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Summary

This report discusses the Obama Administration's FY2017 defense budget request and provides a summary of congressional action on the National Defense Authorization Act (NDAA) for FY2017 (S. 2943/P.L. 114-328), and the FY2017 Defense Appropriations Act (H.R. 244/P.L. 115-31).

In February 2016, the Obama Administration requested $523.9 billion to cover the FY2017 discretionary *base budget* of the Department of Defense (DOD) and $58.8 billion in discretionary funding for Overseas Contingency Operations (OCO). The OCO budget category generally includes funding related to the incremental cost of operations such as those in Afghanistan, Iraq, Syria and certain DOD activities aimed at deterring Russian aggression in Europe. The balance of the DOD budget—that portion not designated as OCO—comprises what is often referred to as the *base budget*.

Combined with an anticipated expenditure of $7.9 billion mandatory defense spending, the Obama Administration's total budget FY2017 request for DOD was $590.5 billion as of February 2016.

On November 10, 2016, the Obama Administration submitted an amendment to the OCO budget request, seeking an additional $5.8 billion to maintain approximately 8,400 troops in Afghanistan, to provide additional aviation assets for the Afghan Air Force, to support additional requirements in Iraq/Syria, and to address emerging force protection issues. This brought the FY2017 OCO discretionary budget request to $64.6 billion.

On March 16, 2017—by which date the FY2017 NDAA had been enacted, but Congress had not completed action on the FY2017 defense appropriations bill—the Trump Administration requested additional DOD funding for FY2017. The additional funds –$24.9 billion for base budget activities and $5.1 billion designated for OCO—brought the total DOD request for FY2017 to $626.3 billion.

Congressional deliberations on the FY2017 defense budget occurred in the context of broader budget discussions about the binding annual caps on base budget discretionary appropriations for defense and nondefense programs. These caps were established by the Budget Control Act of 2011 (BCA/P.L. 112-25) as last amended by the Bipartisan Budget Act of 2015 (BBA/P.L. 114-74). The BCA provides that amounts appropriated for OCO or emergencies are not counted against the established discretionary spending limits.

In addition to raising the FY2017 discretionary defense spending cap on the base budget to $551 billion, the 2015 BBA set a nonbinding target of $58.8 billion for OCO-designated defense spending in FY2017. The Obama Administration's FY2017 budget request matched the base budget cap and the OCO target that were set by the BBA. Of note, the request allocated $5.1 billion of the $58.8 billion in OCO-designated funds for base budget purposes.

In the House-passed versions of both the NDAA (H.R. 4909) and the initial defense appropriations bill (H.R. 5293) for FY2017, the total amounts for base and OCO conformed with the amounts specified by the BBA. However, both House bills would have increased the amount of OCO-designated funding to be used for base budget purposes: the authorization bill would have added $18.0 billion and the appropriations bill would have added $15.1 billion to the $5.1 billion so-designated in the Obama Administration's request. According to the House Armed Services Committee, the remaining OCO funds authorized by H.R. 4909 – amounting to $35.7 billion – would cover the cost of OCO through April 2017. By then, the committee said, the

newly elected President could request a supplemental appropriation to cover OCO costs for the balance of FY2017.

Neither the Senate-passed NDAA nor the version of the defense appropriations bill reported by the Senate Appropriations Committee (S. 3000) would have increased the amount of OCO-designated funding to be used for base budget purposes above the Obama Administration's request. The enacted version of the FY2017 NDAA (S. 2943/P.L. 114-328), authorized $543.4 billion for DOD base budget activities—$2 million less than was requested—and $67.8 billion designated as OCO funding. The OCO-designated funding totaled $3.2 billion more than the Administration's OCO request as amended in November and this additional funding was directed at base budget requirements.

DOD's military construction budget for FY2017 was funded in the annual appropriations bill that also funded the Department of Veterans Affairs and certain other agencies (H.R. 5325/P.L. 114-223, enacted on September 29, 2016). That bill also incorporated a continuing resolution to provide temporary funding for federal agencies for which no FY2017 funds had been appropriated by the start of the fiscal year (October 1, 2016). This first FY2017 continuing resolution (CR) was succeeded by a second continuing resolution (H.R. 202/P.L. 114-254), enacted on December 10, 2016. Division B of this second FY2017 CR also appropriated a total of $5.8 billion for OCO-designated DOD funds for FY2017, including $1.45 billion requested in the Obama Administration's November 2016 budget amendment.

After the 115th Congress convened in January 2017, negotiators for the House and Senate Appropriations Committees drafted a new FY2017 defense appropriations bill—H.R. 1301. It was based on the original February 2016 budget request for FY2017 plus a portion of the OCO funding requested in November. The House passed H.R. 1301 on March 8, 2017. The Senate took no action on this bill.

A third CR (H.J.Res. 99/P.L. 115-30) was enacted April 28, 2017 to provide an extra week to finalize the bills. On May 3, 2017, the House passed a third version of the FY2017 defense appropriations bill as Division C of H.R. 244, the Consolidated Appropriations Act, 2017. Division C aligned with H.R. 1301 but included a new title (Title X) which provided $14.8 billion in response to the Trump Administration's request for additional appropriations. All of the amounts in Title X are designated OCO funding. In total, H.R. 244 provided $582.4 billion in funding for the DOD. The Senate passed H.R. 244 on May 5, 2017, and the bill was signed into law (P.L. 115-31) before the third FY2017 CR expired.

Contents

Introduction 1
Evolution of the FY2017 Defense Budget Request 3
November 2016—Overseas Contingency Operations Budget Amendment 4
March 2017- Request for Additional Appropriations 5
The Strategic Context 6
The Budgetary Context 8
The FY2017 Caps on Defense Spending 9
Budget Request in a Historical Context 10
FY2017 National Defense Authorization Act (H.R. 4909 and S. 2943) 13
The Defense Appropriations Act, 2017 (H.R. 5293, S. 3000, H.R. 1301, and H.R. 244) 18
Selected FY2017 Defense Funding and Policy Issues 23
DOD Organization 23
Acquisition Reform 24
DOD Contracting Procedures 24
Security Cooperation Management 25
Military Personnel Matters 26
Active Duty and Reserve Component End Strength 26
Basic Pay 28
Ground Vehicle Programs 29
See the summary of congressional action authorizing funding for selected ground vehicle programs in Table A-1. Table B-1 provides a summary of appropriations actions related to such programs. Following are selected highlights: 30
M-1 Abrams Tank Improvements 30
Paladin Self-propelled Artillery 30
Stryker Combat Vehicle 31
Armored Multi-Purpose Vehicle (AMPV) 31
Shipbuilding Programs 31
Virginia Class Attack Submarine Program 32
CVN-78 Class Aircraft Carrier Program 32
Cruiser Modernization 33
DDG-51 Destroyer Program 33
Littoral Combat Ship (LCS) Program 34
LHA-8 Amphibious Assault Ship 34
Selected Aviation Programs 34
Air Force Aviation Programs 35
Army Aviation Programs 36
Navy and Marine Corps Aviation Programs 36
Strategic Nuclear Forces 37
Ohio Replacement Ballistic Missile Submarine Program 38
B-21 Long-Range Strike Bomber 38
Nuclear-capable Missiles 38
Ballistic Missile Defense Programs 39
Space and Space-based Systems 40
Evolved Expendable Launch Vehicle (EELV) Satellite Launcher 40
DOD Overseas Contingency Operations Funding 41
OCO Funding in the FY2017 NDAA 43

FY2017 Defense Appropriations OCO Funding 44
FY2017 "Additional Appropriations" 46

Figures

Figure 1. DOD Discretionary Budget Authority: FY1965-FY2017 11
Figure 2. DOD Budget Authority: FY1965-FY2017 12
Figure 3. National Defense (Function 050) as Percentage of GDP 12
Figure 4. Federal Outlays by Budget Category 13
Figure 5. Authorized Active Component End-Strength, 2001-2017 27
Figure 6. Military Basic Pay Increases vs. ECI, 2001-2017 29

Tables

Table 1. February 2016 Request for FY2017 National Defense Budget Authority 3
Table 2. Changes to FY2017 National Defense Budget Request 4
Table 3. Changes to FY2017 DOD Military (051) Budget Request 5
Table 4. BCA Limits on National Defense (050) Discretionary Budget Authority 8
Table 5. The National Defense Authorization Act for FY2017 14
Table 6. FY2017 National Defense Authorization Act 15
Table 7. Selected Highlights of the FY2017 NDAA 16
Table 8. FY2017 Defense Appropriations Act: Timeline 20
Table 9. FY2017 Defense Appropriations Act: Funding Levels 21
Table 10. Selected Highlights of the FY2017 Defense Appropriations Act 22
Table 11. Authorized Military End-Strength 27
Table 12. Evolution of the FY2017 DOD Request for OCO-Designated Funds 41
Table 13. Assumed FY2017 Force Levels for Overseas Contingency Operations 43
Table 14. FY2017 OCO-Designated Defense Authorizations 44
Table 15. FY2017 Defense OCO Appropriations by Account 45
Table 16. Request for Additional FY2017 DOD Base Budget Authority 46
Table 17. OCO Authorized Amounts vs. Appropriated Amounts 47
Table 18. Comparison of "OCO for Base" Authorized Amounts vs. "Additional Appropriations" 47

Table A-1. FY2017 Authorization Action on Ground Vehicle Programs 48
Table A-2. FY2017 Authorization Action on Selected Ship Programs 49
Table A-3. FY2017 Authorization Action on Selected Aircraft and Ballistic Missile Programs 50
Table A-4. FY2017 Authorization Action on Selected Missile Defense Programs 52
Table A-5. FY2017 Authorization Action on Selected Space and Communications Systems 53
Table B-1. FY2017 Appropriations Action on Selected Ground Vehicles Programs 55

Table B-2. FY2017 Appropriations Action on Selected Ship Programs..... 56
Table B-3. FY2017 Appropriations Action on Selected Aircraft Programs 57
Table B-4. FY2017 Appropriations Action on Selected Missile Defense Programs 60
Table B-5. FY2017 Appropriations Action on Selected Space and Communications Systems 61

Appendixes

Appendix A. Authorization Action on Selected Programs 48
Appendix B. Appropriations Action on Selected Programs 55

Contacts

Author Information..... 63

Introduction

This report discusses the fiscal year (FY) 2017 defense budget request and provides a summary of congressional action on the National Defense Authorization Act (NDAA) for FY2017 (H.R. 2943/P.L. 114-328), and the Defense Appropriations Act, FY2017 (Division C of H.R. 244/P.L. 115-31).

The FY2017 process reflected a running debate about the size of the defense budget given the strategic environment and budgetary issues facing the United States. The debate spanned the end of the Obama Administration and the start of the Trump Administration and concluded about two-thirds of the way through the fiscal year.

Authorization and Appropriation

The congressional budget process distinguishes between "authorizations," which establish or define the activities of the federal government, and "appropriations," which finance those activities. In itself an authorization does not provide funding for government activities. An authorization generally provides legal authority for the government to act, usually by establishing, continuing, or restricting a federal agency, program, policy, project, or activity. It may also, explicitly or implicitly, authorize subsequent congressional action to provide appropriations for those purposes. An appropriation generally provides both the legal authority to obligate future payments from the Treasury, and the ability to make subsequent payments to satisfy those obligations.

The Obama Administration's FY2017 budget request for national defense-related activities, and the initial versions of the FY2017 defense authorization and appropriations bills taken up in the House and Senate appear to be similar to one another and consistent with provisions of the Bipartisan Budget Act of 2015 (BBA/P.L. 114-74).[1] However, a closer look reveals a relatively substantial disagreement between the Obama Administration and the Senate, on the one hand, and the House, on the other hand. The disagreement centered on the intended purpose of as much as $18 billion within that total.

On its face, the issue was the allocation of Department of Defense (DOD) funds designated for Overseas Contingency Operations (OCO). Previously labeled "Global War on Terror" funding, the OCO category was adopted by the Obama Administration in 2009 to designate the budget for activities related to operations in Afghanistan and Iraq. The remainder of DOD funding—that is, the budget for all activities not designated as OCO—is referred to as the *base budget*.

In the Obama Administration's February 2016 budget request for FY2017, $5.1 billion of the $58.8 billion in OCO-designated funds were intended to be used for base budget purposes. The Senate-passed version of the NDAA (S. 2943) and the Senate committee-reported version of the defense appropriations bill (S. 3000) followed suit.

On the other hand, the House-passed version of the NDAA (H.R. 4909) would have increased the amount of OCO-designated funding for base budget purposes to $23 billion—$18 billion more than the Obama Administration proposed—leaving approximately $36 billion in OCO-designated funding for actual OCO operations through the end of April 2017. The House position was that a newly inaugurated president could then request a supplemental appropriation to carry OCO activities through the remaining five months of FY2017.[2]

[1] P.L. 114-74, the Bipartisan Budget Act (BBA) of 2015, amended the Budget Control Act of 2011 (P.L. 112-25) to raise the statutory limits on defense discretionary spending for FY2017 and FY2018. Section 101(d) of the BBA also expressed a non-binding level for Overseas Contingency Operations funding of $58.8 billion in FY2017.

[2] H.Rept. 114-537, U.S. Congress, House Committee on Armed Services, *Report of the Committee on Armed Services on* H.R. 4909, 114th Cong., 2nd sess., May 4, 2016, p. 641.

House and Senate negotiations leading to the final NDAA resulted in an authorization of $8.3 billion in OCO-designated funds to be used for base budget purposes—$3.2 billion more than the Administration proposed. President Obama signed the FY2017 NDAA conference agreement on December 23, 2016, enacting P.L. 114-328.

The enacted FY2017 defense appropriations bill—Division C of H.R. 244—provided $586.2 billion in funding for the Department of Defense. CRS estimates the amount appropriated include a total of $19.9 billion in funding for base budget purposes that is designated as Overseas Contingency Operations funding.[3] That bill was the outcome of a sequence of House and Senate actions on the FY2017 defense appropriations bills that paralleled the respective chambers' actions on the NDAA.

