscal year 2008 budget request .....	<sup>1</sup> 83,903,751,000
Committee recommendation in the bill .....	<sup>1</sup> 87,696,839,000
Comparison with:	
Fiscal year 2007 enacted level .....	9,934,895,000
Fiscal year 2008 budget request .....	3,793,088,000

<sup>1</sup>All funding cited above excludes amounts in the Medical Care Collections Fund.

The Department of Veterans Affairs is one of the largest Federal agencies in terms of employment with an average employment of approximately 227,000. The nation has more than 24,000,000 veterans, and 36,600,000 family members of living veterans and survivors of deceased veterans. Thus, close to 61,000,000 people, comprising about 20 percent of the total population of the United States, are potential recipients of veterans benefits provided by the Federal government.

The Committee recommends a total of \$87,696,839,000 in new budget authority for programs in fiscal year 2008, an increase of \$9,934,895,000 or 12.8 percent above the fiscal year 2007 enacted level and an increase of \$3,793,088,000 above the budget request.

The funds recommended provide compensation payments to 3,221,238 veterans and survivors of deceased veterans with service-connected disabilities; pension payments to 513,034 non-service-connected disabled veterans, widows and children in need of financial assistance; education training, tuition assistance, and vocational assistance to 670,934 veterans, servicemembers, and reservists, and 89,214 eligible dependents of deceased veterans or seriously disabled veterans; housing credit assistance in the form of 180,000 guaranteed loans to veterans and servicemembers; administration or supervision of life insurance programs with 7,149,360 policies for veterans and active duty servicemembers providing coverage of \$1,116,486,000,000; inpatient care and treatment of beneficiaries in 155 hospitals, 45 domiciliary residential rehabilitation treatment programs (formerly called “domiciliaries”), 135 nursing homes, and 925 outpatient clinics, which includes independent, satellite, community-based, and rural outreach clinics involving 67,423,000 visits; and administration of the National Cemetery Administration for burial of eligible veterans, servicemembers and their survivors.

*Paralympic Military Program.*— The Committee understands that the Department has entered into a Memorandum of Understanding with the United States Olympic Committee to develop a

Paralympic Military Program. The Committee encourages the Department to continue its work with the United States Olympic Committee and explore efforts to promote Paralympic sport and other physical activity programs to disabled veterans in their communities. The Committee believes that the programs and activities that constitute the Paralympic Military Program are central to the rehabilitation, health promotion, and prevention of secondary medical conditions.

*Veterans Rights and Feedback.*—Recent events at Walter Reed Army Medical Center have shown that our servicemembers and veterans often struggle not only with the processes required to obtain health care and benefits, but also with the procedures to obtain assistance with and provide feedback on these systems. While it is important to continue to make every effort to streamline the health care and benefits systems, we must also ensure that our veterans have easy access to help when they need it and the opportunity to express their concerns. The Committee appreciates that there are a number of methods the Department uses to measure satisfaction and offer assistance, but is concerned that our veterans do not have sufficient information on how to access these tools. The Committee believes that the best assessment of how well we as a nation provide for our veterans comes from our veterans and that all veterans should be able to easily find, both at Department facilities and on-line, a method for obtaining assistance and/or providing feedback. Therefore, the Committee directs that of the funds available within the General Operating Expenses appropriation, \$5,000,000 shall be used to develop and operate a toll-free telephone and web based assistance and feedback system similar to the Wounded Soldier and Family Hotline recently adopted by the Department of Defense.

*Silicosis Pneumoconiosis.*—The Committee received testimony raising concerns with respect to the Department of Veterans Affairs management and adjudication of inquiries and claims from veterans potentially suffering from silicosis pneumoconiosis, a dust induced lung disease. The Committee requests the Department to report, by September 5, 2007, on the number of all inquiries or claims by veterans with this disease, the status of such inquiries and claims, and the current number of diagnosed cases of this disease among veterans.

*Homeless Veterans.*—The Committee understands that on any given night, there are an estimated 200,000 homeless veterans in the United States. The Committee is also aware that the Federal Emergency Management Agency (FEMA) has surplus trailers available. The Committee directs the Secretary of Veterans Affairs to work with FEMA and other relevant Federal agencies on a feasibility study to determine how these surplus FEMA trailers can be used to house homeless veterans and report its findings to the Committee within six months after the date of enactment of this Act.

*Rural Health.*—The Committee notes that Public Law 109-461 directed the establishment of an Office of Rural Health within the Office of the Under Secretary for Health. To date, after more than six months, there has been no action taken to implement the provision regarding the Office of Rural Health. The Committee urges the Department to move forward in an expeditious manner.

*Projects.*—Congress has made significant reforms in the way it reviews funding for the Federal government, reforms which the Committee takes very seriously as it executes its constitutional authority. Earmarking or directed spending of Federal dollars does not begin with Congress. It begins with the Executive Branch. The Administration, in selecting these projects, goes through a process that is the functional equivalent of earmarking. When the Committee reviews the budget request, it goes through a process of rigorous review and may alter or modify this list to reflect additional priorities.

The Committee provides no recommendation at this time for specific projects contained in either the Administration’s budget or proposed by Members of Congress. Individual project allocations will be considered comprehensively after the Committee has properly analyzed all relevant information.

*Department use of Contractors and Non-competitive Contracting.*—In the Department of Veterans Affairs, billions of dollars of funding is allocated per year solely at the discretion of the Executive Branch through numerous grant programs. Hard and fast rules on how these funding proposals are evaluated and rank ordered are not in place. In an attempt to learn more about the Executive Branch process, the Committee requested information on the number of non-competitive contracts awarded in 2005 and 2006. The Committee was informed that the requested information was not available. As light is shone on the Congressional process in directing funding, so should it be shone on the Executive Branch process.

In addition to non-competitive contracting and grant authority, the Executive Branch steers or directs money to specific entities or purposes through a process of contracting-out various activities and services. In many important work locations, the number of people working for contractors exceeds the number of Federal employees in the same building or location. For example, the Department of Veterans Affairs recently submitted to the Committee information which indicates 11,270 people, or 42 percent, working at the VA Central Office are contractors. When asked how that number has changed over the past years, the Department responded that the information was not available.

Considering all sources, the Executive Branch steers or directs far greater spending to specific projects or corporations than is directed or earmarked by Congress. Many of these, in fact, are non-competitive or sole-sourced.

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2007 enacted level .....	\$38,007,095,000
Fiscal year 2008 budget request .....	41,236,322,000
Committee recommendation in the bill .....	41,236,322,000
Comparison with:	
Fiscal year 2007 enacted level .....	3,229,227,000
Fiscal year 2008 budget request .....	— — —

This appropriation provides funds for service-connected compensation payments to an estimated 3,221,238 beneficiaries and

pension payments to another 513,034 beneficiaries with non-service-connected disabilities. The average cost per compensation case in 2008 is estimated at \$12,786, and pension payments are projected at a unit cost of \$7,402.

The Committee recommends an appropriation of \$41,236,322,000 for compensation, pension, and burial benefits, an increase of \$3,229,227,000 above the fiscal year 2007 enacted level and the same as the budget request.

The appropriation includes authority to transfer funding not to exceed \$25,033,000, of which \$9,583,000 is for the general operating expenses account and \$15,450,000 is for the medical administration account. These funds are for the administrative expenses of implementing cost saving provisions required by the Omnibus Budget Reconciliation Act of 1990, Public Law 101-508, the Veterans' Benefits Act of 1992, Public Law 102-568, and the Veterans' Benefits Improvements Act of 1994, Public Law 103-446. These cost saving provisions include verifying pension income against Internal Revenue Service (IRS) and Social Security Administration (SSA) data; establishing a match with the SSA to obtain verification of Social Security numbers; and the VA pension cap for Medicaid-eligible single veterans and surviving spouses alone in Medicaid-covered nursing homes. The bill also includes language permitting this appropriation to reimburse such sums as may be earned to the medical care collections fund to help defray the operating expenses of individual medical facilities for nursing home care provided to pensioners.

The Committee concurs with the Administration proposal to provide a cost-of-living adjustment (COLA), based on the change in the Consumer Price Index, to all compensation beneficiaries, including dependency and indemnity compensation for spouses and children. This adjustment is currently estimated at 1.4 percent and is the same as the COLA that will be provided, under current law, to veterans' pension and Social Security recipients. The increase, effective December 1, 2007, has an estimated cost of \$348,421,000 during fiscal year 2008 and is reflected in the Compensation and Pensions appropriation level

READJUSTMENT BENEFITS

Fiscal year 2007 enacted level .....	\$3,262,006,000
Fiscal year 2008 budget request .....	3,300,289,000
Committee recommendation in the bill .....	3,300,289,000
Comparison with:	
Fiscal year 2007 enacted level .....	38,283,000
Fiscal year 2008 budget request .....	---

This appropriation finances the education and training of veterans and servicemembers whose initial entry on active duty took place on or after July 1, 1985. These benefits are included in the All-Volunteer Force Educational Assistance Program. Eligibility to receive this assistance began in 1987. Basic benefits are funded through appropriations made to the readjustment benefits appropriation and transfers from the Department of Defense. Supplemental benefits are also provided to certain veterans through education assistance to certain members of the Selected Reserve and are funded through transfers from the Department of Defense. In addition, certain disabled veterans are provided with vocational re-

habilitation, specially adapted housing grants, and automobile grants with approved adaptive equipment.

This account also finances educational assistance allowances for eligible dependents of those veterans who died from service-connected causes or have a total and permanent service-connected disability as well as dependents of servicemembers who were captured or missing-in-action.

The Committee recommends an appropriation of \$3,300,289,000 for readjustment benefits, an increase of \$38,283,000 above the fiscal year 2007 enacted level and the same as the budget request.

VETERANS INSURANCE AND INDEMNITIES

Fiscal year 2007 enacted level .....	\$49,850,000
Fiscal year 2008 budget request .....	41,250,000
Committee recommendation in the bill .....	41,250,000
Comparison with:	
Fiscal year 2007 enacted level .....	(8,600,000)
Fiscal year 2008 budget request .....	---

The Veterans Insurance and Indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; national service life insurance (NSLI), applicable to certain World War II veterans; servicemen's indemnities, applicable to Korean conflict veterans; and the veterans mortgage life insurance, applicable to individuals who have received a grant for specially adapted housing.

The Committee recommends an appropriation of \$41,250,000 for veterans insurance and indemnities, a decrease of \$8,600,000 below the fiscal year 2007 enacted level and the same as the budget request. The amount provided will enable the Department to transfer funding to the service-disabled veterans insurance fund and transfer additional amounts for payments for the 2,310 policies under the veterans mortgage life insurance program. These policies are identified under the veterans' insurance and indemnity appropriation since they provide insurance to service-disabled veterans unable to qualify under basic NSLI.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT  
(INCLUDING TRANSFER OF FUNDS)

	<i>Program account</i>	<i>Limitation on direct loans for specially adapted housing loans</i>	<i>Administrative ex- penses</i>
Fiscal year 2007 enacted level .....	\$66,234,000	\$500,000	\$154,284,000
Fiscal year 2008 budget request .....	17,389,000	500,000	154,562,000
Committee recommendation in the bill .....	17,389,000	500,000	154,562,000
Comparison with:			
Fiscal year 2007 enacted level .....	(48,845,000)	---	278,000
Fiscal year 2008 budget request .....	---	---	---

The purpose of the home loan guaranty program is to facilitate the extension of mortgage credit on favorable terms by private lenders to eligible veterans. This appropriation provides for all costs, with the exception of the Native American veterans housing

loan program, of the Department's direct and guaranteed loans programs. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation or a loan guaranty commitment. In addition, the bill requires all administrative expenses of a direct or guaranteed loan program to be funded through a program account. Loan guaranties are made to servicemembers, veterans, reservists, and single surviving spouses for the purchase of homes, condominiums, and manufactured homes and for refinancing loans. The Department guarantees part of the total loan, permitting the purchaser to obtain a mortgage with a competitive interest rate, even without a down payment if the lender agrees. The Department requires that a down payment be made for a manufactured home. With a Department guaranty, the lender is protected against loss, up to the amount of the guaranty, if the borrower fails to repay the loan.

The Committee recommends such sums as may be necessary (currently estimated to total \$17,389,000) for funding subsidy payments, \$500,000 for the limitation on direct loans for specially adapted housing loans, and \$154,562,000 for administrative expenses. The appropriation for administrative expenses may be transferred to and merged with the General Operating Expenses account.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	<i>Program account</i>	<i>Limitation on direct loans</i>	<i>Administrative ex- penses</i>
Fiscal year 2007 enacted level .....	\$53,000	\$4,242,000	\$305,000
Fiscal year 2008 budget request .....	71,000	3,287,000	311,000
Committee recommendation in the bill .....	71,000	3,287,000	311,000
Comparison with:			
Fiscal year 2007 enacted level .....	18,000	(955,000)	6,000
Fiscal year 2008 budget request .....	---	---	---

This appropriation covers the funding subsidy cost of direct loans for vocational rehabilitation of eligible veterans and, in addition, it includes administrative expenses necessary to carry out the direct loan program. Loans of up to \$1,016 (based on indexed chapter 31 subsistence allowance rate) are available to service-connected disabled veterans enrolled in vocational rehabilitation programs when the veteran is temporarily in need of additional assistance. Repayment is made in monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay. Most loans are repaid in full in less than one year. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation. In addition, the Act requires all administrative expenses of a direct loan program be funded through a program account.

The Committee recommends \$71,000 for funding subsidy program costs and \$311,000 for administrative expenses. The adminis-

trative expenses may be transferred to and merged with the General Operating Expenses account.

In addition, the Committee includes language limiting direct loans to \$3,287,000. It is estimated that the Department will make 4,349 loans in fiscal year 2008, with an average amount of \$756.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Administrative expenses:	
Fiscal year 2007 enacted level .....	\$584,000
Fiscal year 2008 budget recommendation .....	628,000
Committee recommendation in the bill .....	628,000
Comparison with:	
Fiscal year 2007 enacted level .....	44,000
Fiscal year 2008 budget request .....	---

The Native American Veteran Housing Loan Program, as authorized by title 38 United States Code, chapter 37, subchapter V, provides the Secretary with authority to make direct housing loans to Native American veterans for the purpose of purchasing, constructing, or improving dwellings on trust lands. The Committee recommends the budget request of \$628,000 for administrative expenses of the Native American Veteran Housing Loan Program, which may be transferred to and merged with the General Operating Expenses account.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS  
VETERANS PROGRAM ACCOUNT

Public Law 105-368, the Veterans Benefits Enhancement Act of 1998, established this program. All funds authorized for this program were appropriated in fiscal year 2000. Therefore, no appropriation request has been included for fiscal year 2008. Bill language is included allowing the use of up to a total of \$750,000 in Medical Administration and General Operating Expenses funds to administer this program.

VETERANS HEALTH ADMINISTRATION

The Department operates the largest Federal medical care delivery system in the country, with 155 hospitals, 45 domiciliary residential rehabilitation treatment programs (formerly called 'domiciliaries'), 135 nursing homes, and 925 outpatient clinics which include independent, satellite, community-based, and rural outreach clinics.

The Veterans Health Administration is comprised of four accounts: medical services, medical administration, medical facilities, and medical and prosthetic research. For these accounts, the Administration has requested total resources of \$34,612,671,000 in direct appropriations and \$2,414,000,000 in Medical Care Collections Fund appropriations, to fund the various operating programs of the VHA.

The Committee recommends an appropriation of \$37,122,000,000 for these accounts. This is an increase of \$4,442,265,000, or 13.6 percent, above the fiscal year 2007 enacted level and an increase of \$2,509,329,000 above the budget request. The Committee recommendation builds on the information provided in public hearings

to include testimony from the Government Accountability Office which indicated that health care spending per capita has grown on average 6.9 percent annually; testimony from the Congressional Budget Office (CBO) which indicated that the demand for VHA medical services may grow 3.6 percent annually; and testimony from the Centers for Medicare and Medicaid Services which projects growth in health care spending to continue to increase by 7 percent annually. Based on this testimony and the fact that the VHA has had an average annual increase in workload of 4 percent, the Committee believes that a workload growth estimate for Medical Services of 5.5 percent is more realistic than the 2.4 percent that was used by the Department to prepare the budget request. Additionally, the Committee agrees with the recommendation of the many research organizations and veteran advocates that testified during hearings that an increase in funding for medical and prosthetic research is necessary to allow the Department to increase research in areas that are most relevant to our veterans, such as traumatic brain injury, post-traumatic stress disorder (PTSD), and geriatric psychiatry.

*Health Care Sharing Incentive Fund.*—Recent reviews of the health care programs for our servicemembers and veterans continue to highlight challenges in caring for our traumatic brain injury, polytrauma injury, blast injury, burn, mental health/PTSD, and amputee patients as well as continued difficulty with seamless transition and the transfer of medical records. With the large volume of Reserve and National Guard that have deployed to Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF), it is critical that the Department of Defense and Department of Veterans Affairs work as partners if they are to ensure that care is available to this geographically dispersed population and to all veterans. The bill includes language to allow the Department of Veterans Affairs to transfer a minimum of \$15,000,000 to the DoD/VA Health Care Sharing Incentive Fund. The Committee directs that these funds are to be used for joint programs between the Departments that seek to improve the continuity of care for veterans through the establishment of Joint Centers of Excellence for traumatic brain injury and PTSD as recommended by the Independent Review Group (report of April, 2007); joint research and/or treatment of polytrauma injury, traumatic brain injury, blast injury, mental health/PTSD, burn, and amputee patients; joint research and the development of comprehensive and universal clinical practice guidelines based on evidence-based medicine and clinical efficacy for blast injuries, traumatic brain injuries, and PTSD; increased access to services through joint clinics; and projects that promote a seamless transition to include programs that improve the electronic exchange of information, the development of a system of co-management and case management as recommended by The Task Force on Returning Global War on Terror Heroes, and the development of a single transition physical examination. The Committee urges the Department to fully and fairly consider all incentive fund applications, including those for feasibility studies.

*Polytrauma and Mental Health.*—Recent appropriation acts have sought to ensure that the very best in medical care is provided to our veterans, particularly those veterans who have suffered multiple trauma injuries or require mental health services. Support for

these veterans include the four current Level I Polytrauma Centers, one additional pending Level I Polytrauma Center, and the three Centers of Excellence on Mental Health and PTSD. The Committee wants to be certain that these important medical resources are funded at levels that ensure that they are all fully operational by the end of fiscal year 2008. Therefore, the Committee has increased funding within the medical accounts so that sufficient funds may be provided to the Level I Polytrauma Centers and the Centers of Excellence on Mental Health and PTSD to ensure that they are each fully operational by the end of fiscal year 2008. The Committee directs the Secretary to provide a report on the status of these facilities by February 1, 2008.

*Traumatic Brain Injury.*—All reports indicate that traumatic brain injury is among the signature injuries of the Global War on Terror. The Committee recognizes that the Department is working diligently to address the challenges associated with this injury through early detection and treatment. The Committee wishes to further highlight the importance of this by directing that all future budget requests include traumatic brain injury as a Select Program.

*Far South Texas Inpatient Care.*—The Committee notes that the Capital Asset Realignment for Enhanced Services (CARES) report recognized inpatient access gaps existed in various locations, including the Valley-Coastal Bend market in Texas. The CARES solution was to recommend that the Department use existing authorities and policies to contract for care to improve access to inpatient care in this market. It has come to the attention of the Committee that this solution has been less than optimal. Accordingly, the Secretary is directed to review the CARES recommendation for the Valley-Coastal market, and report to the Committees on Appropriations of both Houses of Congress on all options available to address the inpatient access issues facing this market's population, including the feasibility of new hospital construction by February 1, 2008.

*Veterans Services in Los Angeles County.*—The Committee notes the concentration of veterans' health care services in West Los Angeles to the exclusion of other areas of that county, particularly the San Gabriel Valley. The Committee directs the Department to report on how new or additional veterans' facilities and services in Los Angeles County can be located more proximate to the many veterans who live in the San Gabriel Valley and further to the east.

*Hospital Quality Report Card.*—The Committee urges the Secretary of the Department of Veterans Affairs to report to Congress on the quality of veterans' health facilities. This report shall include quality measurements that allow for an assessment of effectiveness, safety, timeliness, efficiency, patient-centeredness, and equity. The report shall provide the data used to make these determinations, including, but not limited to, the staffing levels of nurses and other health professionals; rates of nosocomial infection; the volume of various procedures performed; hospital sanctions and other violations; the quality of care for various patient populations including female, geriatric, disabled, rural, homeless, mentally ill, racial and ethnic minority populations; the availability of emergency rooms, intensive care units, maternity care, and specialty services; the quality of care in various hospital settings including

inpatient, outpatient, emergency, maternity, and intensive care units; ongoing patient safety initiatives; and other measures deemed appropriate by the Secretary.

MEDICAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2007 enacted level .....	\$25,518,254,000
Fiscal year 2008 budget request .....	27,167,671,000
Committee recommendation in the bill .....	28,906,400,000
Comparison with:	
Fiscal year 2007 enacted level .....	3,388,146,000
Fiscal year 2008 budget request .....	1,738,729,000

This appropriation provides for medical services of eligible veterans and beneficiaries in Department medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis. Hospital and outpatient care is also provided by the private sector for certain dependents and survivors of veterans under the civilian health and medical programs for the Department of Veterans Affairs.

The Committee recommends an appropriation of \$28,906,400,000 for Medical Services, an increase of \$3,388,146,000 or 13.3 percent above the fiscal year 2007 enacted level and an increase of \$1,738,729,000 above the budget request. The Committee is concerned that current VHA treatment capacity in areas that are seeing increased patient demand from returning OEF/OIF veterans will be insufficient to provide for these veterans and the veterans who were already on waiting lists to receive care in these areas.

The Committee recommendation builds on the information provided in public hearings to include testimony from the Government Accountability Office which indicated that health care spending per capita had grown on average 6.9 percent annually; testimony from the Congressional Budget Office which indicated that the demand for VHA medical services may grow 3.6 percent annually; and testimony from the Centers for Medicare and Medicaid Services which projects growth in health care spending to continue to increase by seven percent annually. Therefore, the Committee recommendation for the current services as submitted in the budget request is \$28,195,873,388 and was obtained by applying an inflation increase of 4.45 percent and a workload increase of 5.5 percent to the fiscal year 2007 appropriation. The Committee recommendation also includes an additional \$70,880,754 for substance abuse; \$12,500,000 for expanded outpatient services for the blind; and \$604,325,858 to increase funding for mental health and traumatic brain injury initiatives and/or services; ensure that the Level I Polytrauma Centers and the Centers of Excellence on Mental Health and PTSD will be fully staffed and operational by the end of fiscal year 2008; and to maintain inpatient psychiatric capacity at fiscal year 2007 levels. This recommendation also increases the homeless grants and per diem program to the full authorized level of \$130,000,000.

The Committee has included bill language to make available through September 30, 2009, up to \$1,100,000,000 of the Medical Services appropriation.

The Committee concurs with the request to allow the Secretary to realign 5,689 full-time equivalents and \$400,000,000 for food service operations from the Medical Facilities appropriation to the

Medical Services appropriation. The cost for food service operations support hospital food service workers, provisions, and supplies which are related to the direct care of patients.

*Mental Health and Substance Abuse.*—The Committee is disappointed that the Department elected to increase funding for substance abuse by less than one percent for fiscal year 2008. Substance abuse, to include alcohol dependence, exacerbates psychiatric and medical problems and undermines patient treatment. The National Center for PTSD has reported that 58 percent of veterans with Substance Use Disorder also have lifetime PTSD and that the odds of drug use disorders are three times more likely to occur in veterans who have a PTSD diagnosis. The Committee recommends an appropriation of \$428,873,754 for the Substance Abuse Program which is an increase of \$70,880,754 above the President's request. The Committee is also disappointed that the budget request included a reduction in the number of inpatient psychiatric admissions and has increased funding within the Medical Services appropriations account to return admissions to the fiscal year 2007 level. The Committee directs that inpatient psychiatric beds will not be reduced at any facility that has a waiting list for inpatient psychiatric treatment. The Committee is also very concerned that many veterans are being denied inpatient psychiatric care due to substance abuse and urges the Department to consider the feasibility of dual diagnosis treatment programs. Additionally, the Committee is concerned that our veterans do not have equal access to mental health services. For example, veterans that live in areas where there are insufficient mental health providers or live too far from VHA facilities to make access and/or compliance realistic, struggle to obtain the care they need. Mental health is not only important to overall health, it is also a key component to a veteran's readjustment. The Committee therefore urges the Department to consider these veterans in particular as it implements the mental health initiative funding provided in this account and to look for all opportunities to ensure mental health parity to include contracting for care when needed and developing internet based services like the Network of Care for Mental Health recommended in the President's New Freedom Commission on Mental Health.

*Outpatient Services for the Blind.*—One of the outcomes of OEF/OIF is an increase in the number of servicemembers that have sustained an eye injury and/or have suffered partial or total blindness. Their injuries are going to result in an increased demand for VHA blind rehabilitation services. It is reported that there is already a waiting list in excess of 1200 patients for inpatient rehabilitation services and the Committee is concerned that this increased demand is going to result in even longer waiting times for all veterans. The Committee supports the recommendations of the GAO Report: *More Outpatient Rehabilitative Services for Blind Veterans Could Better Meet their Needs* and directs that of the funds available within the Medical Services appropriation, not less than \$12,500,000 is to be used for expanding outpatient blind rehabilitation services and training while maintaining current inpatient capacity.

## MEDICAL CARE COLLECTIONS FUND

The Department of Veterans Affairs Medical Care Collections Fund (MCCF) was established by the Balanced Budget Act of 1997 (Public Law 105–33). The Department deposits first-party and pharmacy co-payments, third-party insurance payments and enhanced-use collections, long-term care co-payments, Compensated Work Therapy Program collections, Compensation and Pension Living Expenses Program collections, and Parking Program fees into the MCCF. The Congressional Budget Office estimate of fees that will be collected in fiscal year 2008 is \$2,414,000,000. The bill does not include any language regarding the Medical Care Collections Fund since permanent authority was included in the fiscal year 2005 appropriations bill, Public Law 108–447.

## MEDICAL ADMINISTRATION

Fiscal year 2007 enacted level .....	\$3,177,968,000
Fiscal year 2008 budget request .....	3,442,000,000
Committee recommendation in the bill .....	3,635,600,000
Comparison with:	
Fiscal year 2007 enacted level .....	457,632,000
Fiscal year 2008 budget request .....	193,600,000

The Medical Administration appropriation provides funds for the expenses of management and administration of the Department's health care system. Included under this heading are provisions for costs associated with operation of department medical centers, other facilities, and VHA headquarters, plus the costs of VISN offices and facility director offices, chief of staff operations, quality of care oversight, legal services, billing and coding activities, procurement, financial management, and human resources management.

The Committee recommends an appropriation of \$3,635,600,000 for Medical Administration, an increase of \$457,632,000 above the fiscal year 2007 enacted level and an increase of \$193,600,000 above the budget request. Funding within the Medical Administration appropriation has been increased to ensure that the Level I Polytrauma Centers and the Centers of Excellence on Mental Health and PTSD will be fully staffed and operational by the end of fiscal year 2008.

The Committee has included bill language to make available through September 30, 2009, up to \$250,000,000 of the Medical Administration appropriation.

## MEDICAL FACILITIES

Fiscal year 2007 enacted level .....	\$3,569,533,000
Fiscal year 2008 budget request .....	3,592,000,000
Committee recommendation in the bill .....	4,100,000,000
Comparison with:	
Fiscal year 2007 enacted level .....	530,467,000
Fiscal year 2008 budget request .....	508,000,000

The Medical Facilities appropriation provides funds for the operation and maintenance of the Department's health care system's capital infrastructure. Included under this heading are provisions for costs associated with utilities, engineering, capital planning, leases, laundry, groundskeeping, garbage, housekeeping, facility repair, and property disposition and acquisition.

The Committee recommends an appropriation of \$4,100,000,000 for Medical Facilities, an increase of \$530,467,000 above the fiscal year 2007 enacted level and an increase of \$508,000,000 above the budget request.