In H.R. 5293—the version of the FY2017 defense appropriations bill passed by the House on June 16, 2016—the total amounts designated as base budget and as OCO conformed with the amounts specified by the BBA. However, the House bill would have increased the amount of OCO-designated funding to be used for base budget purposes, adding $15.1 billion to the $5.1 billion so-designated in the Obama Administration's request. On the other hand, the version of the defense appropriations bill reported by the Senate Appropriations Committee (S. 3000) would not have increased (above the Obama Administration's request) the amount of OCO-designated funding to be used for base budget purposes.

The Senate did not act on S. 3000 before October 1, 2016, the start of FY2017. By that date, DOD's FY2017 military construction budget had been funded in the annual appropriations bill that also funded the Department of Veterans Affairs and certain other agencies (H.R. 5325/P.L. 114-223). P.L. 114-223 also included a continuing resolution (CR) to provide temporary funding for federal agencies for which no FY2017 funds had been appropriated by the start of the fiscal year. This first CR (H.R. 5323/P.L. 114-223) provided continuing budget authority for FY2017 effective October 1, 2016, through December 9, 2016. For more information see CRS Report R44636, *FY2017 Defense Spending Under an Interim Continuing Resolution (CR): In Brief*, by Lynn M. Williams and Sean I. Mills.

On November 10, 2016, the Obama Administration submitted an amendment to the OCO budget request, seeking an additional $5.8 billion to maintain approximately 8,400 troops in Afghanistan, to provide additional aviation assets for the Afghan Air Force, to support additional requirements in Iraq/Syria, and to address emerging force protection issues. This brought the FY2017 OCO budget request to $64.6 billion.

On December 10, 2016, the initial FY2017 continuing resolution (H.R. 5323/P.L. 114-223) was succeeded by a second continuing resolution (H.R. 2028/P.L. 114-254). This second CR provided funding through April 28, 2017. Division B of this second FY2017 CR (P.L. 114-254) also appropriated a total of $5.8 billion for OCO-designated DOD funds for FY2017—including $1.5 billion in additional funding requested by the Obama Administration's November 2016 budget amendment.

After the 115th Congress convened in January 2017, negotiators for the House and Senate Appropriations Committees drafted a new FY2017 defense appropriations bill—H.R. 1301. It was based on the original February 2016 budget request for FY2017, with a deduction of $1.5 billion for OCO activities that had been funded by Division B the second FY2017 continuing resolution (H.R. 2028/P.L. 114-254). The House passed H.R. 1301 on March 8, 2017, by a vote of

[3] Includes $5.1 billion requested by the Obama Administration in February 2016 and $14.8 billion provided by Congress following the Trump Administration's March 2017 request for $24.7 billion in additional base budget funding.

371-48. However, no action followed in the Senate and a third continuing resolution (H.J.Res. 99/P.L. 115-30) was enacted April 28, 2017, to extend the provisions of the second continuing resolution (P.L. 114-254) through May 5, 2017.

On March 16, 2017, the Trump Administration submitted a request for "Additional Appropriations" for FY2017. The request totaled $30 billion—$24.7 billion for the DOD base budget and $5.1 billion for OCO. The Obama Administration's base budget request was at the $551 billion BCA limit on defense discretionary budget authority. However, the Trump request included a proposal to increase by $25 billion the FY2017 cap on defense spending.

On May 3, 2017, a third version of the FY2017 defense appropriations bill passed the House as Division C of H.R. 244, the Consolidated Appropriations Act, 2017. Division C generally aligned with H.R. 1301 but included a new title (Title X) which provided $14.8 billion in "Additional Appropriations" for DOD, all of which were designated as funding for Overseas Contingency Operations. H.R. 244 became P.L. 115-31 on May 5, 2017.

Military Construction Appropriations

For information on FY2017 Military Construction funding see CRS Report R44639, *Military Construction: FY2017 Appropriations*, by Daniel H. Else.

Evolution of the FY2017 Defense Budget Request

The Obama Administration submitted its original FY2017 defense budget request to Congress in February of 2016. The request totaled $551.1 billion in "base budget" discretionary appropriations for the National Defense function of the federal budget (designated function 050). While approximately 96% of this total was funding for the Department of Defense (DOD), it also included funding for defense-related activities of the Department of Energy, the Federal Bureau of Investigation, and other agencies. In addition, the Administration requested $58.8 billion in discretionary funding for OCO (see **Table 1**).

National Defense Budget Function 050

The federal budget is divided into "functions," each of which encompasses all spending for federal programs intended to serve a broad purpose (e.g., national defense, international affairs), regardless of which agency houses the program.

The national defense budget (function 050) is comprised of DOD military activities (subfunction 051), defense-related programs in the Department of Energy for nuclear weapons (subfunction 053), and defense-related activities of the Department of Justice (subfunction 054). Subfunction 051 has historically constituted approximately 95% of the national defense budget request. See CRS In Focus IF10618, *Defense Primer: The National Defense Budget Function (050)*, by Christopher T. Mann.

Table 1. February 2016 Request for FY2017 National Defense Budget Authority

billions of dollars of budget authority

	Discretionary			
Subfunction	**Base**	**OCO**	**Mandatory**	**Total**
DOD base budget (051)	$523.9	$58.8	$7.9	$590.6
Atomic Energy defense-related (053)	$19.3	$0	$1.1	$20.5

	Discretionary			
Subfunction	**Base**	**OCO**	**Mandatory**	**Total**
Other defense-related (054)	$7.8	$0	$0.6	$8.4
Total Request (Feb 2016)	**$551.0**	**$58.8**	**$9.6**	**$619.4**

Source: DOD Comptroller, National Defense Budget Estimates for FY2017 [The Green Book], Table 1-9 "National Defense Budget Authority-Discretionary and Mandatory," pp. 14-15.

Notes: Totals may not reconcile due to rounding.

The FY2017 defense budget request went through two modifications after its initial presentation—an amendment by the Obama Administration in November 2016 to increase amounts for OCO by $5.8 billion and a request for additional appropriations by the Trump Administration in March 2017 for an additional $30.0 billion in funding ($24.9 billion for base and $5.1 billion for OCO). These modifications brought the total amount (mandatory and discretionary) requested for national defense (050) in FY2017 to $655.2 billion ($585.5 base and $69.7 in OCO). See **Table 2**.

Table 2. Changes to FY2017 National Defense Budget Request

billions of dollars of budget authority

Function 050	Obama Feb 2016	Obama Nov 2016	Trump Mar 2017	% change Feb 2016 - Mar 2017
Base	$560.6	$560.6	$585.5	4.4%
OCO	$58.8	$64.6	$69.7	18.5%
Total	**$619.4**	**$625.2**	**$655.2**	**5.8%**

Source: DOD Comptroller, *National Defense Budget Estimates for FY2017* [The Green Book], Table 1-9 "National Defense Budget Authority-Discretionary and Mandatory," pp. 14-15; DOD Comptroller, *Overview—Overseas Contingency Operations Budget Amendment*, November 2016; and DOD Comptroller, *Overview—Request for Additional Appropriations*, March 2017.

Notes: Totals may not reconcile due to rounding.

November 2016—Overseas Contingency Operations Budget Amendment

On November 10, 2016, the Obama Administration submitted an amendment to the FY2017 defense budget seeking an additional $5.8 billion in OCO-designated funds, bringing the total OCO request to $64.6 billion. More than half the additional funds ($3.4 billion) would support operations related to Afghanistan, including funds to slow the withdrawal of U.S. troops and to expand the Afghan Air Force. The balance of the additional request would support additional requirements in the campaign against the Islamic State.[4] See **Table 3** for more detail on the request.

[4] DOD, "Overview: Overseas Contingency Operations Budget Amendment, November 2016" accessed at http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2017/amendment/FY17_OCO_Amendment_Overview_Book.pdf.

March 2017- Request for Additional Appropriations

On March 16, 2017, the Trump Administration requested an additional $24.9 billion for DOD base budget activities and an additional $5.1 billion in OCO funding in FY2017. By this date, the FY2017 NDAA had been enacted, the original FY2017 defense appropriations bill (H.R. 5293/S. 3000) had not been enacted by the end of the 114th Congress, and a new FY2017 appropriations bill, drafted by negotiators from the House and Senate Appropriations Committees (H.R. 1301), had passed the House.

According to DOD, the requested $24.9 billion in base budget authority was intended to compensate for:

- insufficient funding for near-term and mid-term combat readiness-related expenses such as equipment maintenance, munitions stocks, and intelligence operations; and
- unanticipated expenses resulting from enactment of the FY2017 NDAA (P.L. 114-328) such as a higher than budgeted 2017 military pay raise (2.1% vs. 1.6%).[5]

The increase included $13.5 billion—that is, 54%— for procurement including nearly $2.7 billion for missiles and other munitions. For Operation and Maintenance (O&M) accounts, the proposed increase would amount to $7.2 billion (see **Table 3**).

Table 3. Changes to FY2017 DOD Military (051) Budget Request

millions of dollars of discretionary budget authority

	Obama Feb 2016	Obama Nov 2016	Trump Mar 2017	Total FY2017 Request
Base				
Military Personnel	$135.3	--	+$1.0	$136.3
O&M	$206.0	--	+$7.2	$213.2
Procurement	$102.6	--	+$13.5	$116.0
RDT&E	$71.4	--	+$2.1	$73.5
Revolving Funds/Other	$1.4	--	+$1.0	$2.3
Military Construction/ Family Housing	$7.4	--	+$0.2	$8.3*
Base Total	**$523.9**	--	**+$24.9**	**$549.6**
OCO				
Military Personnel	$3.6	+$0.1	+$0.1	$3.8
O&M	$45.0	+$5.1	+$3.6	$53.7
Procurement	$9.6	+$0.4	+$1.0	$11.0
RDT&E	$0.4	+$0.1	+$0.5	$1.0

[5] DOD, Request for Additional FY2017 Appropriations, March 16, 2017, accessed at http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2017/marchAmendment/FY17_March_Amendment.pdf.

	Obama Feb 2016	Obama Nov 2016	Trump Mar 2017	Total FY2017 Request
Revolving Funds/Other	$0.1	--	--	$0.1
Military Construction/ Family Housing	$0.2	--	+<$0.1	$0.2
OCO Total	**$58.8**	**+$5.8**	**+$5.1**	**$69.7**
Grand Total	**$582.7**	**+$5.8**	**+$30.0**	**$619.3**

Source: DOD Comptroller, *Overview—Request for Additional Appropriations*, March 2017.

Notes: *Includes amounts appropriated by Division A of P.L. 114-223, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017 (September29, 2016). Totals may not reconciliation due to rounding.

The Strategic Context

The Obama Administration presented its FY2017 defense budget request in the context of an increasingly complex and unpredictable international security environment.[6] Some of the unforeseen events that have challenged U.S. security interests since 2014 include

- the continued rise of the Islamic State;
- Russian-backed proxy warfare in Ukraine;
- North Korean provocation and recent missile test launches;
- Chinese "island building" in the South China Sea;
- a series of terrorist attacks in Western Europe (Paris, Nice, Brussels, Berlin, Manchester);
- the Syrian refugee crisis; and
- the Ebola outbreak in 2014.

In their essentials, none of these challenges is "new" in its own right. What makes them uniquely problematic, perhaps even "unprecedented," is the speed with which each of them has developed, the scale of their impact on U.S. interests and those of our allies, and the fact that many of these challenges have occurred—and have demanded responses—nearly simultaneously.[7] The 2015 National Military Strategy (NMS) organized the key security challenges confronting the United States into two primary categories: revisionist states intent on disrupting the international order, such as Russia, Iran, and China, and violent extremist organizations, such as al Qaeda and the Islamic State.[8] This NMS is the first official statement of strategy in more than two decades to

[6] See, for example: DNI Clapper "Worldwide Threats" Testimony before the Senate Armed Services Committee; Department of Defense Press Briefing by Deputy Secretary Work and Gen. Selva on the FY 2017 Defense Department Budget Request in the Pentagon Press Briefing Room, February 9, 2017, found at http://www.defense.gov/News/News-Transcripts/Transcript-View/Article/653524/department-of-defense-press-briefing-by-deputy-secretary-work-and-gen-selva-on; the National Security Strategy, February 2015, found at https://www.whitehouse.gov/sites/default/files/docs/2015_national_security_strategy.pdf; and the Department of Defense Quadrennial Defense Review for 2014 found at http://archive.defense.gov/pubs/2014_Quadrennial_Defense_Review.pdf.

[7] The Center for Strategic and International Studies, "Open Letter on Defense Reform," March 14, 2016, http://csis.org/press/press-release/open-letter-defense-reform.

[8] Chairman of the Joint Chiefs of Staff, "National Military Strategy of the United States 2015: The United States Military's Contribution to National Security," June 2015. Available at http://www.jcs.mil/Portals/36/Documents/

assert that there is a "low but growing" possibility that the United States may find itself in a conflict with another major power.[9]

In developing the FY2017 budget to deal with the challenges to U.S. security interests, DOD said it focused on the following priorities:

- being able to deter the most technologically advanced potential adversaries with conventional weapons, without assuming that U.S. forces would match the size of enemy forces;
- increasing the combat effectiveness of U.S. forces by modernizing their equipment and changing their organization rather than by enlarging their numbers; and
- emphasizing innovation.[10]

Some observers have called for DOD to be more flexible and agile in order to meet a variety of expected and unexpected threats.[11] One of DOD's more high-profile initiatives, called the "Third Offset," is an effort to develop and use advanced technologies to mitigate adversaries' numerical and technological advantages.[12] Under this rubric, according to DOD, priority is being given to technologies relevant to guided munitions, undersea warfare, cyber and electronic warfare, and human-machine teaming, as well as wargaming and the development of new battlefield operating concepts.[13]

Shortly after taking office, President Trump directed the Secretary of Defense to conduct a "30-day Readiness Review" which included an assessment of "military training, equipment maintenance, munitions, modernization and infrastructure."[14] This readiness review, in part, led to the Trump Administration's March 2017 request for additional appropriations for DOD. In a letter to House Speaker Paul Ryan on March 16, 2017, President Trump said the $30 billion request for additional funds in FY2017 would address "critical budget shortfalls in personnel, training, equipment, munitions, modernization and infrastructure investment. It represents a critical first step in investing in a larger, more ready, and more capable military force."[15]

Publications/2015_National_Military_Strategy.pdf.