The Committee concurs with the request to allow the Secretary to realign 5,689 full-time equivalents and \$400,000,000 for food service operations from the Medical Facilities appropriation to the Medical Services appropriation. The cost for food service operations support hospital food service workers, provisions, and supplies which are related to the direct care of patients.

The Committee has included bill language to make available through September 30, 2009, up to \$250,000,000 of the Medical Facilities appropriation.

The bill provides \$300,000,000, in addition to the budget request, for non-recurring maintenance. The additional amount provided is to be allocated in a manner not subject to the Veterans Equitable Resource Allocation. The Committee recommendation reflects concern that the Department has been placing less than adequate emphasis on maintenance of facilities. In the extreme, such neglect could give rise to serious problems that would have negative consequences for patient care. The Committee will continue to view facility maintenance as an item of special interest and directs the Secretary to report within 30 days of enactment of this Act on the distribution of all non-recurring maintenance funding by facility and project or effort.

*Community-Based Outpatient Clinics.*—The Committee remains concerned that the Congress is not receiving the most accurate and timely information on plans for new community-based outpatient clinics proposed by the Department. The Department is directed to report to the Committees on Appropriations of both Houses of Congress, within 60 days of enactment of this Act, on its plans for activation of the 29 clinics (funded in prior years) identified in response to questions from the Committee and the unspecified number of clinics, alluded to in testimony presented to the Committee, being planned for fiscal year 2008. This report is to include the location of each facility, the type of facility being planned, the cost for activation and operation of each facility, the fiscal year funding being used for activation of each facility, the type of funding being used for activation and operations, and the date on which the facility will be fully activated. In addition, the Department is urged to examine the need for, and report on the feasibility of, clinics in the following locations: Riverhead, New York; Northwest Washington; El Centro, California; Jackson County, Florida; Port Angeles, Washington; Plymouth, Massachusetts; Charlottesville, Virginia; and Southeastern Pennsylvania.

MEDICAL AND PROSTHETIC RESEARCH

Fiscal year 2007 enacted level .....	\$413,980,000
Fiscal year 2008 budget request .....	411,000,000
Committee recommendation in the bill .....	480,000,000
Comparison with:	
Fiscal year 2007 enacted level .....	66,020,000
Fiscal year 2008 budget request .....	69,000,000

This account includes medical, rehabilitative, and health services research. Medical research is an important aspect of the Department's programs, providing complete medical and hospital services

for veterans. The prosthetic research program is also essential in the development and testing of prosthetic, orthopedic, and sensory aids for the purpose of improving the care and rehabilitation of eligible disabled veterans, including amputees, paraplegics, and the blind. The health services research program provides unique opportunities to improve the effectiveness and efficiency of the health care delivery system. In addition, budgetary resources from a number of areas including appropriations from the medical care accounts, reimbursements from the Department of Defense, and grants from the National Institutes of Health, private proprietary sources, and voluntary organizations provide support for the Department's researchers.

The Committee recommends an appropriation of \$480,000,000 for Medical and Prosthetic Research, an increase of \$66,020,000 above the fiscal year 2007 enacted level and an increase of \$69,000,000 above the budget request. The Committee is pleased by the progress the Department has made in adjusting its research program to support the medical issues most prevalent within our veteran population. The Committee urges the Department to continue these efforts and to also consider additional research in the areas of mental health—especially the causes, prevention, mitigation, and treatment of PTSD; the development of clinical practices using evidence-based medicine for the treatment of PTSD/Substance Use Disorder comorbidity; the full spectrum of traumatic brain injury; substance abuse; geriatric psychiatry; and obesity.

*Evidence-Based Technology Research.*—The Committee believes the Department is uniquely positioned to lead the nation in applying medical research to medical practice. One important advantage of this intramural research program is that it allows the Department to develop a requirements driven program based on patient demand that allows for adjustment of clinical practices using evidence-based medicine and clinical efficacy. Recent testimony has reinforced with the Committee that this nation continues to struggle to control the cost of health care due in no small part to the increased use of expensive technologies without sufficient evidence to justify their costs. These contribute to unwarranted variations in clinical practices where good evidence-based medicine would reduce this variation and attendant costs. The Committee encourages the Department to expand its research in this area, to form a more active partnership with the Department of Defense, and to increase its efforts to share those outcomes within the national health care community.

#### DEPARTMENTAL ADMINISTRATION

##### GENERAL OPERATING EXPENSES

Fiscal year 2007 enacted level .....	\$1,481,473,000
Fiscal year 2008 budget request .....	1,471,837,000
Committee recommendation in the bill .....	1,598,500,000
Comparison with:	
Fiscal year 2007 enacted level .....	117,027,000
Fiscal year 2008 budget request .....	126,663,000

The General Operating Expenses appropriation provides for the administration of non-medical veterans benefits through the Veterans Benefits Administration and departmental management and support. The Federal Credit Reform Act of 1990 changed the ac-

counting of Federal credit programs and required that all administrative costs associated with such programs be included within the respective credit accounts. Beginning in fiscal year 1992, costs incurred by housing and vocational rehabilitation programs for administration of these credit programs are reimbursed by those accounts. The bill includes the budget requests totaling \$123,846,000 in other accounts for these credit programs. In addition, \$9,583,000 is transferred from the compensation and pensions account for administrative costs of implementing cost saving provisions required by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992. Section 207 of the administrative provisions provides requested language which permits excess revenues in three insurance funds to be used for administrative expenses. The Department estimates that \$36,085,000 will be utilized for such purposes in fiscal year 2008. Prior to fiscal year 1996, such costs were included in the general operating expenses appropriation.

The Committee recommends an appropriation of \$1,598,500,000 for General Operating Expenses, an increase of \$117,027,000 above the fiscal year 2007 enacted level and an increase of \$126,663,000 above the budget request. This increase includes \$5,000,000 to develop and operate a toll free telephone and web based assistance and feedback system.

The Congress added funding and authority for hiring and training claims processing personnel to the fiscal year 2007 supplemental. While that legislation is not yet enacted, the Committee has every confidence that the funding will be available to the Department soon so that hiring and training activities can begin. The fiscal year 2008 Committee recommendation includes the full-year costs associated with these additional personnel, as well as funding to enable the Department to hire at least 457 additional claims processing personnel as proposed in the budget submission.

The Committee is concerned that disabled military retirees, whose successful disability claims take more than three years to be resolved, are unable to receive the back tax they are owed due to Internal Revenue Service (IRS) statute of limitations. The Committee directs the Department to determine within 60 days of enactment of this Act, the number of disabled veterans whose claims take more than three years to resolve and are therefore affected by the IRS statute of limitations. Furthermore, the Committee directs the Department to determine what changes are needed in statutory law that would permit the Department to share this information with the IRS for the purpose of cross referencing affected veterans.

INFORMATION TECHNOLOGY SYSTEMS

Fiscal year 2007 enacted level .....	\$1,214,000,000
Fiscal year 2008 budget request .....	1,859,217,000
Committee recommendation in the bill .....	1,859,217,000
Comparison with:	
Fiscal year 2007 enacted level .....	645,217,000
Fiscal year 2008 budget request .....	- - -

The Information Technology Systems account was established in P.L. 109-114. The account previously encompassed the entire non-pay information technology portfolio for the Department of Veterans Affairs, including all automation efforts in all administrations. Starting in fiscal year 2007, and reflected for the first time

in the budget request for fiscal year 2008, this account also includes pay and associated costs for information technology maintenance and operations staff.

The Committee recommends an appropriation of \$1,859,217,000 for Information Technology Systems, an increase of \$645,217,000 above the fiscal year 2007 enacted level and the same as the budget request. The total funding provided is comprised of \$1,303,841,000 for non-pay costs associated with information technology and \$555,376,000 for operations and maintenance payroll expenses.

The Committee has included bill language requiring the Department to submit an expenditure plan for the total amount provided, not later than 30 days after enactment of this Act. In addition, an administrative provision is included in the bill which allows for the reprogramming of funds in this account between projects upon prior notification to, and approval by, the Committee.

While the Committee is pleased that the Department's VistA system is a national model for electronic medical records (EMR), the Committee is concerned that VistA still utilizes MUMPS programming language technology and that the Department of Veterans Affairs and Department of Defense still do not have electronic interoperability between their EMRs. The Committee therefore directs that, of the funds available within the Information Technology appropriation, no funds be used for the development of an EMR that is not interoperable with the Department of Defense. The Committee further urges the Department to involve leading software companies in this process to increase the likelihood that the resulting EMR will be interoperable with existing systems used by the private sector. The Committee also urges the Department to continue to pursue the development of a portable EMR so that veterans may have a personal electronic record of their care.

The Committee is very concerned that the Department continues to struggle to ensure the security of electronic data. The Committee directs the Department to adopt a zero tolerance policy with regard to violations in the area of electronic security. The Committee will continue to monitor the Department's performance in this area.

NATIONAL CEMETERY ADMINISTRATION

Fiscal year 2007 enacted level .....	\$160,747,000
Fiscal year 2008 budget request .....	166,809,000
Committee recommendation in the bill .....	170,000,000
Comparison with:	
Fiscal year 2007 enacted level .....	9,253,000
Fiscal year 2008 budget request .....	3,191,000

The National Cemetery Administration was established in accordance with Public Law 93-43, the National Cemeteries Act of 1973. It has a fourfold mission: to provide for the interment, in any national cemetery with available grave space, the remains of eligible deceased servicemembers and discharged veterans, together with their spouses and certain dependents, and to permanently maintain their graves; to provide headstones for, and to mark graves of eligible persons in national, State, and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving State veterans' cemeteries; and to administer the Presidential Memorial Certificate Program. This appropriation provides for the operation and maintenance of 158

cemeterial installations in 39 States, the District of Columbia, and Puerto Rico.

The Committee recommends an appropriation of \$170,000,000 for the National Cemetery Administration, an increase of \$9,253,000 above the fiscal year 2007 enacted level and an increase of \$3,191,000 above the budget request.

#### OFFICE OF INSPECTOR GENERAL

Fiscal year 2007 enacted level .....	\$70,641,000
Fiscal year 2008 budget request .....	72,599,000
Committee recommendation in the bill .....	76,500,000
Comparison with:	
Fiscal year 2007 enacted level .....	5,859,000
Fiscal year 2008 budget request .....	3,901,000

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit, investigation, and inspection of all Department of Veterans Affairs programs and operations. The overall operational objective is to focus available resources on areas which would help improve services to veterans and their beneficiaries, assist managers of Department programs to operate economically in accomplishing program goals, and to prevent and deter recurring and potential fraud, waste, and inefficiencies.

The Committee recommends an appropriation of \$76,500,000 for the Office of Inspector General, an increase of \$5,859,000 above the fiscal year 2007 enacted level and an increase of \$3,901,000 above the budget request.

The Committee notes that funding for the Office of Inspector General has remained static for three years and the result has been a loss of over 40 personnel. The Committee does not believe this situation should continue and therefore recommends funding sufficient to allow for 50 additional personnel for the Office of Inspector General in fiscal year 2008.

#### CONSTRUCTION, MAJOR PROJECTS

Fiscal year 2007 enacted level .....	\$399,000,000
Fiscal year 2008 budget request .....	727,400,000
Committee recommendation in the bill .....	1,410,800,000
Comparison with:	
Fiscal year 2007 enacted level .....	1,011,800,000
Fiscal year 2008 budget request .....	683,400,000

The Construction, Major Projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, assessments, and site acquisition where the estimated cost of a project is \$10,000,000 or more.

The Committee recommends an appropriation of \$1,410,800,000 for Construction, Major Projects, an increase of \$1,011,800,000 above the fiscal year 2007 enacted level and an increase of \$683,400,000 above the budget request. The Committee recommendation does not include the proposed reprogramming of \$45,000,000 appropriated in prior years.

*Projects.*—Congress has made significant reforms in the way it reviews funding for the Federal government, reforms which the Committee takes very seriously as it executes its constitutional au-

thority. Earmarking or directed spending of Federal dollars does not begin with Congress. It begins with the Executive Branch. The table below is an illustrative list of construction, major projects submitted by the Administration. The Administration, in selecting these projects, goes through a process that is the functional equivalent of earmarking. When the Committee reviews the budget request, it goes through a process of rigorous review and may alter or modify this list to reflect additional priorities.

The Committee provides no recommendation at this time for specific projects contained in either the Administration's budget or proposed by Members of Congress. Individual project allocations will be considered comprehensively after the Committee has properly analyzed all relevant information.

[In thousands of dollars]

Location	FY 2008 Administration Request
Veterans Health Admin.:	
Pittsburgh, PA .....	\$40,000
Denver, CO .....	61,300
Orlando, FL .....	35,000
Las Vegas, NV .....	341,400
Syracuse, NY .....	23,800
Lee County, FL .....	9,900
Advance Planning fund .....	40,300
Asbestos Abatement .....	3,000
BRAC Land Acquisition .....	5,000
Claims Analyses .....	2,000
Facility Security .....	21,300
Hazardous Waste Abatement .....	2,000
Judgment Fund .....	30,000
Reprogram prior year funds .....	-45,000
Sale of VA Assets .....	-10,000
<b>Total Veterans Health Admin. ....</b>	<b>560,000</b>
National Cemetery Admin.:	
Columbia/Greenville-area .....	19,200
Sarasota-area .....	27,800
Jacksonville-area .....	22,400
Southeastern PA .....	29,600
Birmingham-area .....	18,500
Bakersfield-area .....	19,500
Ft. Sam Houston .....	29,400
Advance Planning fund .....	1,000
<b>Total NCA .....</b>	<b>167,400</b>
<b>Total Major Construction .....</b>	<b>727,400</b>

#### CONSTRUCTION, MINOR PROJECTS

Fiscal year 2007 enacted level .....	\$198,937,000
Fiscal year 2008 budget request .....	233,396,000
Committee recommendation in the bill .....	615,000,000
Comparison with:	
Fiscal year 2007 enacted level .....	416,063,000
Fiscal year 2008 budget request .....	381,604,000

The Construction, Minor Projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department, including planning, assessment of needs, architectural and engineering serv-

ices, and site acquisition, where the estimated cost of a project is less than \$10,000,000.

The Committee recommends an appropriation of \$615,000,000 for Construction, Minor Projects, an increase of \$416,063,000 above the fiscal year 2007 enacted level and an increase of \$381,604,000 above the budget request.

The Committee has included bill language requiring the Department to submit an expenditure plan for the total amount provided, not later than 30 days after enactment of this Act. In addition, an administrative provision is included in the bill which allows for the reprogramming of funds in this account between projects upon prior notification to, and approval by, the Committee.

#### GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Fiscal year 2007 enacted level .....	\$85,000,000
Fiscal year 2008 budget request .....	85,000,000
Committee recommendation in the bill .....	165,000,000
Comparison with:	
Fiscal year 2007 enacted level .....	80,000,000
Fiscal year 2008 budget request .....	80,000,000

This program provides grants to assist States to construct State home facilities, for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home or hospital care to veterans in State homes. A grant may not exceed 65 percent of the total cost of the project.

The Committee recommends an appropriation of \$165,000,000 for Grants for Construction of State Extended Care Facilities, an increase of \$80,000,000 above the fiscal year 2007 enacted level and an increase of \$80,000,000 above the budget request. The amount recommended will provide sufficient funding to address all current high priority life/safety requirements as well as provide for new construction. The Department is directed to submit an updated priority list for all pending grant applications within 30 days of enactment of this Act.

#### GRANTS FOR CONSTRUCTION OF STATE VETERANS CEMETERIES

Fiscal year 2007 enacted level .....	\$32,000,000
Fiscal year 2008 budget request .....	32,000,000
Committee recommendation in the bill .....	37,000,000
Comparison with:	
Fiscal year 2007 enacted level .....	5,000,000
Fiscal year 2008 budget request .....	5,000,000

This program provides grants to assist States with the establishment, expansion, and improvement of State veterans' cemeteries which are operated and permanently maintained by the States. Grants under this program fund up to 100 percent of construction costs and the initial equipment expenses when the cemetery is established. The States remain responsible for providing the land and for paying all costs related to the operation and maintenance of the State cemeteries, including the costs for subsequent equipment purchases.

The Committee recommends an appropriation of \$37,000,000 for Grants for Construction of State Veterans Cemeteries, an increase of \$5,000,000 above the fiscal year 2007 enacted level and an increase of \$5,000,000 above the budget request.

The Committee notes the success of the military housing Residential Communities Initiative (RCI) as a public-private partnership. The Committee continues to encourage the Department to work with the Fort Ord Reuse Authority in Monterey County, California to develop a pilot program to demonstrate the cost effectiveness of using public-private partnerships in establishing a State veteran's cemetery.

The Committee encourages the Department to work with States for maximum usage of this grant program. Given that almost ten percent of the nation's veterans reside in California, the Committee encourages the Department to work with the State of California as it applies for grant funding.

The Committee notes that tribes are now eligible for the State Veterans Cemetery Grant program and encourages the VA to update relevant information and, whenever possible, alert tribes of their eligibility.

#### ADMINISTRATIVE PROVISIONS

The Committee recommends twenty-two administrative provisions for fiscal year 2008, including fifteen which were proposed by the Administration, five which were included in prior appropriations Acts, and two new provisions.

Section 201 allows for the transfer of funds among three mandatory appropriations.

Section 202 allows for salaries and expenses funds to be used for hire of passenger vehicles, lease of facilities or land, and purchase of uniforms.

Section 203 provides that only funding in the "Construction, major projects" and "Construction, minor projects" accounts can be used for the purchase of any site for any new hospital or home or to construct any new hospital or home. The Administration proposed to delete this provision.

Section 204 requires the Department to be reimbursed for medical services it provides to any person not defined as a beneficiary to ensure the Department is receiving payment for all medical services provided.

Section 205 allows for the use of funds appropriated in fiscal year 2008 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" for payment of accrued obligations recorded in the last quarter of fiscal year 2007.

Section 206 allows for the use of fiscal year 2008 funds to pay prior year obligations resulting from implementation of sections 3328(a), 3334, and 3712(a) of title 31, United States Code.

Section 207 allows the Department to use surplus earnings from the National service life insurance, U.S. Government life insurance, and veterans special life insurance program to administer these programs.

Section 208 allows the Department to cover the administrative expenses of structuring enhanced-use leasing proposals and provides authority to obligate these reimbursements in the year funds are received.

Section 209 limits the amount of reimbursement the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication can charge other offices and accounts of the Department for services provided.

Section 210 requires the Secretary to submit a report to the Committees on Appropriations to approve new leases of real property more than \$300,000. The Administration proposed to delete this provision.

Section 211 requires the Department to collect current, accurate third-party reimbursement information for the purposes of third-party insurance collections. If persons receiving care or medical services do not disclose this information, the Department is allowed to bill them reasonable charges for services provided.

Section 212 allows the Department to use enhanced-use leasing funds for construction and alterations for medical facilities to facilitate the CARES efforts as the Department restructures the delivery of healthcare to veterans.

Section 213 allows the Department to use the “Medical services” appropriation for expenses related to the broader mission of medical care to veterans.

Section 214 allows the Department to transfer Medical Care Collections to the “Medical services” appropriation to be used for veterans medical care.

Section 215 allows veterans who reside in Alaska to obtain medical services from medical facilities supported by the Indian Health Services or tribal organizations, and provides for reimbursement for those services from the Department of Veterans Affairs.

Section 216 allows the Department to transfer the proceeds received from the transfer of real property deposited into the Department of Veterans Affairs Capital Asset Fund (CAF) to the major and minor construction appropriations.

Section 217 prohibits the expenditure of any funds available to the Department for implementation of a national standardized contract for diabetes monitoring systems. The Administration proposed to delete this provision.

Section 218 provides that no funds may be used to prohibit Directors of Veterans Integrated Service Networks (VISN) from conducting outreach or marketing programs. The Administration proposed to delete this provision.

Section 219 requires the Secretary to submit quarterly reports on the financial status and service level status of the Veterans Health Administration. The report shall contain, at a minimum and by account, both planned and actual expenditure rates, unobligated balances, potential financial shortfalls, and the status of any equipment or non-recurring maintenance funds—including whether they have been used to pay for operating expenses. In addition, the service portion of the report will contain, at a minimum, the time required for new patients to get their first appointment, the time required for established patients to get their next appointment, the number of patients on a wait list for inpatient services or any mental health or substance abuse program, the number of staff shortages for mental health services, the planned and actual expenditure rates for contracted mental health care, and the number of unique veterans and patients being served. Each report should address data for the system total and for each VISN, and for comparison purposes should provide data for the preceding eight quarters. In addition the report shall also contain the planned and actual expenditure rates for the blind rehabilitation service, VA/DoD sharing, homeless veterans, mental health, OIF/OEF veterans, pros-

thetics, and substance abuse programs. The Administration proposed to delete this provision.

Section 220 requires the Department to notify and receive approval from the Committee of any proposed transfer of funding in excess of \$1,000,000 between information technology system projects. The Administration had proposed a threshold of \$5,000,000 for such transfers.

Section 221 provides for the transfer of prior year account balances established for the payment of benefits under the Reinstated Entitlement Program for Survivors to the “Compensation and pensions” account.

Section 222 requires the Department to notify and receive approval from the Committee of any proposed transfer of funding in excess of \$1,000,000 between minor construction projects.

TITLE III

RELATED AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Fiscal year 2007 enacted level .....	\$37,000,000
Fiscal year 2008 budget request .....	42,100,000
Committee recommendation in the bill .....	43,470,000
Comparison with:	
Fiscal year 2007 enacted level .....	6,470,000
Fiscal year 2008 budget request .....	1,370,000

The American Battle Monuments Commission is responsible for the administration, operation and maintenance of cemetery and war memorials to commemorate the achievements and sacrifices of the American Armed Forces where they have served since April 6, 1917. In performing these functions, the Commission maintains 24 permanent American military cemetery memorials and 31 monuments, memorials, markers, and offices in 15 foreign countries, the Commonwealth of the Northern Mariana Islands, and the British dependency of Gibraltar. In addition, six memorials are located in the United States: the East Coast Memorial in New York; the West Coast Memorial, The Presidio in San Francisco; the Honolulu Memorial in the National Memorial Cemetery of the Pacific in Honolulu, Hawaii; and the American Expeditionary Forces Memorial, and the World War II and Korean War Veterans Memorials in Washington, D.C.

The Committee recommends an appropriation of \$43,470,000 for the American Battle Monuments Commission’s salaries and expenses account. This is an increase of \$6,470,000 above the fiscal year 2007 enacted level and an increase of \$1,370,000 above the budget request. The Committee recommendation includes a reduction of \$200,000 to the budget request for travel, an increase of \$570,000 for capital improvements, and an increase of \$1,000,000 for infrastructure modernization.

Language is included allowing up to \$7,500 to be used for official reception and representation expenses.

*Normandy Visitor Center.*—The recommendation includes full operational funding for the Normandy Visitor Center at the Normandy American Cemetery in France. The new center will provide

a full array of interactive services to put the D-Day landings and the following battles in Europe in perspective as one of the greatest military achievements of all time. With the opening of the Center scheduled for June 6, 2007, the anniversary of D-Day, the Committee is pleased to note that this project has been completed on time and within original budget estimates. The Committee commends the Commission for this noteworthy accomplishment.

*Pointe du Hoc Study.*—The fiscal year 2006 appropriations Act included funding for the Commission to have a study conducted to determine what action is warranted to preserve the stability of the World War II Pointe du Hoc Ranger Monument in France. The Committee understands that this study has been completed and directs the Commission to provide the Committee with a copy of the completed study and recommendations for any additional work regarding preservation of the Pointe du Hoc site. The Commission is to provide the report to the Committee no later than July 2, 2007.

#### FOREIGN CURRENCY FLUCTUATIONS ACCOUNT

Fiscal year 2007 enacted level .....	\$5,000,000
Fiscal year 2008 budget request .....	11,000,000
Committee recommendation in the bill .....	11,000,000
Comparison with:	
Fiscal year 2007 enacted level .....	6,000,000
Fiscal year 2008 budget request .....	---

The Commission's foreign currency fluctuations account is authorized pursuant to 36 U.S.C. 2109 to pay the costs of salaries and expenses that exceed the amount appropriated for salaries and expenses because of fluctuations in currency exchange rates of foreign countries occurring after a budget request for the Commission is submitted to the Congress. The account may not be used for any other purpose.

The Committee recommends an appropriation of \$11,000,000 to re-capitalize the Commission's Foreign Currency Fluctuations account. This is an increase of \$6,000,000 above the fiscal year 2007 enacted level and the same as the budget request. Re-capitalization of the account ensures that funds are available to offset dollar losses during fiscal year 2008.

#### UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

##### SALARIES AND EXPENSES

Fiscal year 2007 enacted level .....	\$20,189,000
Fiscal year 2008 budget request .....	21,217,000
Committee recommendation in the bill .....	21,397,000
Comparison with:	
Fiscal year 2007 enacted level .....	1,208,000
Fiscal year 2008 budget request .....	180,000

The Veterans' Judicial Review Act established the U.S. Court of Appeals for Veterans Claims. The Court reviews appeals from Department of Veterans Affairs claimants seeking review of a benefit denial. The Court has the authority to overturn findings of fact, regulations, and interpretations of law.

The Committee recommends an appropriation of \$21,397,000 for the U.S. Court of Appeals for Veterans Claims, an increase of \$1,208,000 above the fiscal year 2007 enacted level and an increase of \$180,000 above the budget request. Of the amount provided,

\$1,300,000 is to be used for the pro bono representation program, an increase of \$180,000 above the budget request.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Fiscal year 2007 enacted level .....	\$30,000,000
Fiscal year 2008 budget request .....	26,892,000
Committee recommendation in the bill .....	30,592,000
Comparison with:	
Fiscal year 2007 enacted level .....	592,000
Fiscal year 2008 budget request .....	3,700,000

The Secretary of the Army is responsible for the administration, operation and maintenance of Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery. In addition to its principal function as a national cemetery, Arlington is the site of approximately 3,100 non-funeral ceremonies each year and has approximately 4,000,000 visitors annually.

The Committee recommends an appropriation of \$30,592,000 for Cemeterial Expenses, Army, salaries and expenses, an increase of \$592,000 above the fiscal year 2007 enacted level and an increase of \$3,700,000 above the budget request.

The Committee recommendation includes an increase of \$1,800,000 for realignment of government-issued headstones and \$1,900,000 for construction of a heavy equipment storage facility.

ARMED FORCES RETIREMENT HOME

TRUST FUNDS

Fiscal year 2007 enacted level .....	\$57,227,000
Fiscal year 2008 budget request .....	55,724,000
Committee recommendation in the bill .....	55,724,000
Comparison with:	
Fiscal year 2007 enacted level .....	(1,503,000)
Fiscal year 2008 budget request .....	---

The Armed Forces Retirement Home (AFRH) consists of two retirement communities, one in Washington, D.C. and the other in Gulfport, Mississippi. The Washington, D.C. facility was established in 1851 as a soldiers' home for elderly and disabled veterans. The original home for Navy officers, sailors, and Marines was established in Philadelphia, Pennsylvania in 1811, and was relocated to Gulfport, Mississippi almost a century and a half later.

The Committee recommendation provides authority to expend \$55,724,000 from the Armed Forces Retirement Home Trust Fund for operations of the United States Soldiers' and Airmen's Home and the United States Naval Home. This is a decrease of \$1,503,000 below the fiscal year 2007 enacted level and the same as the budget request.

The Committee is aware that a Memorandum of Agreement has been signed with the General Services Administration (GSA) related to the rebuilding of the Armed Forces Retirement Home's Gulfport campus. The Committee urges GSA to work with the AFRH to ensure that the rebuilt Gulfport campus reflects the latest best-practices in independent living, assisted living, and long term care through implementation of the Green House approach to

the maximum extent feasible. The Committee hopes that the Gulfport campus can become a national model for deinstitutionalized care and serve veterans with an industry standard-setting approach in a manner worthy of their service to our nation. To that end, the Committee expects that the final design will accommodate on-site pre-Katrina scope and availability of medical, dental, and pharmaceutical care and services within the current project.