[9] See CRS Report R43838, *A Shift in the International Security Environment: Potential Implications for Defense—Issues for Congress*, by Ronald O'Rourke.

[10] Department of Defense, "Press Briefing by Deputy Secretary Work and Gen. Selva on the FY 2017 Defense Department Budget Request," February 9, 2016. http://www.defense.gov/News/News-Transcripts/Transcript-View/Article/653524/department-of-defense-press-briefing-by-deputy-secretary-work-and-gen-selva-on

[11] See, for example, "Remarks by Chairman Mac Thornberry at the National Press Club," January 13, 2016. http://www.press.org/sites/default/files/20160113_thornberry.pdf

[12] The label implies that the current initiative is comparable in its scope to two earlier "offset" strategies pursued by DOD during the Cold War, each of which was intended to nullify the more numerous conventional combat forces of the Soviet Union. The first was the Eisenhower Administration's reliance on nuclear weapons; the second was the effort, beginning in the late 1970s, to meld long-range target detection equipment, highly accurate guided munitions, and low-observable design (or "stealth").

[13] Mackenzie Eaglen, "What is the Third Offset Strategy?" *Real Clear Defense*, February 16, 2016. Available at http://www.realcleardefense.com/articles/2016/02/16/what_is_the_third_offset_strategy_109034.html.

[14] U.S. President (Trump), Memorandum to the Secretary of Defense and Director of the Office of Management and Budget, Subject: Rebuilding the U.S. Armed Forces, January 27, 2017, at https://www.whitehouse.gov/the-press-office/2017/01/27/presidential-memorandum-rebuilding-us-armed-forces.

[15] For more information see CRS Report R44806, *The Trump Administration's March 2017 Defense Budget Proposals: Frequently Asked Questions*, by Pat Towell and Lynn M. Williams.

The Budgetary Context

Congressional deliberations on the FY2017 defense budget have been one facet of a broader budget discussion regarding the annual limits on discretionary appropriations (through FY2021) as established by the Budget Control Act of 2011(BCA/P.L. 112-25).[16]

The BCA spending limits – one on defense spending (budget function 050), and one on nondefense spending (defined as all other federal programs) – apply to discretionary appropriations for the base budget and are enforced by a budgetary mechanism referred to as *sequestration*.[17]

Table 4 shows the statutory changes made to the national defense (function 050) discretionary limits since enactment of the BCA. Although the BCA does not establish limits on the subfunctions (051, 053 and 054), the BCA limits on function 050 have been applied proportionally to the subfunctions in practice.

Table 4. BCA Limits on National Defense (050) Discretionary Budget Authority

amounts in billions of dollars

National Defense (050)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Budget Control Act of 2011	555	546	556	566	577	590	603	616	630	644
Budget Control Act of 2011 after revision (sequestration)	555	492	502	512	523	536	549	562	576	590
American Taxpayer Relief Act of 2012	555	***518****	***498****	512	523	536	549	562	576	590
Bipartisan Budget Act of 2013	555	518	***520****	***521****	523	536	549	562	576	590
Bipartisan Budget Act of 2015	555	518	520	521	***548****	***551****	549	562	576	590

Source: CRS analysis of P.L. 112-240, P.L. 113-67, and P.L. 114-74; CBO Final Sequestration Report for Fiscal Year 2012.

***[Bold-italics]** indicates a statutory change was made to the original BCA limits.

The BCA spending limits do not apply to funds designated for OCO and the law does not define or otherwise limit the term "Overseas Contingency Operations." Therefore, the OCO designation can be applied to any appropriation which the President and Congress agree to so-designate. That fact undergirds two questions that dominated debate over the allocation of OCO-designated funds in the FY2017 defense budget:

- How much in excess of the defense spending cap would be provided for DOD base budget purposes by designating such funds as OCO funds (to avoid triggering sequestration); and

[16] The Budget Control Act of 2011 codified separate annual limits for each fiscal year through FY2021 that apply to (1) discretionary funding for defense-related activities (except for war-related costs) and (2) for all other federal activities. If Congress appropriates in any year more than is allowed by the relevant cap, the limit is enforced by mandatory across-the-board reductions to all appropriations that are covered by that cap—a process called "sequestration."

[17] Sequestration – across-the-board cuts to non-exempt accounts – is triggered if the total amount appropriated for a category exceeds the cap for that category of spending. For more information, see CRS Report R44039, *The Budget Control Act and the Defense Budget: Frequently Asked Questions*, by Lynn M. Williams.

- Would both the defense and nondefense categories of spending be allowed to exceed their respective spending caps (using OCO-designated funds) by roughly equal amounts?

Since 2009, the OCO designation has been applied to a widening range of activities, including those associated with operations against the Islamic State and activities intended to reassure U.S. allies in Europe confronted by Russian assertiveness.

In the Obama Administration's February 2016 budget request for FY2017, $5.1 billion of the $58.8 billion in OCO-designated funds were intended to be used for base budget purposes. The Trump Administration's request for additional appropriations distinguished between the $24.9 billion for the base budget and the $5.1 billion for OCO. It also proposed reducing non-defense spending by $18.0 billion to offset the proposed base budget defense increase and for increasing the cap on defense spending by $25 billion.

The Budget Control Act and Defense Spending

For more information on the BCA and detail on the effect of the BCA limits on DOD military (subfunction 051) budgets, see CRS Report R44039, *The Budget Control Act and the Defense Budget: Frequently Asked Questions*, by Lynn M. Williams.

The FY2017 Caps on Defense Spending

The Bipartisan Budget Act of 2015 (BBA/P.L. 114-74) raised the Budget Control Act limits for FY2017 by $30 billion—increasing both defense and nondefense parts of the FY2017 budget by $15 billion. In addition, the BBA identified a nonbinding target of $58.8 billion for OCO funding for DOD in FY2017.[18] Similarly, the BBA set a $14.9 billion target for (nondefense) international affairs OCO funding.[19]

House Armed Services Committee Chairman Mac Thornberry is one of many congressional defense committee members who maintained that the negotiations from which the BBA emerged contemplated a higher FY2017 National Defense base budget. In a February 5, 2016 letter to House Budget Committee Chairman Tom Price, Thornberry contended that the appropriate benchmark for the FY2017 National Defense base budget was "approximately $574 billion,"– the amount incorporated into the House-passed version of the FY2016 congressional budget resolution (H.Con.Res. 27) based on the Administration's February 2015 projection for FY2017.[20]

Instead of matching its original projection, however, the Obama Administration's FY2017 base budget request for national defense matched the BBA's $551.1 billion cap and the $58.8 billion

[18]As originally drafted in October 2015, the BBA would have provided for "not less than" $58.8 billion for defense-related OCO funding in FY2017. However, the House Rules Committee amended the bill by eliminating the "not less than" phrase so that, as enacted, the BBA simply states that $58.8 billion could be appropriated for DOD's OCO funding in FY2017 See "House Amendment to the Senate Amendment to H.R. 1314 [text of the Bipartisan Budget Act of 2015]," in the record of the House Rules Committee's action on that Senate amendment, October 27, 2015. https//rules.house.gov/bill/hr-1314-sa-0. See also "Amendment to the House Amendment offered by Mr. Boehner (Amendment #2)" in the record of the House Rules Committee's action on "Senate Amendment to H.R. 1314," October 27, 2015. https//rules.house.gov/bill/hr-1314-sa-0.

[19] The International Affairs budget—designated Budget Function 150—is, for the most part, funded by Congress in the annual State Department, Foreign Operations, and Related Agencies appropriation bill. Under the BCA-created spending caps regime, the international affairs budget is included in the non-defense category.

[20] Letter from The Honorable William M. "Mac" Thornberry, Chairman, House Committee on Armed Services, to The Honorable Tom Price, Chairman, House Committee on the Budget, February 5, 2016.

OCO level. Of the OCO request, approximately $5 billion was identified for base budget activities. Thus, the Administration's budget request would provide a total of $556.1 billion for FY2017 base budget defense operations—$18 billion less than the previously projected request. Chairman Thornberry argued the Obama Administration had erred in treating the BBA's nonbinding OCO level as "a ceiling, not a floor" and failed to sufficiently resource the needs of the Department.[21]

To bring FY2017 base defense funding up to $574 billion—$23 billion higher than that BBA defense cap—without triggering sequestration, Thornberry called for authorizing $23 billion of OCO-designated funding for base budget purposes (about $18 billion more than the Administration's OCO for base budget request). Keeping with the $58.8 billion OCO target set by BBA, Thornberry proposed that the resulting shortfall in funding for actual OCO requirements could be made up for by a supplemental appropriations request submitted early in 2017 by the newly installed Administration.

H.Con.Res. 125, the FY2017 House Budget Resolution reported by the Budget Committee on March 23, 2016, mirrored Chairman Thornberry's proposal to allow $574 billion for national defense base budget purposes. Of that amount, $551 billion would be designated as base budget funding and the remaining $23 billion would be drawn from OCO-designated funding.

The committee-reported budget resolution also contained reconciliation instructions to 12 House committees, directing them to report legislation that would reduce the deficit over the period of FY2017 to FY2026. In addition to reconciliation instructions, the resolution included a policy statement declaring that the House would consider legislation, early in the second session of the 114th Congress, to achieve mandatory spending savings of not less than $30 billion over the period of FY2017 and FY2018 and $140 billion over FY2017-FY2026. Ultimately, the resolution was not passed by the House or Senate and, therefore, had no force.[22]

It was in this environment that the House and Senate began legislative activity on the FY2017 NDAA and defense appropriations bill.

Budget Request in a Historical Context

The $523.9 billion requested by the Obama Administration for DOD's FY2017 base budget was approximately 0.4% higher than the corresponding FY2016 appropriation of $521.7 billion. The Trump Administration's March 2017 request for additional FY2017 appropriations brought the DOD military base budget request to $549.5 billion. Compared with the FY2016 appropriation of $522 billion, it would provide an increase of 5%.

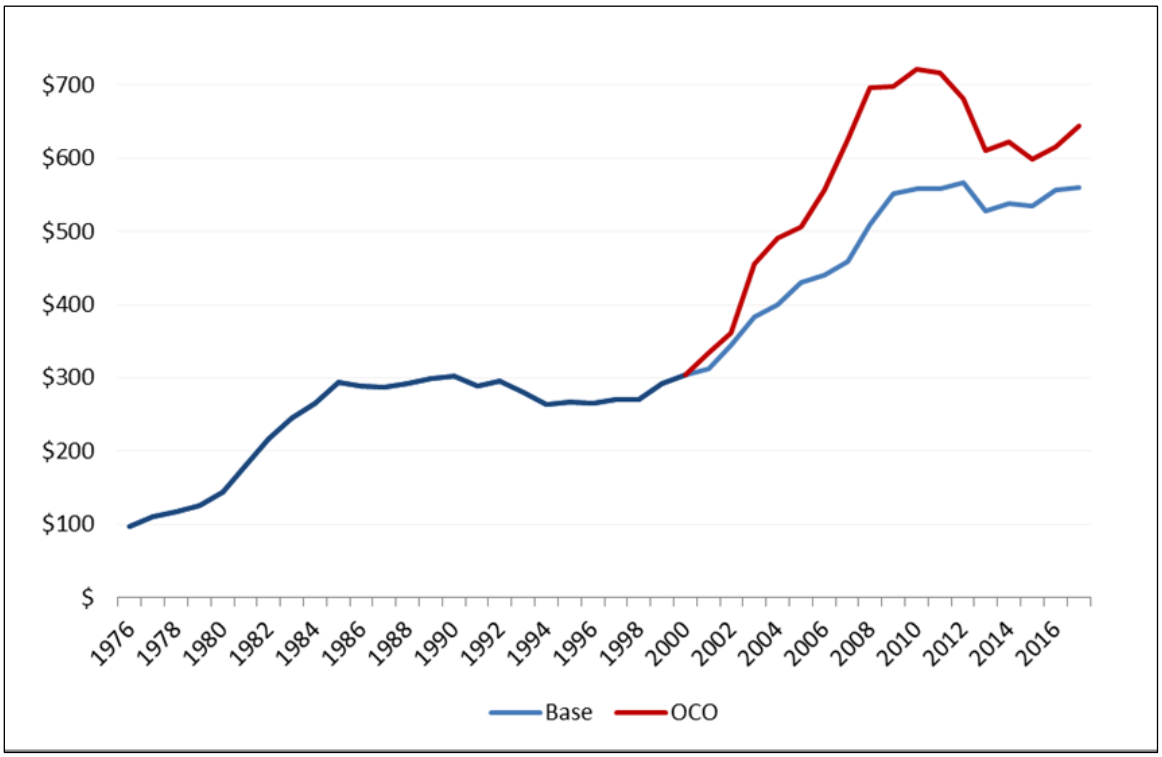
These increases followed three consecutive years (FY2013-15) in which the DOD base budget hovered between $495.0 billion and $496.1 billion after having dropped in FY2013 by approximately $35 billion (without adjusting for inflation) from the FY2012 level. A 7% reduction in DOD's budget in FY2013 reflected the government-wide spending reduction program initiated by the 2011 BCA (see **Figure 1**).

[21] Ibid.

[22] Paul M. Krawzak, "Latest Plan for House Budget Resolution Falters," CQ Roll Call, May 17, 2016 http://www.cq.com/doc/news-4889750?5&search=x9dFjJlP.