ARMED FORCES RETIREMENT HOME

FEDERAL FUNDS

Fiscal year 2007 enacted level .....	---
Fiscal year 2008 budget request .....	\$5,900,000
Committee recommendation in the bill .....	800,000
Comparison with:	
Fiscal year 2007 enacted level .....	800,000
Fiscal year 2008 budget request .....	(5,100,000)

The budget request included provisions which would provide for a Federal fund contribution to the Trust in fiscal year 2008 and thereafter. In addition, the budget request proposed that \$800,000 be used for a study of the long-term viability of the Trust. The Committee does not recommend a Federal fund payment to the Trust at this time, but has included in its recommendation funding for a study of the Trust to ensure its long-term viability.

TITLE IV

GENERAL PROVISIONS

The bill includes seven provisions that were included in the fiscal year 2006 enacted appropriations bill and the fiscal year 2007 House passed appropriations bill and one new provision as follows:

Section 401 prohibits the obligation of funds beyond the current fiscal year unless expressly so provided.

Section 402 requires pay raises to be absorbed within the levels appropriated in the bill.

Section 403 prohibits the use of funds for programs, projects or activities not in compliance with Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates. The Administration proposed to delete this provision.

Section 404 prohibits the use of funds to support or defeat legislation pending before Congress.

Section 405 encourages all departments and agencies funded in this Act to expand the use of E-Commerce technologies and procedures.

Section 406 limits funds from being transferred from this appropriations measure to any instrumentality of the United States Government without authority from an appropriation Act. The Administration proposed to delete this provision.

Section 407 specifies the congressional committees that are to receive all reports and notifications.

Section 408 directs the Congressional Budget Office to submit a report projecting annual appropriations necessary for the Department of Veterans Affairs to continue providing health care to veterans.

## HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the rules of the House of Representatives.

## CHANGES IN APPLICATION OF EXISTING LAW

Pursuant to clause 3(f)(1)(A) of rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill that directly or indirectly change the application of existing law.

Language is included in various parts of the bill to continue ongoing activities that require annual authorization or additional legislation, which to date have not been enacted.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law.

Language is included in various parts of the bill to allow the Secretary of Defense to exceed certain limitations upon notification to the Committee.

Language is included in various parts of the bill to allow funding to be used for official reception and representation expenses.

Language is included that enables various appropriations to remain available for more than one year for some programs for which the basic authority legislation does not presently authorize such extended availability.

Language is included in various parts of the bill which permits the transfer of funds to other accounts in the bill.

Language is included under Title I limiting payments for cost-plus-a-fixed-fee contract under certain circumstances.

Language is included in various parts of the bill to allow funds to be used for the hire of passenger motor vehicles.

Language is included under Title I allowing advances to the Federal Highway Administration, Department of Transportation under certain circumstances.

Language is included under Title I limiting funds for implementing construction of new bases in the United States without specific appropriations.

Language is included under Title I limiting funds for purchase of land or land easements under certain circumstances.

Language is included under Title I limiting funds for land acquisition, site preparation, and utility installation unless funds have been made available in annual appropriations Acts.

Language is included under Title I to prohibit the use of minor construction funds to transfer an activity between installations without prior notification.

Language is included under Title I limiting funds for the procurement of steel for any activity if American steel producers have been denied the opportunity to compete for such steel procurements.

Language is included under Title I limiting funds for initiating new installations overseas without notifying the Committees on appropriations.

Language is included under Title I limiting the use of funds for architect and engineer contracts under certain circumstances.

Language is included under Title I limiting funds for awarding contracts to foreign contractors under certain circumstances.

Language is included under Title I requiring the Department of Defense to notify the appropriate committees of Congress of any proposed military exercises under certain circumstances.

Language is included under Title I limiting funding obligations in the last two months of the fiscal year to 20 percent.

Language is included under Title I allowing prior year construction funding to be available for current year projects.

Language is included under Title I allowing payment for the cost associated with supervision, inspection, overhead, engineering and design on family housing or military construction projects that are being completed with expired or lapsed funds.

Language is included under Title I allowing funds to be expended on military construction projects for four fiscal years after enactment under certain circumstances.

Language is included under Title I to allow for the transfer of BRAC proceeds to the BRAC account.

Language is included under Title I to allow construction funds to be transferred to Housing Improvement Funds.

Language is included under Title I limiting funds for the Partnership for Peace Programs in the New Independent States of the former Soviet Union.

Language is included under Title I requiring the various military departments to submit prior notice to the Committee of solicitation for contracts with the private sector for military family housing under certain circumstances.

Language is included under Title I to allow for the transfer of BRAC funds to the Homeowners Assistance Program.

Language is included under Title I limiting funds for the operation and maintenance of family housing to those provided in this appropriation with exceptions under certain circumstances.

Language is included under Title I limiting funds for the North Atlantic Treaty Organization Security Investment Program for the conduct of missile defense studies.

Language is included under Title I requiring officials from the agencies covered in this appropriation to respond to requests within 21 days.

Language is included under Title I allowing funds for the Ford Island Improvement Account to be available until expended for certain purposes.

Language is included under Title I limiting funds for realignment of installations under certain circumstances.

Language is included under Title I to allow for the transfer of expired funding to the Foreign Currency Fluctuation Account under certain circumstances.

Language is included under Title II to require that the Secretary of Veterans Affairs establish a priority for treatment of veterans who are service-connected disabled, lower income, or have special needs.

Language is included under Title II to require that the Secretary of Veterans Affairs give priority funding of basic medical benefits to priority groups 1 through 6.

Language is included under Title II to allow the Secretary of Veterans Affairs to dispense prescription drugs from VHA facilities to enrolled veterans with privately written prescriptions.

Language is included under Title II to allocate a portion of non-recurring maintenance funds outside the Veterans Equitable Resource Allocation.

Language is included under Title II providing for the reimbursement to the Department of Defense for the costs of overseas employee mail.

Language is included under Title II to require approval of a plan for the expenditure of information technology funds.

Language is included under Title II establishing time limitations and reporting requirements concerning the obligation of major construction funds, limiting the use of funds, and allowing the use of funds for program costs.

Language is included under Title II to prohibit the use of funds to reduce the mission, services or infrastructure of 18 facilities on the CARES list without prior approval of the Committee.

Language is included under Title II to allow minor construction funds to be used to repair non-medical facilities damaged by natural disaster or catastrophe.

Language is included under Title II permitting transfers between mandatory and discretionary accounts, limiting and providing for the use of certain funds, funding administrative expenses associated with life insurance programs from excess program revenues, allowing reimbursement from enhanced-use leases and for certain services, requiring notification of new lease agreements, requiring disclosure of insurance and income information, allowing a recovery audit collection program, prohibiting the use of funds for instituting a new standard for glucose monitoring systems, extending the authority to operate the homeless program, allowing veterans in the state of Alaska to use Indian Health Service facilities under certain conditions, and allowing medical services funds for recreational and funeral expenses.

Language is included under the Court of Appeals for Veterans Claims, Salaries and Expenses, permitting the use of funds for a pro bono program.

Language is included under Cemeterial Expenses, Army, Salaries and Expenses, permitting the use of funds for parking maintenance and repairs.

Language is included under Title IV requiring sums necessary for pay raises to be absorbed within levels appropriated.

Language is included under Title IV limiting the use of funds for federal entities when they are not in compliance with federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

Language is included under Title IV limiting funding for publicity or propaganda designed to support or defeat legislation pending before Congress.

Language is included under Title IV prohibiting the transfer of any funds except pursuant to authority provided in appropriations Acts.

Language is included under the Department of Veterans Affairs, Information Technology Systems, limiting the obligation of funds until certain reporting requirements are met.

Language is included under the Department of Veterans Affairs, Medical Services, designating \$2,900,000,000 for specialty mental health care.

#### APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1)(B) of rule XIII of the Rules of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law for the period concerned:

[Dollars in thousands]

Agency/program	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Military Construction, Army .....	2007	2,264,042	2,017,321	4,070,959
Military Construction, Navy .....	2007	1,291,285	1,130,821	2,125,138
Military Construction, Air Force .....	2007	1,308,233	1,083,000	927,428
Military Construction, Defense-Wide .....	2007	1,145,181	1,127,000	1,806,928
Military Construction, Army National Guard .....	2007	561,375	473,000	439,291
Military Construction, Air National Guard .....	2007	294,283	126,000	95,517
Military Construction, Army Reserve .....	2007	190,617	166,000	154,684
Military Construction, Navy Reserve .....	2007	49,998	43,000	69,150
Military Construction, Air Force Reserve .....	2007	56,836	45,000	39,628
North Atlantic Treaty Organization Security Investment Program .....	2007	200,985	204,789	201,400
Family Housing Construction, Army .....	2007	578,791	579,000	419,400
Family Housing Operation and Maintenance, Army .....	2007	675,617	671,311	742,920
Family Housing Construction, Navy and Marine Corps .....	2007	308,956	305,000	298,329
Family Housing Operation and Maintenance, Navy and Marine Corps .....	2007	509,126	505,472	371,404
Family Housing Construction, Air Force .....	2007	1,168,138	1,168,000	362,747
Family Housing Operation and Maintenance, Air Force .....	2007	755,071	750,000	688,335
Family Housing Operation and Maintenance, Defense-Wide .....	2007	48,506	49,000	48,848
Department of Defense Family Housing Improvement Fund .....	2007	2,500	2,475	500
Chemical Demilitarization Construction, Defense-Wide .....	2007	140,993	131,000	86,176
Base Realignment and Closure, 1990 ..	2007	191,220	252,279	270,689
Base Realignment and Closure, 2005 ..	2007	5,626,223	2,489,421	8,174,315

#### TRANSFER OF FUNDS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the transfer of funds provided in the accompanying bill.

Language is included to allow Military Construction, Defense-Wide funds to be transferred to other military construction and family housing appropriations to be merged with and available for the same purpose and same time period.

Language is included to allow Chemical Demilitarization Construction funds to be transferred to other military construction appropriations to be merged with and available for the same purpose and same time period.

Language is included to allow Department of Defense prior year construction funds to be available for current year authorizations.

Language is included to allow BRAC proceeds to be transferred to the BRAC account to be merged with and available for the same purpose and same time period.

Language is included to allow for the transfer of funds from Family Housing, Construction accounts to the Department of Defense Family Housing Improvement Fund and funds from Military Construction accounts to the Department of Defense Military Unaccompanied Housing Improvement Fund.

Language is included to provide transfer authority to the Homeowners Assistance Program.

Language is included to allow the transfer of expired funds to the "Foreign Currency Fluctuations, Construction, Defense" account.

Language is included to transfer not to exceed \$25,033,000 from Compensation and Pensions to General Operating Expenses and Medical Services. These funds are for the administrative costs of implementing cost-savings proposals required by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992. Language is also included permitting necessary sums to be transferred to the medical facilities revolving fund to augment funding of medical centers for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992.

Language is included to transfer the following amounts to the Department of Veterans Affairs General Operating Expenses appropriation pursuant to the Federal Credit Reform Act of 1990: the Veterans Housing Benefit Program Fund Program Account (\$154,562,000), the Vocational Rehabilitation Loans Program Account (\$311,000) and the Native American Veteran Housing Loan Program Account (\$628,000). In addition, the bill provides up to \$750,000 in General Operating Expenses and Medical Services for administration of the Guaranteed Transitional Housing Loans for the Homeless Veterans Program Account.

Language is included under the Department of Veterans affairs that would transfer no less than \$15,000,000 for the DoD/VA Health Care Sharing Incentive Fund as authorized by section 8111(d) of title 38, United States Code.

Language is included to provide authority for the Department of Veterans Affairs for any funds appropriated in 2008 for Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities to be transferred among those three accounts. This will provide the Department of Veterans Affairs flexibility in administering its entitlement programs.

Language is included to permit the funds from three life insurance funds to be transferred to General Operating Expenses for the costs of administering such programs.

Language is included to permit up to \$35,215,000 to be transferred to General Operating Expenses from any funds appropriated in fiscal year 2008 to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for services provided.

Language is included to transfer certain funds derived from enhanced-use leasing activities to the Construction, Major Projects and Construction, Minor Projects accounts.

Language is included to transfer funds from the Medical Care Collections Fund to Medical Services.

Language is included to allow the transfer of funds from the Capital Asset Fund to the Construction, Major Projects and Construction, Minor Projects accounts.

Language is included under the Department of Veterans Affairs that would transfer balances in prior year accounts established for payment of benefits under the Reinstated Entitlement Program for Survivors to the Compensation and Pensions account.

#### RESCISSIONS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following table lists the rescissions in the accompanying bill:

Department/activity	Amounts recommended for rescission
Department of Defense, Military Construction, Navy and Marine Corps .....	\$5,862,000
Department of Defense, Military Construction, Air Force .....	5,319,000
Department of Defense, Military Construction, Defense-Wide .....	7,592,000
Department of Defense, Military Construction, Air Force Reserve .....	3,069,000

#### CONSTITUTIONAL AUTHORITY

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Appropriations bases its authority to report this legislation from clause 7 of section 9 of article I of the U.S. Constitution which states:

“No money shall be drawn from the Treasury  
but in consequence of Appropriations made by law  
\* \* \*”

#### COMPARISON WITH THE BUDGET RESOLUTION

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1)(A) of the Congressional Budget Act of 1974, the following table compares the levels of new budget authority provided in the bill with the appropriate allocation under section 302(b) of the Budget Act.

[In millions of dollars]

	302(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary .....	64,745	54,831	64,745	54,831
Mandatory .....	40,978	40,856	40,978	40,856

#### FIVE-YEAR PROJECTION OF OUTLAYS

Pursuant to section 308(a)(1)(B) of the Congressional Budget Act of 1974, the following table contains five-year projections prepared by the Congressional Budget Office of outlays associated with the budget authority provided in the accompanying bill:

[In millions of dollars]

Budget Authority .....	105,723
Outlays:	
2008 .....	81,446
2009 .....	12,762
2010 .....	8,166

2011 .....	3,108
2012 .....	1,993

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

Pursuant to section 308(a)(1)(C) of the Congressional Budget Act of 1974, the amount of financial assistance to State and local governments is as follows:

[In millions of dollars]

Budget Authority .....	828
Fiscal Year 2008 outlays resulting therefrom .....	552

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

COMPLIANCE WITH RULE XIII, CL. 3(E) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, the Committee notes that the accompanying bill does not propose to repeal or amend a statute or part thereof.