Figure 1. DOD Discretionary Budget Authority: FY1965-FY2017

billions of dollars



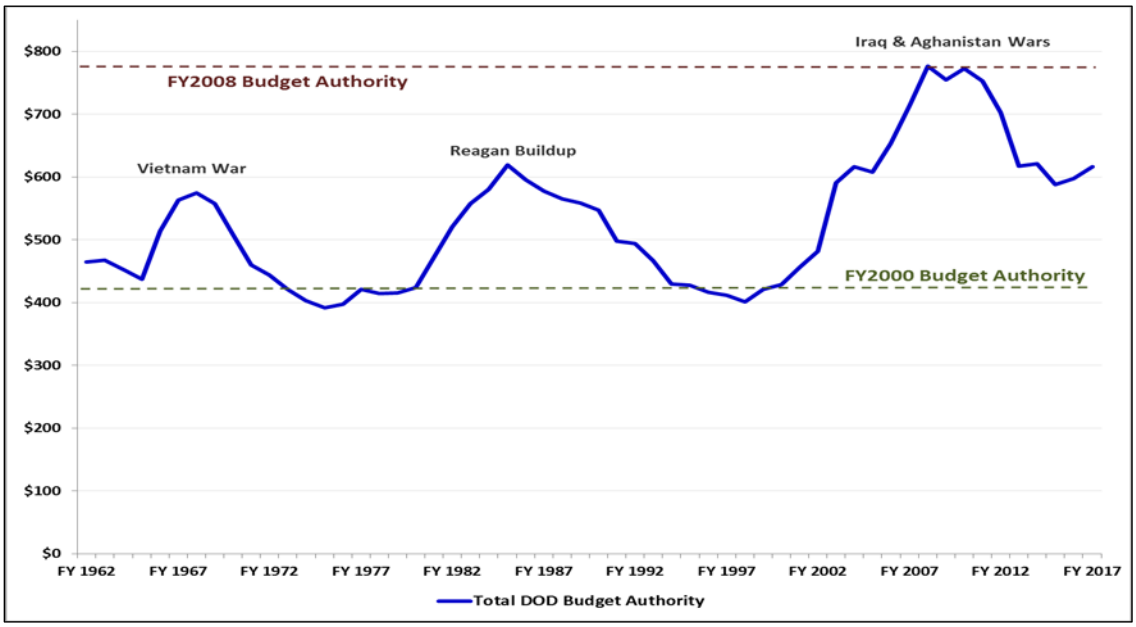
Source: CRS calculation based on data from OMB, Budget of the United States Government, FY2017: Historical Tables, Table 6-8, and DOD Comptroller, National Defense Budget Estimates for FY2017 [The Green Book], Table 2-1. "Base Budget, War Funding and Supplementals by Military Department, by Public Law Title," and CBO Estimate, Consolidated Appropriations Act, 2017, May 1, 2017.

Notes: The base budget incorporates supplemental appropriations associated with natural disasters not connected with OCO.

Adjusted for the cost of inflation, the Obama Administration's February 2016 budget request for FY2017 was approximately 9% higher than the average (mean) annual defense budget authority since the end of the Vietnam War (1975). In further comparison, the initially requested amount was about 14% lower than the enacted amount in FY1985, the peak year of defense spending during the Cold War. The base budget was 24% higher than the last defense budget enacted before the attacks of September 11, 2001. If the $58.8 billion initial OCO request is included, the total request was 38% more than the FY2000 enacted base budget (see **Figure 2**).

Figure 2. DOD Budget Authority: FY1965-FY2017

billions of 2017 dollars



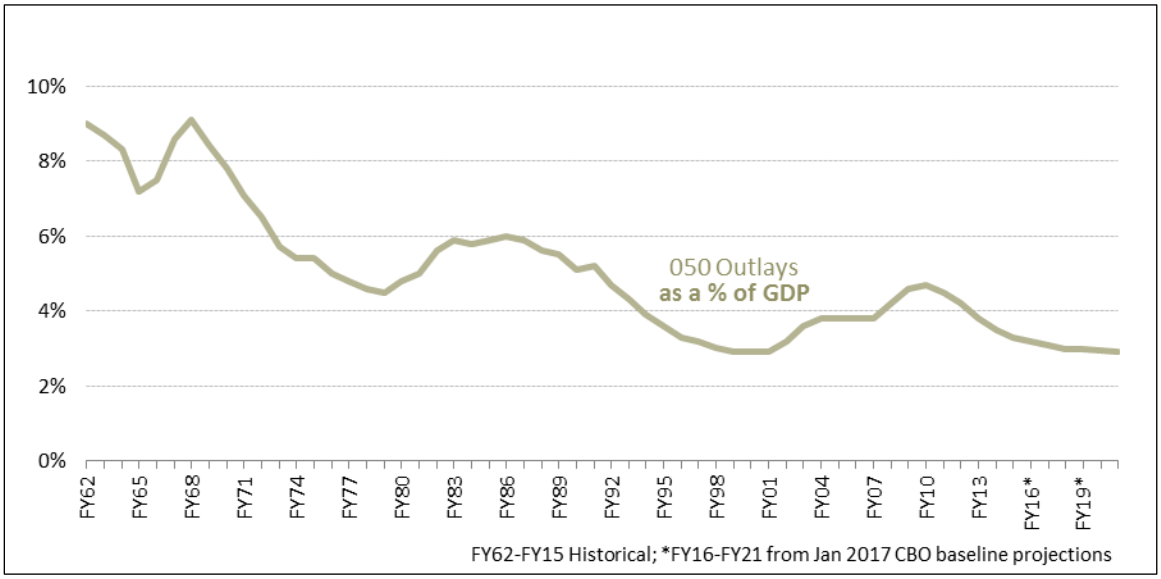
Source: CRS analysis of Department of Defense, National Defense Budget Estimates for FY2017 [The Green Book], Table 6-8, "Department of Defense Budget Authority by Public Law Title," pp. 133-39, and CBO Estimate, Consolidated Appropriations Act, 2017, May 1, 2017.

Notes: All enacted and supplemental funding is included.

At the February 2016 requested level, the total FY2017 DOD budget (including OCO funds) would amount to approximately 3.1% of the Gross Domestic Product (see **Figure 3**).

Figure 3. National Defense (Function 050) as Percentage of GDP

FY1962-FY2021



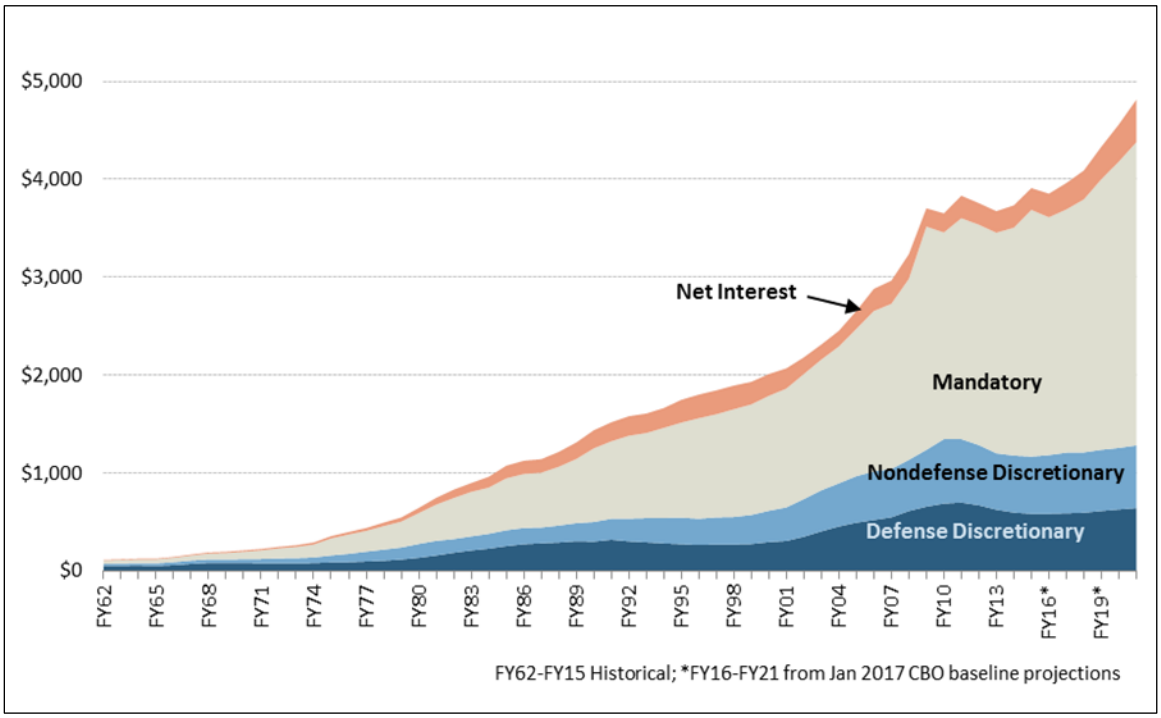
Source: OMB Historical Table 8.4 and CBO, The Budget and Economic Outlook: 2017 to 2027, January 2017.

Notes: Outlays include programs designated as Overseas Contingency Operations and other adjustments to the discretionary budget authority limits established by the BCA as amended.

Spending on defense, as a percentage of total federal outlays by budget category, has declined from approximately 41.1% in 1965 to 14.3% in FY2017. Defense spending is projected to further decline to 11.6% of the budget by 2021, while mandatory spending and net interest is forecast to consume 65.1% of budgetary resources (see **Figure 4**).

Figure 4. Federal Outlays by Budget Category

FY1962-FY2021 in billions of nominal dollars



Source: OMB Historical Table 8.1 and CBO, The Budget and Economic Outlook: 2017 to 2027, January 2017.

Notes: CBO projections are based on current law, and assume that the limits on discretionary budget authority established by the BCA as amended will proceed as scheduled. Outlays include programs designated as Overseas Contingency Operations and other adjustments to the discretionary budget authority limits established by the BCA as amended.

Trends in Federal Spending

For additional information on mandatory spending see CRS Report R44641, *Trends in Mandatory Spending: In Brief*, by D. Andrew Austin. For information on federal deficits and debt CRS Report R44383, *Deficits and Debt: Economic Effects and Other Issues*, by Grant A. Driessen.

FY2017 National Defense Authorization Act (H.R. 4909 and S. 2943)

The debate about how much to spend on defense in FY2017 played out in Congress' deliberations on the NDAA.

Table 5. The National Defense Authorization Act for FY2017

H.R. 4909 and S. 2943 (114th Congress)

Committee		House	Senate	Conference Report (H.Rept. 114-840)		
H.R. 4909	**S. 2943**	**H.R. 4909**	**S. 2943**	**House**	**Senate**	**Public Law**
5/4/2016	5/18/2016	5/18/2016	6/14/2016	12/2/2016	12/8/2016	12/23/2016
H. Rept. 114-537	S. Rept. 114-255	Vote: 277-147	Vote: 84-13	Vote: 375-34	Vote: 92-7	P.L. 114-328

Source: H.R. 4909 and S. 2943.

Both the Obama Administration's original FY2017 defense budget request and H.R. 4909 as passed by the House aligned with the BCA defense cap for FY2017. Likewise, the total OCO amounts reflected the 2015 BBA agreement—the Administration request and the House-passed bill each designated $58.8 billion of the amount authorized for DOD as OCO funding.

However, the House-passed bill would have allocated $23.1 billion of OCO-designated funding to DOD base budget purposes—$18.0 billion more than the Administration proposed. According to the House Armed Services Committee, the remaining OCO funds authorized by H.R. 4909—amounting to $35.7 billion—would cover the cost of OCO through April 2017. By then, the committee said, the newly elected President could request a supplemental appropriation to cover OCO funding requirements through the remaining months of FY2017.[23]

The Senate-passed NDAA also would have complied with the BCA caps and the 2015 BBA agreement on minimum funding for OCO by authorizing $523.9 billion for base budget activities and $58.8 billion for OCO. During floor debate on the bill, Senate Armed Services Committee Chairman John McCain proposed an amendment to S. 2943 that would have authorized an additional $17 billion designated as OCO funding to be used for base budget purposes.[24] Had the amendment been agreed to, the Senate bill nearly would have matched the House-passed bill, while also providing full year OCO funding.

Senator Jack Reed and Senator Barbara Mikulski, senior Democrats on the Armed Services and Appropriations Committees, respectively, proposed an amendment to the McCain amendment that would have increased non-DOD spending by $18 billion to provide "parity" between defense and nondefense spending. Motions to invoke cloture (that is, to end debate and force a vote) on each amendment failed to achieve the required three-fifths majority. Accordingly, the McCain amendment was withdrawn, nullifying the Reed/Mikulski amendment as well, and the bill was passed by a vote of 84-13.

The conference report on the FY2017 NDAA, enacted as P.L. 114-328, designated $8.3 billion in OCO funds for base budget purposes, about $3.2 billion more than the Administration had requested. (See **Table 6**.) President Obama signed the FY2017 NDAA conference agreement on December 23, 2016, enacting P.L. 114-328.

[23] H.R. 4909's authorization for Operation and Maintenance funding, Military Personnel funding, and Working Capital funding designated as OCO would expire on April 30, 2017 (Section 1504, 1505, and 1506). House Committee on Armed Services, "Opening Statement of Chairman Thornberry," press release, April 27, 2016.

[24] S.Amdt. 4229 to S. 2943, National Defense Authorization Act for Fiscal Year 2017, 114th Cong. (2016).