EARMARKS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

## FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

## ROLL CALL NO. 1

Date: June 6, 2007

Measure: Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, FY 2008

Motion by: Mr. Dicks

Description of Motion: To order the bill reported.

Results: Adopted 56 yeas to 0 nays.

*Members Voting Yea*

Mr. Aderholt  
Mr. Alexander  
Mr. Berry  
Mr. Bishop  
Mr. Boyd  
Mr. Calvert  
Mr. Carter  
Mr. Chandler  
Mr. Cramer  
Mr. Crenshaw  
Mr. Culberson  
Ms. DeLauro  
Mr. Dicks  
Mr. Edwards  
Mrs. Emerson  
Mr. Farr  
Mr. Fattah  
Mr. Frelinghuysen  
Mr. Goode  
Ms. Granger  
Mr. Hinchey  
Mr. Hobson  
Mr. Honda  
Mr. Israel  
Mr. Jackson  
Ms. Kaptur  
Mr. Kennedy  
Mr. Kingston

*Members Voting Nay*

Mr. Kirk  
Mr. Knollenberg  
Mr. LaHood  
Mr. Latham  
Ms. McCollum  
Mr. Mollohan  
Mr. Obey  
Mr. Oliver  
Mr. Peterson  
Mr. Regula  
Mr. Rehberg  
Mr. Rodriguez  
Mr. Rogers  
Mr. Rothman  
Ms. Roybal-Allard  
Mr. Ruppertsberger  
Mr. Ryan  
Mr. Schiff  
Mr. Serrano  
Mr. Simpson  
Mr. Tiahrt  
Mr. Udall  
Mr. Visclosky  
Mr. Walsh  
Mr. Wamp  
Ms. Wasserman Schultz  
Mr. Wicker  
Mr. Wolf

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
-----	
ALABAMA	
ARMY	
ANNISTON ARMY DEPOT	
INDUSTRIAL WASTE WATER TREATMENT PLANT.....	26,000
NAVY	
EVERGREEN	
NAVAL OUTLYING LANDING FACILITY EVERGREEN RUNWAY EXTENSION.....	9,560
ARMY NATIONAL GUARD	
SPRINGVILLE	
READINESS CENTER, ADDITION/ALTERATION (ARMY DIVISION REDESIGN STUDY).....	3,300
ALASKA	
ARMY	
FORT WAINWRIGHT	
COMPANY OPERATIONS FACILITY.....	14,000
REPLACE SUBSTATION/UPGRADE ELECTRIC.....	60,000
AIR FORCE	
ELMENDORF AFB	
F-22 7 BAY AIRCRAFT SHELTER.....	21,400
F-22 FIGHTER TOWN EAST INFRASTRUCTURE PHASE 2.....	7,100
F-22 JET ENGINE INSPECTION & MAINT.....	13,800
F-22 TAXIWAY, TAXILANE & ARM/DE-ARM PAD.....	27,880
AIR FORCE RESERVE	
AIRCRAFT MAINTENANCE SQUADRON FACILITY.....	4,550
GROUP HEADQUARTERS.....	10,400
ARIZONA	
ARMY	
FORT HUACHUCA	
EFFLUENT REUSE SYSTEM.....	11,000
NAVY	
YUMA	
BACHELOR ENLISTED QUARTERS.....	22,980
TOWWAY G.....	10,740
AIR FORCE	
DAVIS-MONTHAN AFB	
COMBAT SEARCH AND RESCUE EC130 MAINTENANCE HANGAR/ AIRCRAFT MAINTENANCE UNIT.....	11,200
ARKANSAS	
ARMY NATIONAL GUARD	
CAMP ROBINSON	
AMMUNITION SUPPLY POINT.....	5,500
CALIFORNIA	
ARMY	
FORT IRWIN	
MILITARY OPERATIONS URBAN TERRAIN, PHASE 2.....	18,500
TRAINING LAND IMPROVEMENTS.....	5,500
PRESIDIO MONTEREY	
GENERAL INSTRUCTION BUILDING.....	28,000
NAVY	
CAMP PENDLETON	
BACHELOR ENLISTED QUARTERS - CHAPPO.....	29,050
BACHELOR ENLISTED QUARTERS - HEADQUARTERS.....	31,980
BACHELOR ENLISTED QUARTERS - MARGARITA.....	26,530
HANGAR ADDITIONS.....	4,400
INFANTRY SQUAD BATTLE COURSE.....	18,090
INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE CAMP - INTEL BATTALION.....	17,980
MARINE SPECIAL OPERATIONS COMMAND SUPPORTING FACILITIES.....	17,730
PHYSICAL FITNESS CENTER.....	8,510
TACTICAL SUPPORT VAN PADS EXPANSION.....	6,050



MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
-----	
DEFENSE-WIDE	
INSTALL BACKUP WATER SYSTEM.....	1,012
FLORIDA	
ARMY	
EGLIN AFB	
OPERATIONS COMPLEX, PHASE 2.....	66,000
MIAMI DORAL	
SOUTHERN COMMAND HEADQUARTERS FACILITY.....	237,000
NAVY	
BLOUNT ISLAND	
MAIN GATE IMPROVEMENTS - BLOUNT ISLAND.....	7,570
PANAMA CITY	
LITTORAL WARFARE SYSTEMS FACILITY.....	13,870
AIR FORCE	
EGLIN AFB	
CONSTRUCT SEAWALLS SANTA ROSA ISLAND RANGE COMPLEX	35,000
F-35 ADD/ALTER 53RD JOINT REPROGRAMMING FACILITY..	8,300
F-35 INTEGRATED TRAINING CENTER.....	39,000
F-35 SQUADRON OPERATIONS/AIRCRAFT MAINTENANCE UNIT/ HANGAR.....	27,000
REPAIR ROADS SANTA ROSA ISLAND RANGE COMPLEX.....	49,000
MACDILL AFB	
ALTER CENTRAL COMMAND HEADQUARTERS.....	57,000
MACDILL CENTCOM JOINT INTELLIGENCE CENTER.....	14,000
MACDILL CENTCOM JOINT INTELLIGENCE CENTER.....	11,000
PATRICK AFB	
CHILD DEVELOPMENT CENTER.....	11,854
TYNDALL AFB	
FITNESS CENTER.....	19,014
REPAIR AIRFIELD.....	25,100
DEFENSE-WIDE	
HURLBURT FIELD	
SPECIAL OPERATIONS FORCES MAINTENANCE STORAGE FACILITY.....	4,711
SPECIAL OPERATIONS FORCES OPERATIONS FACILITY.....	5,500
SPECIAL OPERATIONS FORCES SQUADRON OPERATIONS ADDITION.....	4,000
SPECIAL OPERATIONS FORCES COMBAT WEATHER OPERATIONS FACILITY.....	14,900
KEY WEST	
REPLACE FUEL PUMP HOUSE.....	1,874
MACDILL AFB	
CLINIC REPLACEMENT, INCREMENT II.....	41,400
PHARMACARE ADDITION/ALTERATION.....	5,000

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
SPECIAL OPERATIONS FORCES 501-D BUILDING ADDITION PHASE 2 .....	12,200
SPECIAL OPERATIONS FORCES ACQUISITION CENTER.....	35,500
ARMY NATIONAL GUARD JACKSONVILLE ARMY AVIATION SUPPORT FACILITY ADDITION/ALTERATION	12,200
GEORGIA	
ARMY	
FORT BENNING	
MODIFIED RECORD FIRE RANGE.....	5,800
RECEPTION STATION, PHASE 1.....	51,000
SIMULATIONS TRAINING FACILITY.....	56,000
TRAINEE BARRACKS COMPLEX.....	73,000
FORT STEWART	
BARRACKS COMPLEX.....	36,000
BRIGADE COMPLEX-HEADQUARTERS.....	26,000
AIR FORCE	
ROBINS AFB	
AIRCRAFT COMPONENT REPAIR FACILITY.....	14,700
DEFENSE-WIDE	
AUGUSTA	
REGIONAL SECURITY OPERATION CENTER INCREMENT III..	100,000
FORT BENNING	
SPECIAL OPERATIONS FORCES BATTALION COMPLEX.....	21,000
SPECIAL OPERATIONS FORCES HEADQUARTERS BUILDING ADDITION.....	5,000
SPECIAL OPERATIONS FORCES TACTICAL EQUIPMENT SHOP.	9,000
HUNTER AIR NATIONAL GUARD STATION SPECIAL OPERATIONS FORCES SUPPORT COMPANY FACILITY	13,800
HAWAII	
ARMY	
FORT SHAFTER	
BARRACKS COMPLEX.....	31,000
SCHOFIELD BARRACKS	
BARRACKS COMPLEX.....	43,000
BARRACKS COMPLEX.....	45,000
WHEELER AFB	
BARRACKS COMPLEX.....	51,000
NAVY	
KANEHOE BAY	
BACHELOR ENLISTED QUARTERS.....	37,961
PEARL HARBOR	
SUB DRIVE-IN MAGNETIC SILENCING FACILITY.....	99,860
WAHIAWA	
COMMUNICATION CENTER.....	65,410
AIR FORCE	
HICKAM AFB	
C-17 PARKING RAMP.....	15,471
DISTRIBUTED COMMON GROUND SYSTEM INTELLIGENCE SQUADRON OPERATIONS FACILITY.....	16,500
DEFENSE-WIDE	
REPLACE HYDRANT FUELS SYSTEM.....	11,900
KUNIA	
REGIONAL SECURITY OPERATION CENTER INCREMENT III..	136,318
IDAHO	
ARMY NATIONAL GUARD	
ORCHARD TRAINING AREA URBAN ASSAULT COURSE.....	1,700
ILLINOIS	
NAVY	
GREAT LAKES	
RECRUIT TRAINING COMMAND INFRASTRUCTURE	

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
UPGRADE, GREAT LAKES INCREMENT 3.....	16,650
SMALL ARMS MARKSMANSHIP TRAINER.....	10,221
AIR FORCE	
SCOTT AFB	
SECURITY FORCES OPERATIONS FACILITY.....	16,700
DEFENSE-WIDE	
GREAT LAKES	
FEDERAL HEALTHCARE FACILITY.....	99,000
ARMY NATIONAL GUARD	
ST CLAIR COUNTY	
READINESS CENTER (ARMY DIVISION REDESIGN STUDY)...	8,100
INDIANA	
AIR NATIONAL GUARD	
HULMAN REGIONAL AIRPORT	
DIGITAL GROUND STATION BEDDOWN.....	7,700
KANSAS	
ARMY	
FORT LEAVENWORTH	
BARRACKS COMPLEX.....	55,000
FORT RILEY	
DIGITAL MULTIPURPOSE RANGE COMPLEX.....	28,000
AIR FORCE	
AIR SUPPORT OPERATIONS SQUADRON COMPLEX.....	12,515
KENTUCKY	
ARMY	
FORT CAMPBELL	
INDOOR RANGE.....	5,000
VEHICLE MAINTENANCE SHOP.....	49,000
FORT KNOX	
CANTONMENT AREA ROADS, PAVED.....	6,700
DEFENSE-WIDE	
FORT CAMPBELL	
SPECIAL OPERATIONS FORCES BATTALION OPERATIONS COMPLEX.....	35,000
SPECIAL OPERATIONS FORCES GROUP SUPPORT BATTALION COMPLEX.....	18,500
LOUISIANA	
AIR NATIONAL GUARD	
CAMP BEAUREGARD	
UPGRADE AIR SUPPORT OPERATIONS SQUADRON FACILITY..	1,800
MARYLAND	
NAVY	
PATUXENT RIVER	
AIRCRAFT PROTOTYPE FACILITY PHASE 1.....	17,990
E-2 ADVANCED HAWKEYE RESEARCH, DEVELOPMENT, TESTING, AND EVALUATION FACILITY.....	13,650
JOINT PRECISION APPROACH AND LANDING SYSTEM ADDITION TO BUILDING 2110/2122.....	6,720
SUITLAND	
NATIONAL MARITIME INTEL CENTER INCREMENT II.....	52,069
DEFENSE-WIDE	
FORT DETRICK	
US ARMY MEDICAL RESEARCH INSTITUTE OF INFECTIOUS DISEASES STAGE I, INC II.....	150,000
FORT MEADE	
NATIONAL SECURITY AGENCY - WASHINGTON OPS1 SOUTH STAIR TOWER.....	4,000
NATIONAL SECURITY AGENCY - WASHINGTON POWER, SPACE, AND COOLING UTILITY MANAGEMENT SYSTEM PHA	7,901
MASSACHUSETTS	

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
-----	
AIR NATIONAL GUARD	
OTIS AIR NATIONAL GUARD BASE	
DIGITAL GROUND STATION INITIAL OPERATING CAPACITY	
BEDDOWN.....	1,800
MICHIGAN	
NAVY RESERVE	
SELFRIDGE	
RESERVE TRAINING CENTER.....	4,030
MINNESOTA	
ARMY NATIONAL GUARD	
CAMP RIPLEY	
COMBINED ARMS COLLECTIVE TRAINING FACILITY.....	4,850
MISSOURI	
ARMY	
FORT LEONARD WOOD	
MODIFIED RECORD FIRE RANGE.....	3,800
MODIFIED RECORD FIRE RANGE.....	4,000
ARMY NATIONAL GUARD	
WHITEMAN AFB	
ARMY AVIATION SUPPORT FACILITY.....	30,000
MONTANA	
ARMY RESERVE	
BUTTE	
ARMY RESERVE CENTER/LAND.....	7,629
NEBRASKA	
AIR FORCE	
OFFUTT AFB	
ADD/ALTER INTELLIGENCE SQUADRON FACILITY.....	16,952
NEVADA	
ARMY	
HAWTHORNE ARMY AMMUNITION PLANT	
GROUND WATER TREATMENT PLANT.....	11,800
NEW JERSEY	
ARMY RESERVE	
FORT DIX	
COMBINED MAINTENANCE FACILITY.....	17,000
NEW MEXICO	
AIR FORCE	
CANNON AFB	
ADD/ALTER HANGAR 09 FOR C-130.....	1,688
DEFENSE-WIDE	
SPECIAL OPERATIONS FORCES FLIGHT SIMULATOR	
FACILITY.....	7,500
KIRTLAND AFB	
REPLACE FUEL UNLOAD FACILITY.....	1,800
NEW YORK	
ARMY	
FORT DRUM	
BRIGADE COMPLEX MAINTENANCE FACILITY.....	44,000
BRIGADE COMPLEX-BARRACKS/OPERATIONS.....	40,000
BRIGADE COMPLEX-COMPANY OPERATIONS.....	55,000
INFRASTRUCTURESTRUCTURE UPGRADES.....	12,000
DEFENSE-WIDE	
MEDICAL CLINIC ADDITION/ALTERATION.....	41,000
ARMY RESERVE	
ARMY RESERVE CENTER.....	15,923