Table 6. FY2017 National Defense Authorization Act

H.R. 4909 and S. 2943/P.L. 114-328
amounts in millions of dollars of discretionary budget authority

Title	Budget Request*	House-passed H.R. 4909	Senate-passed S. 2943	Conference Report S. 2943 P.L. 114-328
Procurement	$101,971.6	$103,062.3	$102,435.0	$102,422.7
Research and Development	$71,391.8	$71,629.8	$71,227.2	$71,110.6
Operation and Maintenance	$171,318.5	$169,325.3	$171,389.8	$171,870.9
Military Personnel	$135,269.2	$134,849.8	$134,018.4	$134,569.5
Defense Health Program and Other Authorizations	$36,557.0	$37,025.6	$37,398.0	$36,058.4
Military Construction/Family Housing	$7,444.1	$7,694.0	$7,477.5	$7,709.6
Subtotal: DOD Base Budget	**$523,952.1**	**$523,586.9**	**$523,945.8**	**$523,741.6**
Atomic Energy Defense Activities	$19,240.5	$19,512.1	$19,167.6	$19,359.8
Defense-related Maritime Administration[a]	$211.0	$300.0	n/a	$300.0
TOTAL: National Defense Base Budget	**$543,403.6**	**$543,399.0**	**$543,113.4**	**$543,401.4**
OCO for OCO purposes	$53,742.2	$35,741.5	$58,890.5	$59,516.0
OCO for base budget purposes[b]	$5,055.8	$23,052.1	$0.0	$8,250.4
TOTAL: DOD OCO Budget	**$58,798.0**	**$58,793.5**	**$58,890.5**	**$67,766.4**
GRAND TOTAL: NDAA	**$602,201.6**	**$602,192.5**	**$602,004.0**	**$611,167.8**

Source: H.Rept. 114-537, H.R. 4909, S.Rept. 114-255, and S. 2943.

Notes: *Obama Administration February 2016 request. Totals may not reconcile due to rounding.

a. Funding authorization for this program, provided in Title XXXV of the House bill, is outside the jurisdiction of the Senate Armed Services Committee.

b. In its report on S. 2943, the Senate Armed Services Committee did not identify OCO funding that was requested or authorized for base budget purposes.

Table 7. Selected Highlights of the FY2017 NDAA

H.R. 4909, S. 2943/P.L. 114-328

Issue	House NDAA H.R. 4909 [H. Rept, 114-537]	Senate NDAA S. 2943 S.Rept. 114-255]	Conference Report S. 2943 P.L. 114-328 [H. Rept. 114-840]
Congressional Funding Changes			
Reductions to the request on the basis of **unobligated balances** from prior budgets, **excessive fuel price estimates**, **unjustified growth,** or other factors	Would reduce the request by $1.77 billion, of which $1.12 billion comes from the Operation and Maintenance accounts.	Would reduce the request by $935 million, of which $880 million comes from the Military Personnel accounts.	Reduces the request by $1.28 billion in Operation and Maintenance accounts and $1.29 billion from Military Personnel Accounts, but adds $1.28 billion and $1.29 billion, respectively, to OCO for base requirements in such accounts.
Foreign currency exchange rate assumptions	Would cut $429 million on the assumption that the goods and services bought by U.S. forces abroad will cost less than budgeted due to currency exchange rates.	Would cut $121 million due to assumptions regarding currency exchange rates.	Cuts $573 million due to assumptions regarding currency exchange rates.
Maintenance and Repair of **Facilities**	Would add $2.4 billion (in OCO funds).	Would add $839 million (in base budget).	Adds $396.7 million ($198.9 million in base and $197.8 million in OCO-designated-for-base).
Ship Procurement for which $18.4 billion was requested	Would increase shipbuilding authorization by a total of $2.3 billion (in OCO funds); Includes funds for one additional Littoral Combat Ship, partial funding for a destroyer and an amphibious landing transport, and $263 million to accelerate construction of an aircraft carrier.	Would add $100 million; includes partial funding for a destroyer and an amphibious landing transport; cuts $28 million from request the for Littoral Combat Ship.	Adds $490 million; includes partial funding for a destroyer and adds $440 million for amphibious landing transport (LPD-29 or LX(R). Cuts $28 million from request for the Littoral Combat Ship.
To meet BBA budget caps, reduce FY2017 **aircraft procurement** funding by 12% ($4.34 billion) below amount projected in early 2015	Would add a total of $5.9 billion to the requested aircraft procurement authorization accounts (using OCO funds).	Would add a total of $353 million to the requested aircraft procurement accounts.	Cuts $270.3 million from the requested aircraft procurement accounts ($244.7 million from base and $25.6 million from OCO).

Issue	House NDAA H.R. 4909 [H. Rept, 114-537]	Senate NDAA S. 2943 S.Rept. 114-255]	Conference Report S. 2943 P.L. 114-328 [H. Rept. 114-840]
Administration Policy Initiatives			
Administration efforts to close Guantanamo Bay detention site	Would prohibit the transfer of detainees to the United States (Section 1032) or to certain other countries (Section 1034).	Would prohibit the permanent transfer of detainees to the United States or to certain other countries (Sections 1021, 1026, 1029); would allow temporary transfer to U.S. for medical treatment (Section 1024).	Maintains existing restrictions on the closure of the detention facility; extends current prohibitions on transfers of detainees into the United States and construction or modification of facilities in the United States for detainees (Sections 1032-1035).
Plan a Base Realignment and Closure (BRAC) round	Would prohibit the use of funds for a BRAC round (Section 2707); cuts $3.5 million slated for BRAC planning.	Would prohibit the use of funds for a BRAC round (Section 2702); cuts $4 million slated for BRAC planning.	Includes the Senate provision (Section 2702); cuts $3.5 million slated for BRAC planning.
Provide 1.6% raise in military basic pay	Requires a 2.1% raise (§601); add $330 million for the cost	Approves Administration proposal (§601)	Senate recedes to the House, adopting the 2.1% pay raise (Section 601); adds $330 million (in base budget).
Cuts end-strength by 27,015 active and 9,800 reserve component personnel	Increases current end-strength by 1,700 active-duty and 15,200 reserve component; adds $3.2 billion for the added cost	Approves Administration proposal	Authorizes an end-strength increase of 24,000 active personnel and 12,000 reserve component personnel; adds $1.35 billion (in OCO funds) to the request.
Introduces new TRICARE fees and increase existing fees and co-pays	Establishes some TRICARE fees and co-pays similar to Administration proposal (§701)	Makes significant changes to TRICARE (Title VII, Subtitle A); consolidates medical departments of services with Defense Health Program (§721)	Renames the TRICARE Standard/Extra health plan option to TRICARE Select; modifies enrollment fees, deductibles, catastrophic caps, and co-payments for beneficiaries in the retired category and active duty family members who join the military on or after January 1, 2018; requires an open enrollment period; and prescribes certain requirements for pre-authorization for referrals under TRICARE Prime (Section 701).

Issue	House NDAA H.R. 4909 [H. Rept, 114-537]	Senate NDAA S. 2943 S.Rept. 114-255]	Conference Report S. 2943 P.L. 114-328 [H. Rept. 114-840]
Disbands one (of 10) active-duty carrier air wings	Rejects proposed change in current law to allow reduction; adds $86 million for wing operations	Incorporates the proposed change in law allowing reduction to 9 wings (§1088)	Reduces to 9 the minimum number of carrier air wings until additional deployable aircraft carriers can fully support a tenth carrier air wing, or October 1, 2025, whichever comes first, at which time the Secretary of the Navy shall maintain a minimum of ten carrier air wings (Section 1042).
Congressional Policy Initiatives			
Registration of women for the draft	Had been required by bill as reported by HASC, but provision was deleted by House Rules Committee	Required by Section 591	Does not include Senate Section 591.
Troop levels in Afghanistan (budget assumed 5,500)	Would add $2.33 billion to support deployment of 9,800 U.S. troops (rather than 5,500 as proposed in the original FY2017 OCO budget).	Would make no change to the original FY2017 request.	Agreement supports the November 2016 amended OCO request, including $2.5 billion in additional funding to maintain approximately 8,400 U.S. troops in Afghanistan.
Ballistic Missile Defense – Requested $7.51 billion, including $146 million for Israeli-designed systems	Would add $635 million, including $480 million for Israeli systems; would require demonstration of space-based missile defense by 2025 (§1656)	Would add $250 million, including $135 million for Israeli systems.	Would make a net addition of $414 million, including $455 million for Israeli systems; encourages DOD to consider feasibility of space-based missile defense (Section 1683).
Security cooperation with partner countries	Recodifies several existing authorities to train and assist partner country forces (Sections 1201-06)	Broadens the range of purposes for which DOD can train, equip, and assist partner country forces (Sections 1251-65)	Incorporates several provisions from each earlier version of the bill (Sections 1204-05, 1241-53)

The Defense Appropriations Act, 2017 (H.R. 5293, S. 3000, H.R. 1301, and H.R. 244)

In drafting H.R. 5293, the House Appropriations Committee generally followed the HASC and approved $510.6 billion in base discretionary budget authority and $58.6 billion for OCO-designated funding, with $17.5 billion of that designated as "base budget requirements." As noted, the Administration and many in Congress have objected to providing defense funding for base budget requirements in excess of the spending cap unless it is accompanied by a comparable increase in funding for nondefense, base budget programs. Despite these objections, H.R. 5293

passed the House without amendment to the designation of OCO funding for base requirements on June 16, 2016.

The Senate version of the defense appropriations bill, S. 3000, was reported out of the Senate Appropriations Committee on May 26, 2016 and would have provided $509.5 billion in discretionary base budget authority along with $58.6 billion for OCO requirements Unlike the House, the Senate did not use OCO-designated funds to increase the base budget.

However, the Senate committee noted in a press release that the committee identified "$15.1 billion from more than 450 specific budget cuts and redirect[ed] those savings to high-priority national security needs."[25] In addition to routine reductions due to lower-than-anticipated fuel costs and unobligated balances from prior-year appropriations totaling $5.4 billion, S. 3000 proposed additional savings achieved through efforts to "improve funds management," "restore acquisition accountability," and "maintain program affordability."[26] Many of the programmatic increases proposed by the Senate committee (and offset in large part by the $15.1 billion in savings described above) were aligned with the increases proposed by one or another of the NDAA versions (H.R. 4909 and S. 2943) or by H.R. 5293.

The Senate did not act on S. 3000 before October 1, 2016, the start of FY2017. By that date, DOD's FY2017 military construction budget had been funded in the annual appropriations bill that also funded the Department of Veterans Affairs and certain other agencies (H.R. 5325/P.L. 114-223). P.L. 114-223 also included a continuing resolution (CR) to provide temporary funding for federal agencies for which no FY2017 funds had been appropriated by the start of the fiscal year. This first CR (H.R. 5323/P.L. 114-223) provided continuing budget authority for FY2017 effective October 1, 2016, through December 9, 2016.

On December 10, 2016, the initial FY2017 continuing resolution (H.R. 5323/P.L. 114-223) was succeeded by a second continuing resolution (H.R. 2028/P.L. 114-254). This second CR provided funding through April 28, 2017. Division B of this second FY2017 CR (P.L. 114-254) also appropriated a total of $5.8 billion for OCO-designated DOD funds for FY2017—including $1.5 billion in additional funding requested by the Obama Administration's November 2016 budget amendment.

FY2017 Continuing Resolutions

For more information see CRS Report R44636, *FY2017 Defense Spending Under an Interim Continuing Resolution (CR): In Brief*, by Lynn M. Williams and Sean I. Mills.

After the 115th Congress convened in January 2017, negotiators for the House and Senate Appropriations Committees drafted a new FY2017 defense appropriations bill—H.R. 1301. It was based on the original February 2016 budget request for FY2017, with a deduction of $1.5 billion for OCO activities that had been funded by Division B the second FY2017 continuing resolution (H.R. 2028/P.L. 114-254). The House passed H.R. 1301 on March 8, 2017, by a vote of 371-48. However, no action followed in the Senate and a third continuing resolution (H.J.Res. 99/P.L. 115-30) was enacted April 28, 2017, to extend the provisions of the second continuing resolution (P.L. 114-254) for an additional week, to allow negotiators to finalize the agreement. (See **Table 8**.)

[25] U.S. Senate Committee on Appropriations, "Senate Appropriations Committee Approves FY2017 Defense Funding Bill," press release, May 26, 2016, http://www.appropriations.senate.gov/news/majority/senate-appropriations-committee-approves-fy2017-defense-funding-bill.

[26] S.Rept. 114-263

Table 8. FY2017 Defense Appropriations Act: Timeline

H.R. 5293, S. 3000, H.R. 1301, and H.R. 244*

Origin	Number	Committee Markup	House Passage	Senate Passage	Public Law
HAC-D	H.R. 5293	5/17/2016 H.Rept. 114-577	6/16/2016 Vote: 282-138		
SAC-D	S. 3000	5/26/2016 S.Rept. 114-263			
1st Bicameral Agreement	H.R. 1301[a]		3/8/2017 Vote: 371-48		
2nd Bicameral Agreement	H.R. 244		5/2/2017 Vote: 309-118	5/4/2017 Vote: 79-18	5/4/2017 P.L. 115-31

Source: H.R. 5293, S. 3000, H.R. 1301 (all in the114th Congress) and H.R. 244 (115th Congress).

Note: *An initial continuing appropriations resolution for FY2017 (P.L. 114-223) was enacted 9/29/2016 and provided appropriations for the DOD at 99.5% of FY2016 appropriated levels through 12/9/2016. A second continuing resolution, (P.L. 114-254), enacted on December 10, 2016, that provides funding for those agencies at a rate equivalent to 99.8% of the FY2016 appropriated levels. A third continuing resolution (H.J.Res. 99/P.L. 115-30) was enacted April 28, 2017, and extending P.L. 114-254 to May 5, 2017. This table only summarizes congressional action on full-year defense appropriations bills.

a. The Joint Explanatory Statement to accompany H.R. 1301 can be found in the Congressional Record, March 8, 2017, pp. H1640-H1935.

On March 16, 2017, the Trump Administration submitted a request for "Additional Appropriations" for FY2017. The request totaled nearly $30 billion—$24.7 billion for the DOD base budget and $5.1 billion for OCO. The Obama Administration's base budget request was at the $551 billion BCA limit on defense discretionary budget authority. Congress was faced with three main options: raise the BCA limit; designate any additional appropriations as OCO; or not respond to the newly elected President's request for additional FY2017 resources for defense.

On May 3, 2017, a third version of the FY2017 defense appropriations bill passed the House as Division C of H.R. 244, the Consolidated Appropriations Act, 2017. Division C generally aligned with H.R. 1301 but included a new title (Title X) which provided $14.8 billion in "Additional Appropriations" for DOD, all of which were designated as funding for Overseas Contingency Operations. In total, H.R. 244 provided $586.2 billion in funding for the Department of Defense. H.R. 244 became P.L. 115-31 on May 5, 2017. The amounts appropriated include a total of $19.9 billion in funding for base budget purposes that is designated as Overseas Contingency Operations funding.[27] (See **Table 9**.)