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
-----	
NORTH CAROLINA	
ARMY	
FORT BRAGG	
BARRACKS COMPLEX, INCREMENT 3.....	47,400
INDOOR RANGE.....	4,800
STUDENT BARRACKS.....	51,000
NAVY	
CAMP LEJEUNE	
ACADEMIC INSTRUCTION FACILITY.....	16,460
BACHELOR ENLISTED QUARTERS - 4TH MARINE	
EXPEDITIONARY BRIGADE.....	29,970
BACHELOR ENLISTED QUARTERS - FRENCH CREEK.....	27,800
FIELD MEDICAL SERVICE SCHOOL.....	8,080
MARINE SPECIAL OPERATIONS COMMAND COMMUNITY	
SUPPORT FACILITIES.....	9,170
MARINE SPECIAL OPERATIONS COMMAND FITNESS CENTER/	
TRAINING TANK.....	14,480
MARINE SPECIAL OPERATIONS COMMAND SUPPORT FACILITY	21,720
MARINE SPECIAL OPERATIONS COMMAND TRAINING	
FACILITIES.....	12,590
MILITARY OPERATIONS ON UNEVEN TERRAIN ENHANCEMENTS	14,120
CHERRY POINT MARINE CORPS AIR STATION	
HANGER RENOVATION & FACILITY UPGRADES F/A18E/F....	16,500
UNMANNED AERIAL VEHICLE OPERATIONS/MAINTENANCE....	12,110
NEW RIVER	
BACHELOR ENLISTED QUARTERS.....	22,530
HANGAR ADDITION (PHASE 2).....	17,330
JET ENGINE TEST CELL.....	14,570
NAVAL OUTLYING LANDING FACILITY WASHINGTON COUNTY	
OUTLYING LANDING FIELD FACS & LAND ACQUISITION....	10,060
DEFENSE-WIDE	
CAMP LEJEUNE	
DELALIO ELEMENTARY SCHOOL - CONSTRUCT GYMNASIUM...	2,014
SPECIAL OPERATIONS FORCES ACADEMIC INSTRUCTION	
FACILITY.....	6,910
SPECIAL OPERATIONS FORCES EQUIPMENT FACILITY.....	10,800
SPECIAL OPERATIONS FORCES SUPPLY & PRE-DEPLOYMENT	
FACILITY.....	10,500
FORT BRAGG	
SPECIAL OPERATIONS FORCES HEADQUARTERS AND MOTOR	
POOL COMPLEX.....	39,250
SPECIAL OPERATIONS FORCES OPERATIONS/INTELLIGENCE	
ADDITION.....	8,000
NORTH DAKOTA	
AIR FORCE	
MINOT AFB	
DORMITORY (144 ROOM).....	18,200
OHIO	
DEFENSE-WIDE	
COLUMBUS	
DECENTRALIZE HEAT PLANT.....	4,000
NAVY RESERVE	
WRIGHT-PATTERSON AFB	
RESERVE TRAINING CENTER.....	10,277
OKLAHOMA	
ARMY	
FORT SILL	
MODIFIED RECORD FIRE RANGE.....	2,900
AIR FORCE	
ALTUS AFB	
C-17 SHEET METAL COMPOSITE SHOP.....	2,000
TINKER AFB	
CONSOLIDATED FUEL OVERHAUL REPAIR & TEST FACILITY.	34,600

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
-----	
OREGON	
ARMY NATIONAL GUARD	
ONTARIO	
READINESS CENTER.....	11,000
NAVY RESERVE	
PORTLAND	
OPERATIONAL FACILITIES MOBILE INSHORE UNDERSEA	
WARFARE UNIT 110/INSHORE BOAT UNIT 13.....	1,900
PENNSYLVANIA	
DEFENSE-WIDE	
DEFENSE DISTRIBUTION DEPOT NEW CUMBERLAND	
REPLACE CENTRAL HEAT PLANT.....	21,000
ARMY NATIONAL GUARD	
CARLISLE	
READINESS CENTER (STRYKER BRIGADE COMPANY TEAM	
(SBCT)).....	7,800
EAST FALLOWFIELD TOWNSHIP	
READINESS CENTER (SBCT).....	8,300
FORT INDIANTOWN GAP	
AMMUNITION SUPPLY POINT UPGRADE (SBCT).....	9,500
GETTYSBURG	
READINESS CENTER (SBCT).....	6,300
GRATERFORD	
FIELD MAINTENANCE SHOP (SBCT).....	7,300
HANOVER	
READINESS CENTER, ADDITION/ALTERATION (SBCT).....	5,500
HAZELTON	
READINESS CENTER ADDITION/ALTERATION (SBCT).....	5,600
HOLIDAYSBURG	
READINESS CENTER (SBCT).....	9,400
HUNTINGDON	
READINESS CENTER (SBCT).....	7,500
KUTZTOWN	
READINESS CENTER, ADDITION/ALTERATION (SBCT).....	6,800
LEBANON	
READINESS CENTER, ADDITION/ALTERATION (SBCT).....	7,800
PHILADELPHIA	
FIELD MAINTENANCE SHOP, ADDITION/ALTERATION (SBCT)	3,650
READINESS CENTER, ALTERATION (SBCT).....	10,000
AIR NATIONAL GUARD	
FORT INDIANTOWN GAP	
AIR SUPPORT OPERATIONS SQUADRON (AIR SUPPORT	
OPERATIONS SQUADRON) BEDDOWN.....	6,400
RHODE ISLAND	
ARMY NATIONAL GUARD	
EAST GREENWICH	
READINESS CENTER.....	8,200
NORTH KINGSTOWN	
ARMY AVIATION SUPPORT FACILITY.....	33,000
SOUTH CAROLINA	
NAVY	
BEAUFORT	
FIRE STATION.....	6,800
PARRIS ISLAND	
MOTOR TRANSPORTATION COMPLEX.....	5,530
RECRUIT BARRACKS - 3RD BATTALION (PHASE 1).....	25,322
SOUTH DAKOTA	
NAVY RESERVE	
SIOUX FALLS	
JOINT ARMED FORCES RESERVE CENTER.....	3,730

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
-----	
TENNESSEE	
AIR NATIONAL GUARD	
MCGHEE-TYSON AIRPORT	
MILSTAR BEDDOWN-RELOCATE BASE ACCESS ROAD.....	3,200
MEMPHIS IAP	
C-5 FINAL INFRASTRUCTURESTRUCTURE SUPPORT.....	6,676
C-5 GROUND RUN-UP ENCLOSURE.....	3,200
C-5 MUNITIONS STORAGE COMPLEX.....	1,500
TEXAS	
ARMY	
CAMP BULLIS	
URBAN ASSAULT COURSE.....	1,600
FORT HOOD	
BARRACKS COMPLEX.....	47,000
FORT SAM HOUSTON	
BATTLE COMMAND TRAINING CENTER, PHASE 1.....	1,950
RED RIVER ARMY DEPOT	
MANEUVER SYSTEMS SUSTAINMENT CENTER, PHASE 2.....	9,200
NAVY	
CORPUS CHRISTI	
AVIATION TRAINER/SQUADRON OPERATIONS FACILITY.....	14,290
AIR FORCE	
LACKLAND AFB	
BASIC EXPEDITIONARY AIRMAN SKILL TRAINING PHASE 2..	14,000
DEFENSE-WIDE	
CAMP BULLIS	
HEALTH CLINIC REPLACEMENT.....	7,400
ARMY NATIONAL GUARD	
CAMP BOWIE	
MODIFIED RECORD FIRE RANGE.....	1,500
FORT WOLTERS	
MODIFIED RECORD FIRE RANGE.....	2,100
ARMY RESERVE	
FORT WORTH	
ARMY RESERVE CENTER.....	15,076
NAVY RESERVE	
AUSTIN	
RESERVE TRAINING CENTER.....	6,490
FORT WORTH	
AIRCRAFT MAINTENANCE DEPARTMENT PARKING FACILITY..	5,140
CHILD DEVELOPMENT CENTER.....	4,920
JOINT CONTROL TOWER.....	12,454
UTAH	
AIR FORCE	
HILL AFB	
AIRCRAFT POWER SYSTEMS REPAIR FACILITY.....	8,399
HYDRAULIC FLIGHT CONTROL FACILITY.....	8,400
ARMY NATIONAL GUARD	
NORTH SALT LAKE	
READINESS CENTER.....	12,200
AIR FORCE RESERVE	
HILL AFB	
WING SUPPORT FACILITY.....	3,200
VIRGINIA	
ARMY	
FORT BELVOIR	
DEFENSE ACCESS ROAD PHASE 3.....	13,000
NAVY	
CHESAPEAKE	
MOBILE USER OBJECTIVE SYSTEM INSTALLATION.....	8,450
NORFOLK	
E2/C2 AIRCREW TRAINING FACILITY.....	11,510
MH-60S HANGER & AIRFIELD IMPROVEMENTS.....	53,850

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
-----	
QUANTICO	
BACHELOR ENLISTED QUARTERS - MARINE SECURITY	
GUARD BATTALION HEADQUARTERS.....	18,839
STUDENT QUARTERS - THE BASIC SCHOOL (PHASE 2).....	26,680
DEFENSE-WIDE	
DAM NECK	
SPECIAL OPERATIONS FORCES OPERATIONAL TRAINING	
FACILITY.....	14,000
SPECIAL OPERATIONS FORCES OPERATIONS FACILITY.....	94,500
FORT BELVOIR	
ENTRANCE GATE SECURITY ENHANCEMENTS.....	5,000
LITTLE CREEK	
SPECIAL OPERATIONS FORCES HEADQUARTERS FACILITY...	51,000
SPECIAL OPERATIONS FORCES SEAL TEAM OPERATIONS	
AND SUPPORT FACILITY.....	34,000
SPECIAL OPERATIONS FORCES SPECIAL BOAT TEAM	
OPERATIONS FACILITY.....	14,000
NORFOLK	
ENVIRONMENTAL PREVENTIVE MEDICINE UNIT 2	
REPLACEMENT.....	6,450
PENTAGON	
PENTAGON RESERVATION ELECTRICAL UPGRADES.....	18,531
ARMY NATIONAL GUARD	
FORT PICKETT	
COMBAT PISTOL QUALIFICATION COURSE.....	1,050
NAVY RESERVE	
QUANTICO	
RESERVE CENTER ADDITIONS.....	2,410
	WASHINGTON
ARMY	
FORT LEWIS	
BRIGADE COMPLEX, INCREMENT 2.....	102,000
INDOOR RANGE.....	5,000
YAKIMA	
DIGITAL MULTIPURPOSE RANGE COMPLEX.....	29,000
NAVY	
BANGOR	
LIMITED AREA PRODUCTION & STORAGE COMPLEX	
INCREMENT IV.....	39,750
BREMERTON	
BACHELOR ENLISTED QUARTERS HOMEPORT ASHORE	
INCREMENT II.....	47,240
NUCLEAR AIRCRAFT CARRIER MAINTENANCE PIER	
REPLACEMENT.....	91,070
MISSILE ASSEMBLY BUILDING 3.....	28,690
WHIDBEY ISLAND	
EA-18G FACILITY IMPROVEMENTS.....	23,910
DEFENSE-WIDE	
FORT LEWIS	
MEDICAL/DENTAL CLINIC.....	21,000
SPECIAL OPERATIONS FORCES BATTALION OPERATIONS	
COMPLEX.....	47,000
SPECIAL OPERATIONS FORCES SUPPORT BATTALION	
COMPLEX.....	30,000
	WEST VIRGINIA
ARMY NATIONAL GUARD	
CAMP DAWSON	
MODIFIED RECORD FIRE RANGE.....	4,500
AIR NATIONAL GUARD	
EASTERN WEST VIRGINIA REGIONAL AIRPORT - SHEPHERD FI	
C-5 FINAL INFRASTRUCTURESTRUCTURE UPGRADE.....	5,176
C-5 FUEL CELL MAINTENANCE HANGAR AND SHOPS.....	26,000
C-5 SQUADRON OPERATIONS FACILITY.....	7,600

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
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WISCONSIN	
ARMY RESERVE	
ELLSWORTH	
ARMY RESERVE CENTER/LAND.....	9,100
FORT MCCOY	
REGIONAL MEDICAL TRAINING FACILITY.....	8,523
WYOMING	
AIR FORCE	
F. E. WARREN AFB	
RENOVATE HISTORIC DORMITORIES.....	14,600
ARMY NATIONAL GUARD	
CAMP GUERNSEY	
QUALIFICATION TRAINING RANGE.....	2,650
AFGHANISTAN	
ARMY	
AFGHANISTAN	
ADMINISTRATIVE BUILDING.....	13,800
BAHRAIN ISLAND	
NAVY	
SOUTHWEST ASIA	
WATERFRONT DEVELOPMENT PHASE 1.....	35,500
DEFENSE-WIDE	
SPECIAL OPERATIONS FORCES OPERATIONS FACILITY.....	19,000
BELGIUM	
DEFENSE-WIDE	
CASTEAU	
BRUSSELS AMERICAN SCHOOL ADDITION.....	5,992
BULGARIA	
ARMY	
NEVO SELO FORWARD OPERATING SITE	
BASE CAMP.....	61,000
DIEGO GARCIA	
NAVY	
DIEGO GARCIA	
SEWAGE LAGOON, AIR OPERATIONS.....	7,150
DJIBOUTI	
NAVY	
DJIBOUTI	
FULL LENGTH TAXIWAY.....	15,490
FUEL FARM.....	4,000
WESTERN TAXIWAY.....	2,900
GERMANY	
ARMY	
GRAFENWOEHR	
BRIGADE COMPLEX-MAINTENANCE/OPERATIONS.....	34,000
BRIGADE COMPLEX-MAINTENANCE/OPERATIONS.....	28,000
AIR FORCE	
RAMSTEIN AIR BASE	
DORMITORY - 128 ROOM.....	14,949
FIRE TRAINING FACILITY.....	3,000
JOINT MOBILITY PROCESSING CENTER.....	24,000
SMALL DIAMETER BOMB FACILITIES PHASE 2.....	6,260
DEFENSE-WIDE	
RAMSTEIN INTERMEDIATE SCHOOL ADDITION.....	5,393
SPANGDAHEM AIR BASE	
MEDICAL CLINIC REPLACEMENT.....	30,100
WEISBADEN	
H.H. ARNOLD HIGH SCHOOL ADDITION.....	15,379