[27] Includes $5.1 billion requested by the Obama Administration in February 2016 and $14.8 billion provided by Congress following the Trump Administration's March 2017 request for $24.7 billion in additional base budget funding.

Table 9. FY2017 Defense Appropriations Act: Funding Levels

H.R. 5293, S. 3000, H.R. 1301 and H.R. 244/P.L. 115-31
amounts in millions of dollars of discretionary budget authority

Title	Budget Request[a]	H.R. 5293	S. 3000	H.R. 1301	H.R. 244 P.L. 115-31
Military Personnel	$128,902.3	$128,168.5	$127,976.5	$128,726.0	$128,726.0
Operation and Maintenance	$171,318.5	$173,680.1	$170,698.9	$167,603.3	$167,603.3
Procurement	$101,916.4	$104,200.6	$105,253.8	$108,426.8	$108,426.8
Research and Development	$71,391.7	$70,292.9	$70,800.8	$72,301.6	$72,301.6
Revolving and Management Funds	$1,371.6	$1,371.6	$1,561.6	$1,511.6	$1,511.6
Defense Health Program and Other Authorizations	$35,284.7	$35,358.4	$35,815.2	$35,615.8	$35,615.8
Related Agencies	$1,047.6	$997.6	$1,039.4	$1,029.6	$1,029.6
General Provisions (net)	--	-$3,423.6	-$3,680.2	-$5,583.7	-$5,583.7
Subtotal: DOD Base Budget	**$511,232.8**	**$510,646.1**	**$509,466.1**	**$509,631.0**	**$509,631.0**
OCO for OCO purposes[b]	**$53,742.2**	**$35,741.5**	**$58,890.5**	**$61,822.0**	**$61,822.0**
OCO-designated additional appropriations[c]	**$5,055.8**	**$23,052.1**	**$0.0**	**$0.0**	**$14,752.3**
Total: DOD OCO Budget	**$58,798.0**	**$58,626.0**	**$58,635.0**	**$61,822.0**	**$76,574.3**
TOTAL: DOD Appropriations	**$569,858.4**	**$569,272.1**	**$568,101.1**	**$571,453.0**	**$586,205.3**

Source: H.Rept. 114-577 to accompany H.R. 5293, S.Rept. 114-263 to accompany S. 3000, H.R. 1301 and H.R. 244/P.L. 115-31. The Joint Explanatory Statement to accompany H.R. 1301 can be found in the Congressional Record, March 8, 2017, pp. H1640-H1935. The Joint Explanatory Statement to accompany H.R. 244 can be found in the Congressional Record, May 3, 2017, Book II, pp. H3391-3703.

Notes: Includes only those accounts under the jurisdiction of the Defense Appropriations Subcommittees. Totals may not reconcile due to rounding. Does not include scorekeeping adjustments.

An initial continuing appropriations resolution for FY2017 (P.L. 114-223) was enacted 9/29/2016 and provided appropriations for the DOD at 99.5% of FY2016 appropriated levels through 12/9/2016. A second continuing resolution, (P.L. 114-254), enacted on December 10, 2016, that provides funding for those agencies at a rate equivalent to 99.8% of the FY2016 appropriated levels. A third continuing resolution (H.J.Res. 99/P.L. 115-30) was enacted April 28, 2017, and extending P.L. 114-254 to May 5, 2017. This table only summarizes congressional action on full-year defense appropriations bills.

a. Obama Administration, February 2016 request.

b. In its report on S. 3000, the Senate Appropriations Committee did not identify OCO funding that was requested or authorized for base budget purposes. Neither did the Joint Explanatory Statement to accompany H.R. 1301.

c. See Title X of Division C, H.R. 244.

Table 10 provides summaries of selected highlights of the House-passed and Senate-committee passed FY2017 Defense Appropriations Act:

Table 10. Selected Highlights of the FY2017 Defense Appropriations Act

H.R. 5293, S. 3000, and H.R. 244/P.L. 115-31

Issue	First House-passed bill H.R. 5293 [H.Rept. 114-577]	First Senate committee-reported bill S. 3000 [S. Rept. 114-263]	H.R. 244 P.L. 115-31 [Joint Explanatory Statement, *Congressional Record*, May 3, 2017, Book II, pp. H3391-3703]
Congressional Funding Changes			
Rescissions of funds appropriated in previous fiscal years	Rescinds $2.3 billion	Rescinds $4.1 billion	Rescinds $5.1 billion
Reductions to draw down excess cash balances in revolving funds	Cuts $336 million	Cuts $706.5 million	Cuts $867 million
Facilities maintenance and repair ($9.6 billion requested)	Adds $1.6 billion	Adds $154 million	Adds $148.0 million
Readiness improvement lump-sum additions	Adds $3.9 billion	Adds $2.5 billion	Adds $801 million
Shipbuilding procurement and conversion ($18.4 billion requested)	Adds $3.2 billion	Adds $2.1 billion	Adds $2.8 billion
FY2017 Aircraft procurement request lower than projected by 12% ($4.3 billion)	Adds $5.4 billion	Adds $1.5 billion	Adds $3.4 billion
Administration Policy Initiatives			
Administration efforts to close Guantanamo Bay detention site	Prohibits closure of Guantanamo Bay facility (Section 8128); restricts transfer of detainees from Guantanamo Bay to U.S. or other countries (Sections 8097, 8099)	Restricts transfer of detainees from Guantanamo Bay to U.S. or other countries (Sections 8097, 8099)	Prohibits closure of Guantanamo Bay facility (Section 8127); restricts transfer of detainees from Guantanamo Bay to U.S. or other countries (Sections 8101, 8103)
Provide 1.6% raise in military basic pay	Adds $340 million to cover the cost of the 2.1% raise authorized by House NDAA	Funds the Administration proposal	Adds a total of $1.3 billion to fund the additional end strength authorized by the NDAA and a 2.1% pay raise
Cut end-strength by 27,015 active and 9,800 reserve component personnel	Adds $3.2 billion to fund added end-strength authorized by House NDAA	Funds the Administration proposal	
Plan a Base Realignment and Closure round	Cuts $3.5 million slated for BRAC planning	Cuts $3.5 million slated for BRAC planning	Cuts $3.5 million slated for BRAC planning
Congressional Policy Initiatives			
Medical R&D ($1.0 billion requested)	Adds $735 million	Adds $915 million	Adds $1.28 billion

Issue	First House-passed bill H.R. 5293 [H.Rept. 114-577]	First Senate committee-reported bill S. 3000 [S. Rept. 114-263]	H.R. 244 P.L. 115-31 [Joint Explanatory Statement, *Congressional Record*, May 3, 2017, Book II, pp. H3391-3703]
Science and Technology (S&T) R&D ($12.5 billion requested)	Adds $654 million	Adds $254 million	Adds $1.51 billion

Selected FY2017 Defense Funding and Policy Issues

DOD Organization

Both the House and Senate versions of the FY2017 NDAA included provisions intended to make DOD more agile and adaptable to meet emerging threats. At least in modified form, many of these initiatives were incorporated into the compromise final version of S. 2943.

Following are selected provisions of S. 2943, as enacted, that address the organization of the DOD leadership and the National Security Council:

- Section 921 extends from two years to four years the terms of office of the **Chairman and Vice-Chairman of the Joint Chiefs of Staff**. It also requires that their terms be staggered and that the Vice-Chairman be ineligible for service as chairman or any other position in the armed forces, a limitation which the President can waive if deemed in the national interest. Similar provisions had been included in both H.R. 4909 (Section 907) and the Senate-passed version of S. 2943 (Section 921).
- Section 903 limits the number of persons assigned to the **Joint Staff** to no more than 2,069 of whom no more than 1,500 can be military personnel on active duty. The original Senate bill included the ceiling on the number of active-duty military personnel assigned to the Joint Staff, but it also included limits on the number of civilians assigned to the offices of the Secretary of Defense and the Secretaries of the Army, Navy and Air Force (Section 904).
- Section 1085 provides that the professional **staff of the National Security Council** (NSC) shall include no more than 200 persons, approximately half the number of staff of the Obama Administration NSC. The original Senate bill would have capped the size of the NSC staff at 150 persons, while H.R. 4909 would have required Senate confirmation of the President's National Security Advisor if the staff exceeded 100 persons.
- Section 923 elevates the **U.S. Cyber Command** (USCYBERCOM) to the status of a combatant command which is the same status as Strategic Command, European Command, Central Command and DOD's other major operational arms. Section 911 of H.R. 4909 was similar.
- Section 922 is intended to enhance the authority of the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict (SO/LIC) to provide bureaucratic advocacy and support for the **U.S. Special Operations Command** (USSOCOM) in the same way that the Secretaries of the Army, Navy, and Air Force support those services. Section 923 of the original Senate bill was similar.

DOD Organizational Issues

For background and additional detail, see CRS Report R44474, *Goldwater-Nichols at 30: Defense Reform and Issues for Congress*, by Kathleen J. McInnis, and CRS Report R44508, *Fact Sheet: FY2017 National Defense Authorization Act (NDAA) DOD Reform Proposals*, by Kathleen J. McInnis.

Acquisition Reform

As enacted, the FY2017 NDAA includes several provisions intended to rebalance the way DOD manages risk in developing and procuring weapons systems. Despite Administration objections, the bill's Section 901 would divide the authority over the entire weapons acquisition process—from the earliest phases of research and development to production and sustainment—between two senior DOD officials. This authority is currently vested in the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L). Pursuant to S. 2943, the AT&L position will be replaced by an Under Secretary for Research and Engineering and an Under Secretary for Acquisition and Sustainment, a move for which House and Senate conferees on the bill expressed the following rationale:

> The conferees believe the technology and acquisition missions and cultures are distinct. The conferees expect that the Under Secretary of Defense for Research and Engineering would take risks, press the technology envelope, test and experiment, and have the latitude to fail, as appropriate. Whereas the conferees would expect that the Under Secretary of Defense for Acquisition and Sustainment to focus on timely, cost-effective delivery and sustainment of products and services, and thus seek to minimize any risks to that objective.

The original Senate-passed version of S. 2943 had a similar provision (Section 901). As enacted, the bill provides that these organizational changes will take effect on February 1, 2018.

The enacted NDAA also includes provisions intended to make DOD's weapons acquisition process more agile, among which are the following:

- Section 805 requires that, to the maximum extent practicable, major weapons systems will be designed following a **"modular open system approach"** intended to make it relatively easy to add, remove, or update major components of the system, thus facilitating competition among suppliers to provide incremental improvements. The House bill had included a similar provision (Section 1701).
- Section 806 would make various changes to the rules governing the development of major weapons systems including changes intended to require that programs incorporate **only "mature" technologies**. In other words, DOD would not gamble on unproven technologies which, if not realized, would delay or stymie procurement of the proposed new weapon.

DOD Contracting Procedures

The enacted version of the NDAA also includes several provisions relating to DOD contracting procedures, among which are the following:

- Section 829 modifies DOD's acquisition regulations to establish a preference for **fixed-price contracts** (rather than contracts that reimburse the contractor's costs and provide an additional fee). The enacted provision allows more flexibility for the use of other types of contracts than had the corresponding provision (Section 827) in the original, Senate-passed version of S. 2943.

- Section 813 limits the circumstances under which DOD could award a contract to the bidder who submitted the **lowest price, technically acceptable (LPTA)** offer. Contracting by the LPTA rule bars the government from paying a higher price for a proposal it deems technically superior to (or offered by a more reliable contractor than) the lowest-price proposal. Similar provisions had been included in the House-passed bill (Section 847) and in the original Senate bill (Section 825).
- Section 885 requires a report to Congress on the **bid protest process** by which the award of a DOD contract can be challenged on grounds that the award violated relevant laws and regulations. Such protests are adjudicated by the GAO. The House-passed bill contained a similar provision (Section 831). The original Senate-passed bill (in Section 821) would have required the protestor (if it was a large contractor) to cover the cost of the process if GAO denied all elements of the protest.

Acquisition Process Issues

For background and additional detail, see CRS Report R44561, *Acquisition Reform in the House and Senate Versions of the FY2017 National Defense Authorization Act*, by Moshe Schwartz.

Security Cooperation Management

The enacted version of S. 2943 includes in Subtitle E of Title XII several dozen provisions on "security cooperation," defined as programs, activities, and other interactions of the U.S. Department of Defense (DOD) with the security forces of other countries that are intended to increase partner country capabilities, provide U.S. armed forces with access, or promote relationships relevant to U.S. national security interests.

Statutes governing security cooperation have been enacted piecemeal over time and are scattered through U.S. Code and public law (such annual NDAAs). In the debates over the FY2017 defense funding bills, DOD and the congressional defense committees developed various proposals to streamline the existing security cooperation authorities and facilitate congressional oversight.

The agreed on provisions, consolidated into a new Chapter 16 of Title 10 of the U.S. Code, govern:

- Military-to-military engagements, exchanges, and contacts, including payment of personnel expenses and the extension of such authorities to nonmilitary security personnel (with the concurrence of the Secretary of State);
- Combined exercises and training with foreign forces;
- Operational support and foreign capacity building, including logistics support, supplies, and services associated with operations that the U.S. military is not directly participating in; defense institution building; and authority to train and equip foreign forces as well as sustain such support; and
- Educational and training activities, including foreign participation in service academies and other DOD-sponsored programs, such as the DOD State Partnership Program, the Regional Centers for Security Studies, and the Regional Defense Combating Terrorism Fellowship Program.

Security Cooperation Management

For background and additional detail, see CRS Report R44673, *Security Cooperation: Comparison of Proposed Provisions for the FY2017 National Defense Authorization Act (NDAA)*, by Liana W. Rosen et al., and CRS In Focus IF10582, *Security Cooperation Issues: FY2017 NDAA Outcomes*, by Liana W. Rosen.

Military Personnel Matters

For active-duty and reserve component military personnel costs, the original FY2017 budget request included $135.3 billion in the base budget and $3.6 billion in OCO, for a total of $138.8 billion.[28] The Administration also proposed reductions in military manpower and changes in military compensation—some of which were incorporated into the budget request—that would reduce the rate at which personnel cost-per-troop increased.

Military Personnel Issues in the FY2017 NDAA

For information and additional analysis of military personnel issues addressed in the FY2017 NDAA, including TRICARE and other DOD health care issues, see CRS Report R44577, *FY2017 National Defense Authorization Act: Selected Military Personnel Issues*, by Kristy N. Kamarck et al.

Active Duty and Reserve Component End Strength

The annual personnel budget is driven partly by the number of military personnel, measured in terms of authorized end strength.[29] Over the past decade, authorized active duty end strengths have shifted in response to the build-up and draw-down associated with conflicts in Afghanistan and Iraq.

The past five years have witnessed substantial reductions in personnel strength, with ground forces bearing the brunt of the cuts. Overall, the Administration proposed an active duty end strength for FY2017 of 1.28 million, a reduction of 2.1% from the previous fiscal year and down 8.4% from the most recent peak in 2011 (see **Figure 5**).

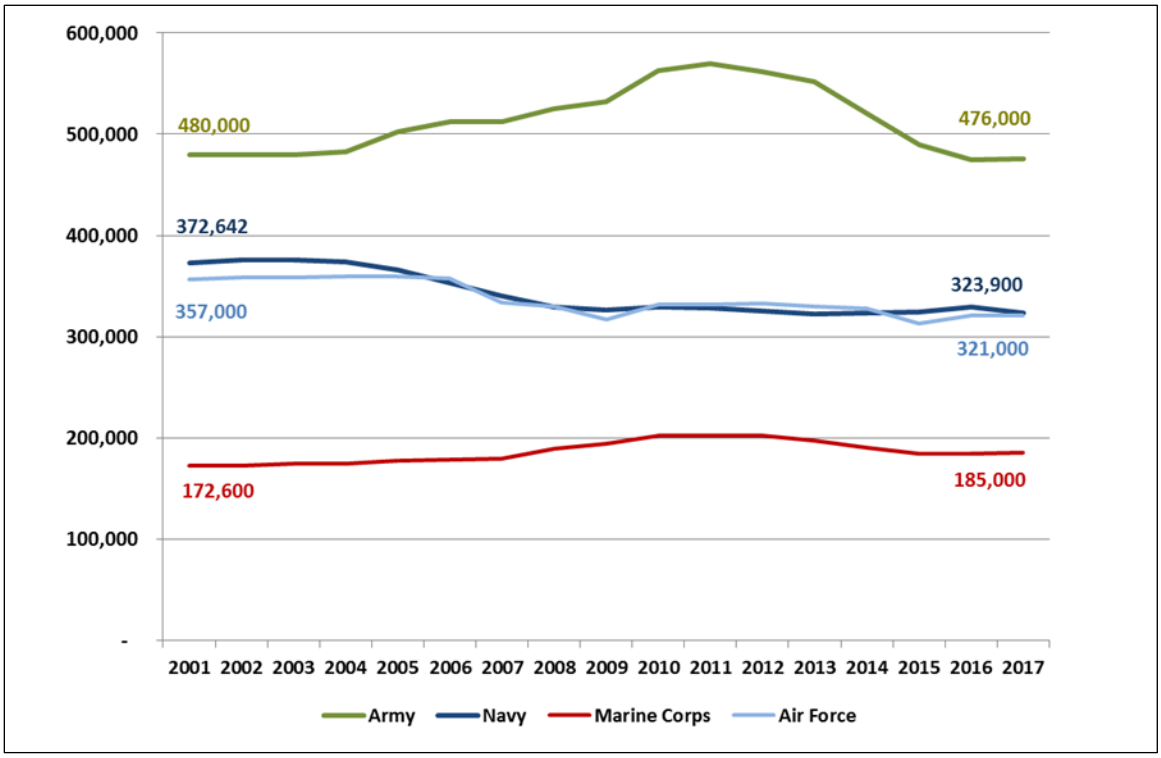
The Army has seen the biggest end strength reductions in the past five years, dropping from a peak of nearly 570,000 in 2011 to a little under 475,000 at the end of FY2016—a reduction of nearly 17%. The Administration's budget would have continued that trajectory, reaching an Army end-strength of 460,000 by the end of FY2017, with a goal of reaching 450,000 by the end of FY2018.

The Marine Corps has also seen substantial reductions in recent years, dropping from peak active-duty end strength of 202,000 in 2010 to 184,000 in FY2016 with the budget proposing an additional cut to 182,000, which would amount to a 10% reduction from the peak year.

[28] Includes basic pay, retired pay accrual, basic allowance for housing (BAH), basic allowance for subsistence(BAS), special and incentive pays, separation pay, and travel and other allowances.

[29] In practical terms, authorized end strength is the number of personnel on the rolls on the last day of the fiscal year. Authorized end strength is the sum of personnel in the force structure and individual accounts authorized by Congress; it is synonymous with manpower authorizations.

Figure 5. Authorized Active Component End-Strength, 2001-2017



Source: National Defense Authorization Acts for FY2001 to FY2017.

The Senate NDAA (S. 2943) would have authorized end-strengths identical to the Administration's request, while the House bill (H.R. 4909) would not only reject the proposed cuts but would authorize an overall increase in troop levels, adding a total of 1,700 troops to the FY2016 authorized level and 28,715 to the FY2017 total requested by the Administration. The House-proposed increase would be most noticeable for the Army, which would be authorized 5,000 more members than its 2016 end-strength and 20,000 more than the Administration proposed for FY2017. (See **Table 11**.).

The enacted version of the NDAA came closer to the House's provisions on endstrength, authorizing 24,000 more personnel than requested, including 16,000 Army troops.

Table 11. Authorized Military End-Strength

	FY2016 enacted	FY2017 request	House-passed (H.R. 4909)	Senate-passed (S.2943)	Conference Report (S. 2943) P.L. 114-328	FY2017 NDAA versus FY2017 request
Army	475,000	460.000	480,000	460.000	476,000	+16,000
Navy	329,200	322,900	324,615	322,900	323,900	+1,000
Marine Corps	184,000	182,000	185,000	182,000	185,000	+3,000
Air Force	320,715	317,000	321,000	317,000	321,000	+4,000
Total, active-duty	**1,308,915**	**1,281,900**	**1,310,615**	**1,281,900**	**1,305,900**	**+24,000**

Army Reserve	198,000	195,000	205,000	195,000	199,000	+4,000
Navy Reserve	57,400	58,000	58,000	58,000	58,000	--
Marine Corps Reserve	38,900	38,500	38,500	38,500	38,500	--
Air Force Reserve	69,200	69,000	69,000	69,000	69,000	--
Army National Guard	342,000	335,000	350,000	335,000	343,000	+8,000
Air National Guard	105,500	105,700	105,700	105,700	105,700	--
Total, reserve component	**811,000**	**801,200**	**826,200**	**801,200**	**813,200**	**+12,000**

Source: H.Rept. 114-537, H.R. 4909, S.Rept. 114-255, and S. 2943.

The House and Senate Appropriations Committees each followed the lead of their respective Armed Services Committee. Thus, the House-passed defense appropriations bill (H. 5293) would have added to the Administration's request $1.66 billion to cover the personnel costs of the increased end-strength that would have been authorized by H.R. 4909, while the bill approved by the Senate Appropriations Committee included no such addition.

H.R. 1301—the version of the FY2017 defense appropriations bill passed by the House on March 8, 2017-added to the request a total of $1.3 billion to fund both the higher end-strength authorized by the NDAA and a higher military pay raise than the Obama Administration had requested.

Basic Pay

In addition to shrinking the force size, a major theme in recent defense budget debates has been an effort to reduce the rate of increase in military compensation costs. A number of proposals accompanying this year's budget request seek to further rein in the rate at which those costs increase.

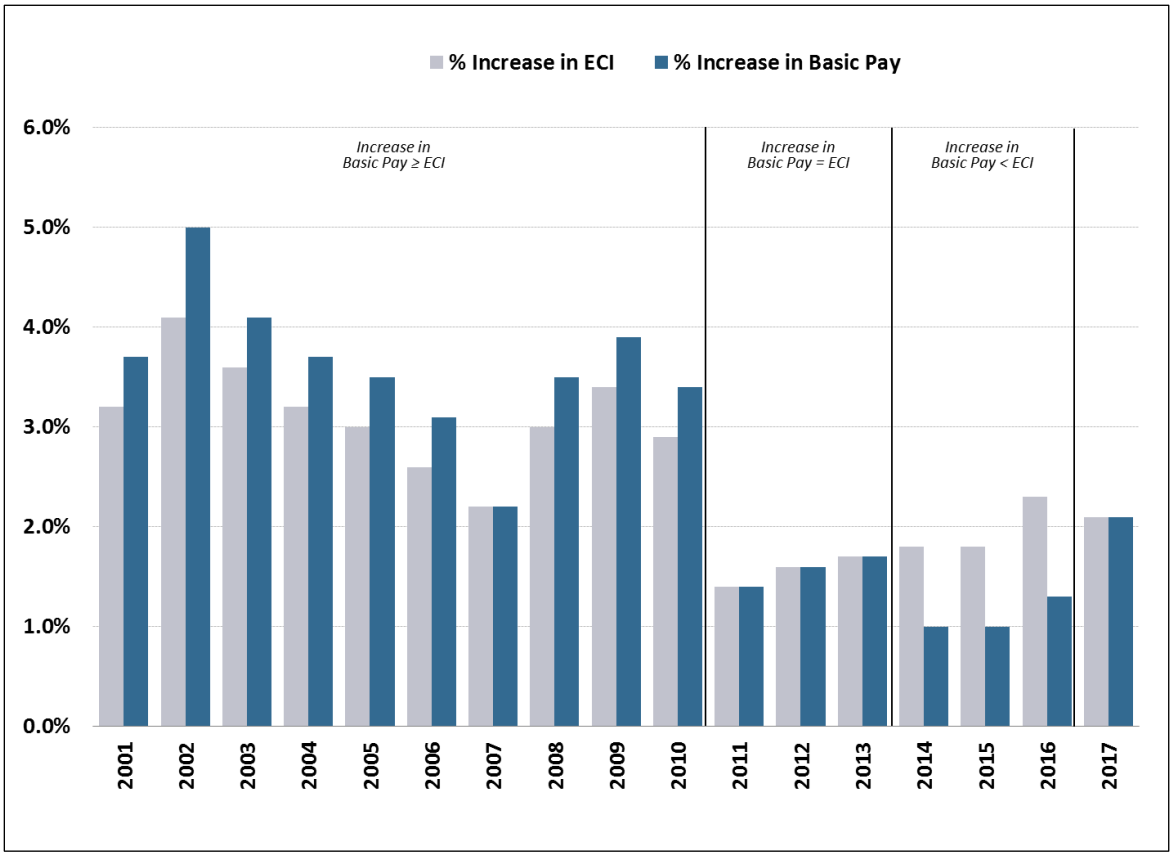
Section 1009 of Title 37, United Stated Code provides a set formula for calculating automatic annual increases in military basic pay indexed to the annual increase in the Employment Cost Index (ECI), a government measure of changes in private sector wages and salaries.[30] However, that law also gives the President authority to specify an alternative pay adjustment that supersedes the automatic adjustment.[31]

From FY2001 through FY2010 increases in basic pay were generally above ECI. From FY2011-FY2014 pay raises were equal to ECI per the statutory formula. From FY2014 to FY2016, pay raises were *less than* the ECI because, in those years, the President invoked his authority to set an alternative pay adjustment, and Congress did not act to overturn that decision (see **Figure 6**).

[30] The Employment Cost Index (ECI) is a quarterly measure of the change in the price of labor, defined as compensation per employee hour worked. The Bureau of Labor Statistics reports the ECI which is computed from compensation cost data collected from a sample of jobs within sampled business establishments and government operations. The data are weighted to represent the universe of establishments and occupations in the nonfarm private sector and in State and local governments. For more information see http://www.bls.gov/ncs/ect/

[31] For more information see CRS In Focus IF10260, *Defense Primer: Military Pay Raise*, by Lawrence Kapp.

Figure 6. Military Basic Pay Increases vs. ECI, 2001-2017



Source: Increase in ECI from Bureau of Labor Statistics; provision enacted into law from relevant NDAA.

For FY2017, the Obama Administration attempted to continue that recent trend, proposing a 1.6% increase in basic pay for military personnel rather than the 2.1% increase that would result from the ECI calculation. Assuming the lower pay raise allowed the Administration to save approximately $264 million.

The Senate-passed version of S. 2943 reflected the Administration's proposal. However, the enacted version of the bill included a provision from the House-passed NDAA mandating a pay raise that would match the ECI projection.

The first House-passed version of the FY2017 defense appropriations bill (H.R. 5293) added $340 million to the budget request. H.R. 244, the version of the FY2017 defense appropriations bill that was enacted, added to the request a total of $1.3 billion to fund both the higher end-strength authorized by the FY2017 NDAA and a higher military pay raise than the Obama Administration had requested.

Ground Vehicle Programs

Of the nearly $3.5 billion originally requested in FY2017 for acquisition of armored combat vehicles, more than 80% was allocated to upgrade the Army's current fleet of Abrams tanks, Bradley infantry fighting vehicles, Stryker 8x8 armored troop carriers, and Paladin self-propelled artillery. The remainder of the request was to continue development of three new vehicles: a troop carrier for support roles (designated AMPV), a new amphibious landing vehicle for the Marine

Corps (designated ACV)[32], and a combat vehicle with a tank-like cannon that will be light enough to be dropped by parachute with airborne troops.