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
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HAINERBER ELEMENTARY SCHOOL/WEIS MIDDLE SCHOOL ADDITION.....	5,093
GUAM	
AIR FORCE ANDERSEN AFB UPGRADE NORTHWEST FIELD INFRASTRUCTURE.....	10,000
HONDURAS	
ARMY HONDURAS VARIOUS DINING FACILITY.....	2,550
ITALY	
ARMY VICENZA BRIGADE COMPLEX-BARRACKS/COMMUNITY FACILITY..... BRIGADE COMPLEX-OPERATIONS SUPPORT FACILITY.....	86,000 87,000
JAPAN	
NAVY YOKOSUKA WHARF UPGRADES (INCREMENTED).....	8,750
KOREA	
ARMY CAMP HUMPHREYS BARRACKS COMPLEX..... BARRACKS COMPLEX.....	22,000 35,000
MARIANA ISLANDS	
NAVY GUAM FITNESS CENTER GUAM..... HARDEN BASE ELECTRICAL SYSTEMS..... KILO WHARF EXTENSION..... POTABLE WATER DISTRIBUTION SYSTEM PHASE 1..... WASTEWATER TREATMENT PLANT REPAIRS & UPGRADE.....	45,250 59,420 101,828 31,450 40,870
QATAR	
AIR FORCE QATAR AL UDEID MULTI AIRCRAFT MAINTENANCE HANGAR.....	22,300
DEFENSE-WIDE SPECIAL OPERATIONS FORCES AIR OPERATIONS CENTER... SPECIAL OPERATIONS FORCES AIRCRAFT PARKING RAMP... SPECIAL OPERATIONS FORCES OPERATIONS COMPLEX..... SPECIAL OPERATIONS FORCES STORAGE FACILITY..... SPECIAL OPERATIONS FORCES VEHICLE MAINTENANCE FACILITY.....	8,332 18,515 18,908 3,590 3,507
ROMANIA	
ARMY ROMANIA BASE CAMP, PHASE 2.....	12,600
SPAIN	
AIR FORCE MORON TACTICAL LEADERSHIP PROGRAM DORM (400 ROOM).....	1,800
UNITED KINGDOM	
AIR FORCE MENWITH HILL STATION ADD/ALTER OPERATIONS AND TECHNICAL FAC..... POWER AVAILABILITY & INFRASTRUCTURE IMPROVEMENTS..	31,000 10,000

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
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ROYAL AIR FORCE LAKENHEATH	
F-15C SQUAD OPERATIONS/AIRCRAFT MAINTENACE UNIT...	15,500
SMALL DIAMETER BOMB - STORAGE IGLOO.....	1,800
NATO SECURITY INVESTMENT PROGRAM.....	201,400
WORLDWIDE CLASSIFIED	
AIR FORCE	
SPECIAL EVALUATION PROGRAM.....	4,051
SPECIAL EVALUATION PROGRAM.....	9,889
CLASSIFIED MILCON PROJECT.....	1,500

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
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DEFENSE-WIDE	
CLASSIFIED MILCON PROJECT.....	1,887
WORLDWIDE UNSPECIFIED	
ARMY	
GROW THE FORCE.....	1,608,129
HOST NATION SUPPORT.....	23,000
MINOR CONSTRUCTION.....	23,000
PLANNING AND DESIGN.....	458,468
NAVY	
GROW THE FORCE.....	361,120
WHARF UTILITIES UPGRADE.....	8,900
HOST NATION INFRASTRUCTURE.....	2,700
PLANNING AND DESIGN.....	110,167
MINOR CONSTRUCTION.....	10,000
AIR FORCE	
PLANNING AND DESIGN.....	51,587
MINOR CONSTRUCTION.....	15,000
DEFENSE-WIDE	
CONTINGENCY CONSTRUCTION.....	10,000
ENERGY CONSERVATION IMPROVEMENT PROGRAM.....	70,000
PLANNING AND DESIGN	
DEPARTMENT OF DEFENSE DEPENDENT EDUCATION.....	3,400
NATIONAL SECURITY AGENCY.....	26,749
SPECIAL OPERATIONS COMMAND.....	19,679
TRICARE MANAGEMENT ACTIVITY.....	69,000
UNDISTRIBUTED.....	35,900
SUBTOTAL, PLANNING AND DESIGN.....	154,728
UNSPECIFIED MINOR CONSTRUCTION	
DEFENSE LOGISTICS AGENCY.....	4,100
DEPARTMENT OF DEFENSE DEPENDENT EDUCATION.....	666
THE JOINT STAFF.....	8,753
SPECIAL OPERATIONS COMMAND.....	3,693
TRICARE MANAGEMENT ACTIVITY.....	3,499
UNDISTRIBUTED.....	3,000
SUBTOTAL, UNSPECIFIED MINOR CONSTRUCTION.....	23,711
ARMY NATIONAL GUARD	
GROW THE FORCE.....	77,000
PLANNING AND DESIGN.....	43,841
MINOR CONSTRUCTION.....	8,700
AIR NATIONAL GUARD	
PLANNING AND DESIGN.....	7,965
MINOR CONSTRUCTION.....	6,500
ARMY RESERVE	
PLANNING AND DESIGN.....	10,958
MINOR CONSTRUCTION.....	3,000
NAVY RESERVE	
PLANNING AND DESIGN.....	2,219
AIR FORCE RESERVE	
PLANNING AND DESIGN.....	3,500
MINOR CONSTRUCTION.....	4,909
FAMILY HOUSING, ARMY	
GERMANY	
ANSBACH (URLAS TRAINING AREA).....	52,000
CONSTRUCTION IMPROVEMENTS.....	365,400

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
PLANNING AND DESIGN.....	2,000
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SUBTOTAL, CONSTRUCTION.....	419,400
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OPERATION AND MAINTENANCE	
UTILITIES ACCOUNT.....	145,366
SERVICES ACCOUNT.....	29,500
MANAGEMENT ACCOUNT.....	64,864
MISCELLANEOUS ACCOUNT.....	12,985
FURNISHINGS ACCOUNT.....	31,940
LEASING.....	206,129
MAINTENANCE OF REAL PROPERTY.....	215,585
PRIVATIZATION SUPPORT COSTS.....	36,551
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SUBTOTAL, OPERATION AND MAINTENANCE.....	742,920
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FAMILY HOUSING, NAVY AND MARINE CORPS	
GUAM	
NB GUAM - OLD APRA PHASE II (73 UNITS).....	57,167
CONSTRUCTION IMPROVEMENTS.....	237,990
PLANNING AND DESIGN.....	3,172
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SUBTOTAL, CONSTRUCTION.....	298,329
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OPERATION AND MAINTENANCE	
UTILITIES ACCOUNT.....	41,802
SERVICES ACCOUNT.....	13,155
MANAGEMENT ACCOUNT.....	59,422
MISCELLANEOUS ACCOUNT.....	640
FURNISHINGS ACCOUNT.....	14,962
LEASING.....	141,757
MAINTENANCE OF REAL PROPERTY.....	70,678
PRIVATIZATION SUPPORT COSTS.....	28,988
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SUBTOTAL, OPERATION AND MAINTENANCE.....	371,404
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FAMILY HOUSING, AIR FORCE	
GERMANY	
RAMSTEIN (117 UNITS).....	56,275
CONSTRUCTION IMPROVEMENTS.....	294,262
PLANNING AND DESIGN.....	12,210
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SUBTOTAL, CONSTRUCTION.....	362,747
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OPERATION AND MAINTENANCE	
UTILITIES ACCOUNT.....	100,176
MANAGEMENT ACCOUNT.....	56,736
SERVICES ACCOUNT.....	20,673
FURNISHINGS ACCOUNT.....	43,472
MISCELLANEOUS ACCOUNT.....	1,960
LEASING.....	114,394
MAINTENANCE.....	298,465
DEBT ACCOUNT.....	1
PRIVATIZATION SUPPORT COSTS.....	52,458
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SUBTOTAL, OPERATION AND MAINTENANCE.....	688,335
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FAMILY HOUSING, DEFENSE-WIDE	
OPERATION AND MAINTENANCE	
UTILITIES ACCOUNT (NSA).....	7

MILITARY CONSTRUCTION  
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST
OPERATIONS ACCOUNT (NSA).....	27
LEASING (NSA).....	10,534
MAINTENANCE OF REAL PROPERTY (NSA).....	70
FURNISHINGS ACCOUNT (DIA).....	4,274
LEASING (DIA).....	32,662
UTILITIES ACCOUNT (DLA).....	445
FURNISHINGS ACCOUNT (DLA).....	104
SERVICES ACCOUNT (DLA).....	49
MANAGEMENT ACCOUNT (DLA).....	410
MAINTENANCE OF REAL PROPERTY (DLA).....	266
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SUBTOTAL, OPERATION AND MAINTENANCE.....	48,848
DOD FAMILY HOUSING IMPROVEMENT FUND.....	500
CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE-WIDE..	86,176
BASE REALIGNMENT AND CLOSURE	
BASE REALIGNMENT AND CLOSURE ACCOUNT, 1990.....	220,689
BASE REALIGNMENT AND CLOSURE ACCOUNT, 2005.....	8,174,315
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GRAND TOTAL.....	21,165,182
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ADDITIONAL VIEWS OF REPRESENTATIVES JERRY LEWIS  
AND REPRESENTATIVE ROGER WICKER

302(B) ALLOCATION

The 302(b) discretionary allocation for the fiscal year 2008 Military Construction, Veterans Affairs, and Related Agencies bill is \$64.4 billion, an increase of \$4 billion (6.6 percent) above the President's request and almost \$15 billion (32 percent) above the amount provided in fiscal year 2007, with the bulk of the increased discretionary spending directed for the programs and services provided by the Department of Veterans Affairs. Much has been said by the majority in creating the fiscal year 2008 302(b) allocations that \$3.5 billion had to be cut from the President's Defense budget request in order to plus up the funds available for veterans programs. However, that math just does not add up. A read of the Fiscal Year 2008 Budget Resolution shows, in clear, concise language and tables, that the Budget Committee fully funded the Administration's Defense request and provided for the Committee's proposed plus-up of veterans programs. No cut in Defense funding is needed to care for our Nation's veterans under the adopted Fiscal Year 2008 Budget Resolution. We are supportive of this bill, but as this process moves forward and the remaining bills are considered by the Committee, we have to question where the defense money went.

VETERANS PROGRAMS

This bill continues the tradition started in the 104th Congress of trying to make the Veterans Health Administration a modern, effective, and efficient medical system providing care to our Nation's heroes. The system needed change—change from the antiquated war-wounded only enrollment, to the eligibility reform of 1996 that opened the system to veterans regardless of service connection; change from the in-patient bed towers to the more than 900 community-based outpatient clinics; change from an aging population to the challenges and opportunities to care for a broad spectrum of patients as our young men and women return from the Middle East. These changes are being ushered in successfully not simply by throwing massive amounts of money at the VA. Rather, they are achieved by oversight and direction provided by the Congress, program implementation and performance evaluation by the Department and GAO, and working with the veterans community, keeping the mission focused on the top priorities and authorizations of the Department.

Considering the funds in this bill, plus the funds provided in the Fiscal Year 2007 Supplemental bill, the VA will see an astounding 23 percent increase from the level provided for fiscal year 2007. We are greatly concerned that we are setting up the VA for failure in terms of what they can implement and account for in one fiscal year. We will partner with and support the Committee in efforts to ensure that this investment is wisely spent.

As we look to future years, we need to come together, rising above partisan pettiness, and provide funding to the VA based on a sound methodology and policy, rather than a "who can spend more" mantra. We support Chairman Edwards's method of looking

at the rate of inflation and the number of veterans estimated to receive care from the VA medical administration to create a reasonable and balanced expectation for how the system should be funded. We also endorse the decision to add funds to address facilities repair and maintenance, investing in the capital infrastructure necessary to deliver the quality care VA is capable of providing. We are very supportive of the increased funds to address the backlog in claims processing, and we strongly urge the authorizing committees to give a long, hard look at the entire VA benefits rubric and propose a system that is fair, understandable, significantly less complicated, and addresses the realities of a modern war and a modern workplace.

#### MILITARY CONSTRUCTION PROJECTS

The absence of identified funds for specific construction projects breaks with a tradition that began with the very first Military Construction bill in 1958. This Committee has a strong relationship with the authorizers and the Pentagon, and we trust that each Member knows full well the needs of his or her district. Since the first Military Construction bill, the Committee has worked with its partners to identify and fund capital infrastructure projects necessary to meet the needs of a well-prepared military force and their families. This bill walks away from that tradition.

To ignore the very essence of the military funding in this bill demonstrates the sheer absurdity of the mandate that every bill be without earmarks—this edict is ill-conceived and has little regard for the true reform that needs to take place as the broad brush of self-righteousness takes the place of well thought out ideas and policy. It is not the Congress that will suffer, but rather the men and women of the military and their families when base improvements for their security, training, and their quality of life are left to the whim of bureaucrats. We are not supportive of the Committee's decision to retreat from this basic task at this point in the process.