The original budget request also included $735.4 million for continued development and the third year of procurement funding of the Joint Light Tactical Vehicle (JLTV) intended ultimately to replace nearly 17,000 of the High-Mobility Multi-purpose Wheeled Vehicles (HMMWVs) or "Humm-vees" used by the Army and Marine Corps.[33]

See the summary of congressional action authorizing funding for selected ground vehicle programs in **Table A-1**. **Table B-1** provides a summary of appropriations actions related to such programs. Following are selected highlights:

M-1 Abrams Tank Improvements[34]

The original budget request included $480 million to continue upgrading the Army's fleet of M-1 Abrams tanks, the newest of which was manufactured in 1994. Subsequently, the Army asked Congress to increase that amount by $172 million to be transferred from other parts of the Army budget request. The House and Senate versions of the NDAA each authorized the increased amount with the House bill also authorizing an additional $140 million for M-1 modifications. As enacted, the NDAA authorized the revised total request ($652 million with $72 million of the increase authorized as OCO funding) but not the additional House increase.

The initial House-passed FY2017 defense appropriations bill would have provided for M-1 improvements all but $4 million of the $652 million requested by the Army plus $80 million. The Senate committee version of that bill—S. 3000—would have provided $652 million, the amount of the revised request.

As enacted, the consolidated appropriations bill (H.R. 244/P.L. 115-31) provides $664 million for M-1 improvements, a net addition of $12 million to the Army's adjusted request.

Paladin Self-propelled Artillery

As requested, the versions of the NDAA passed by the House and Senate, as well as the enacted version, authorized $595 million to continue modernizing the Army's fleet of Paladin 155 mm. cannons and their associated ammunition carriers. In addition to modernizing the vehicles' electronic components, the Army is replacing their tracked chassis (manufactured in the 1970s and 1980s and refurbished since then) with new chassis based on the Bradley infantry fighting vehicle.

The initial House-passed appropriations bill would have provided the total requested amount, while the Senate committee-approved S. 3000 would have cut $31 million. The enacted appropriations bill provides $584 million for Paladin modernization, cutting $10 million from the request on account of anticipated contract savings.

[32] See CRS Report R42723, *Marine Corps Amphibious Combat Vehicle (ACV) and Marine Personnel Carrier (MPC): Background and Issues for Congress*, by Andrew Feickert.

[33] See CRS Report RS22942, *Joint Light Tactical Vehicle (JLTV): Background and Issues for Congress*, by Andrew Feickert.

[34] See CRS Report R44229, *The Army's M-1 Abrams, M-2/M-3 Bradley, and M-1126 Stryker: Background and Issues for Congress*, by Andrew Feickert.

Stryker Combat Vehicle

The budget requested $727 million to continue developing various upgrades and installing them in the Army's fleet of Stryker wheeled armored troop carriers. Some of the funds will be used to install on some older Strykers a V-shaped underside to partially deflect the blast of a buried landmine. Other funds will be used to enhance the firepower of Strykers based in Europe by replacing their .50 caliber machine guns with a 30 mm. cannon.

The Senate-passed version of the NDAA trimmed $11 million from the request and the enacted version of the bill followed suit.

The initial House-passed defense appropriations bill would have cut $4 million from the Stryker request while the Senate committee-approved S. 3000 would have cut $34 million on grounds that those funds would not be needed in FY2017.

The initial House-Senate defense appropriations compromise (H.R. 1301) would have provided $701 million from Stryker procurement, cutting $26 million from the request on grounds that it was not justified. However, the enacted appropriations bill restored $8 million of that reduction, providing a total of $709 million.

Armored Multi-Purpose Vehicle (AMPV)[35]

The budget requested $184 million to continue development of a new tracked vehicle designated the Armored Multi-Purpose Vehicle (AMPV) that would replace thousands of Vietnam-era M-113 vehicles as battlefield ambulances and mobile command posts, and filling other combat support roles. The new vehicle will be based on the Bradley infantry fighting vehicle. The FY2017 funds would be used to complete production of 29 prototype AMPVs slated for shakedown testing at government test sites.

The enacted version of the NDAA authorized the full amount requested, as had both the House and Senate versions of that bill. Similarly, the House-passed and Senate committee versions of the initial defense appropriations bill (H.R. 5293 and S. 3000, respectively) would have provided the full amount requested for AMPV, as does the enacted bill.

Shipbuilding Programs

The planned size of the Navy, the rate of Navy ship procurement, and the prospective affordability of the Navy's shipbuilding plans have been matters of concern for the congressional defense committees for the past several years. Concerns over the current and future size and capability of the Navy have intensified with the recent shift in the international security environment to a situation featuring renewed great power competition.[36]

The Navy's original FY2017 budget requested funding for the procurement of seven new ships—two Virginia-class attack submarines, two DDG-51 class destroyers, two Littoral Combat Ships (LCSs), and one LHA-6 class amphibious assault ship. The Navy's FY2017-FY2021 five-year shipbuilding plan includes a total of 38 new ships, compared to the five-year plan sent to Congress in 2015, which projected funding of 48 new ships during this period.

[35]See CRS Report R43240, *The Army's Armored Multi-Purpose Vehicle (AMPV): Background and Issues for Congress*, by Andrew Feickert.

[36] For more on this shift, see CRS Report R43838, *A Shift in the International Security Environment: Potential Implications for Defense—Issues for Congress*, by Ronald O'Rourke.

See the summary of congressional action authorizing funding for selected shipbuilding programs in **Table A-2. Table B-2** provides a summary of appropriations actions related to such programs. Following are selected highlights:

Virginia Class Attack Submarine Program[37]

The original budget request included $5.1 billion to continue procuring Virginia class attack submarines at a rate of two per year under a ten-ship multiyear procurement (MYP) contract for FY2014-FY2018. The Navy's FY2017-FY2021 five-year shipbuilding plan proposes including in one of the two Virginia-class boats projected for FY2019, and in all Virginia class boats procured in FY2020 and subsequent years, the Virginia Payload Module (VPM)—an additional ship section that will increase the boat's payload of Tomahawk cruise missiles from 12 to 40. The budget request included $98 million to continue development of the VPM. The Navy's FY2016 budget submission proposed building some, but not all, Virginia class boats procured in FY2020 and subsequent years with the VPM.

The Senate version of the NDAA would have authorized the amounts requested for the submarine and for VPM development, but the House version of that bill and the enacted version of S. 2943 also authorized an additional $85 million in "advance procurement" (AP) funding to buy components for boats that primarily would be funded in future budgets.

The Senate committee version of the first defense appropriations bill S. 3000 would have provided the requested amounts for the submarines and the VPM, while the House-passed version (H.R. 5293) would have added $85 million to the amount requested for the subs.

Like the initial House-passed appropriations bill, the enacted bill added $85 million to the $5.1 billion requested for submarines.

CVN-78 Class Aircraft Carrier Program[38]

The Navy's originally proposed FY2017 budget included a $1.29 billion increment of the estimated $12.9 billion in procurement funding for CVN-79, the second Gerald R. Ford (CVN-78) class aircraft carrier. The budget also requested $1.37 billion in AP funding for CVN-80, the third ship in the class.[39]

One issue for Congress during its consideration of the FY2017 request was whether to provide AP funding in FY2017 for the procurement of materials for CVN-81, the fourth ship in the class (which is scheduled for procurement funding in FY2023). Earlier funding for the fourth ship would permit a combined purchase of materials for CVN-80 and CVN-81 and thereby reducing the combined procurement cost of the two ships. The Navy's proposed FY2017 budget did not request any AP funding for CVN-81; the Navy's plan was to request initial AP funding for CVN-81 in FY2021.

The enacted version of the NDAA, like the versions passed by the House and Senate, authorizes the full amount requested for the second and third ships, a total of $2.7 billion The House version

[37] For more on the Virginia-class program, see CRS Report RL32418, *Navy Virginia (SSN-774) Class Attack Submarine Procurement: Background and Issues for Congress*, by Ronald O'Rourke.

[38] For more on the CVN-78 program, see CRS Report RS20643, *Navy Ford (CVN-78) Class Aircraft Carrier Program: Background and Issues for Congress*, by Ronald O'Rourke.

[39] In the backup material sent to Congress with its FY2017 budget request, the Navy projected the total cost of these two carriers to be $12.9 billion (CVN-79) and $11.4 billion (CNV-80).

also would have authorized an additional $263 million for AP funding for the fourth carrier in the class, but that was not included in the final version of the authorization bill.

The House-passed version of the initial defense appropriations bill would have followed suit with the House-passed NDAA, providing an additional $263 million for the fourth carrier, while the Senate committee-approved S. 3000 would have trimmed $20 million from the overall $2.66 billion carrier request.

The enacted appropriation bill (H.R. 244/P.L. 115-31) provides a total of $2.63 billion for the second and third carriers, trimming $36 million from the request. It did not provide AP funding for a fourth carrier.

Cruiser Modernization[40]

Congress in recent years has pushed back against Navy proposals for operating and modernizing its force of 22 Aegis cruisers. When the Navy proposed retiring seven of the ships years before the end of their service lives, Congress rejected the proposal. When the Navy then proposed taking 11 of the 22 ships temporarily out of service for modernization, and then returning them to service years later as one-for-one replacements for the other 11 ships in the class, Congress modified the Navy's proposed schedule. In its proposed FY2017 budget, the Navy once again asked to modernize the 11 ships along the Navy's preferred schedule, rather than the modified schedule directed by Congress.

The House-passed NDAA and the enacted version of the bill (S. 2943) each contained a provision (Section 1024) that requires the Navy to modernize the 11 ships on the schedule directed by Congress. The Senate-passed NDAA contained a provision (Section 1011) that would have allowed the Navy to retire some of the cruisers if certain prescribed criteria were met.

Both House and Senate versions of the initial defense appropriations bill rejected the Navy's proposal for the cruisers, as does the enacted appropriations bill.

DDG-51 Destroyer Program[41]

The FY2017 request included $3.3 billion to continue procurement of DDG-51 destroyers at an average rate of two ships per year under a 10-ship MYP contract for FY2013-FY2017. As part of its markup of the Navy's FY2016 budget, Congress had provided $1.0 billion in additional procurement funding to help pay for the procurement of an additional DDG-51. The Navy's proposed FY2017 budget noted this $1.0 billion in funding but did not include an additional ship in its shipbuilding plan. The $433 million needed to complete the funding for this additional destroyer, however, was included as the second item on the Navy's FY2017 Unfunded Requirements List (URL).

The House and Senate versions of the NDAA each authorized the $3.3 billion requested for the destroyers with the House bill approving an additional $433 million and the Senate bill an additional $50 million for the ship that Congress partially funded in the FY2016 budget. The enacted version of the bill authorized the request plus $50 million.

In addition to providing the $3.3 billion requested for the destroyers in FY2017, the House-passed version of the initial defense appropriations bill would have added $433 million for the partially

[40] For more on the issue of the modernization of the Navy's cruisers, see CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by Ronald O'Rourke.

[41] For more on the DDG-51 program, see CRS Report RL32109, *Navy DDG-51 and DDG-1000 Destroyer Programs: Background and Issues for Congress*, by Ronald O'Rourke.

funded FY2016 ship as does the enacted bill (H.R. 244/P.L. 115-31). The Senate committee-approved version of the first bill (S. 3000) would have added $404 million for the FY2016 ship.

Littoral Combat Ship (LCS) Program[42]

In December 2015, then-Secretary of Defense Ashton Carter directed that the LCS program be reduced from a planned total of 52 ships to a planned total of 40 ships, that annual procurement quantities of LCSs be reduced during the Navy's FY2017-FY2021 five-year shipbuilding plan, and that the Navy choose one of the two current LCS builders, so that LCSs procured in FY2019 and subsequent years would be produced by only one builder. Reflecting this direction, the Navy's proposed FY2017 budget requested $1.1 billion for the procurement of two LCSs, rather than the three LCSs that had been projected for FY2017 under the FY2016 budget submission.

In addition to authorizing the funding requested for two LCSs, the House version of the NDAA would have authorized an additional $384.7 million for a third ship. The enacted version of that bill did not included authorization for a third ship and followed the Senate-passed version of the bill in trimming $28.0 million from the request for two ships.

The House-passed version of the initial defense appropriations bill would have cut $71 million from the total amount requested for two ships but also would have added $384 million for a third LCS. The Senate committee bill would have provided $1.1 billion as requested plus $475 million for a third ship.

The enacted appropriation bill cuts $36 million from the $1.1 billion requested for two LCSs but would add $475 million for a third ship of this type.

LHA-8 Amphibious Assault Ship

In recent years, LHA-type amphibious assault ships—carrier-like ships designed to carry some 1,700 Marines and a mix of aviation assets—have been funded using split funding (i.e., two-year incremental funding). The Navy's FY2017 budget submission proposes using split funding—$1.6 billion requested in FY2017 and a plan to request $1.7 billion in FY2018—to procure an amphibious assault ship designated LHA-8.

The enacted NDAA, like the House and Senate versions of that bill, authorized the $1.6 billion requested for the ship in FY2017. The initial House-passed appropriations bill would have reduced the funding by $64 million, while the Senate committee version would have provided the amount requested.

The enacted bill (H.R. 244/P.L. 115-31) trims $5 million from the amount requested for the LHA.

Selected Aviation Programs

In their initial FY2017 budget requests, the Army and Air Force chose to delay their previously planned aircraft purchases, and the Navy planned to meet its aviation modernization goals by inviting Congress to add funds to its budget request to pay for so-called "unfunded requirements." Army officials emphasized that the service's FY2017 budget request gave priority to readiness over modernization.[43] Within the Army's modernization budget, helicopter programs felt the brunt of the budget squeeze. The Army's $3.9 billion budget request for aircraft procurement in

[42] For more on the LCS program, see CRS Report RL33741, *Navy Littoral Combat Ship/Frigate (LCS/FF) Program: Background and Issues for Congress*, by Ronald O'Rourke.

[43] Michelle Tan, "Interview: U.S. Army Chief of Staff Gen. Mark Milley," Defense News, October 14, 2015.

FY2017 (which includes modernization as well as the acquisition of new aircraft), amounted to less than one-third of the service's FY2016 aircraft procurement account.

See the summary of congressional action authorizing funding for selected aviation programs in **Table A-3**. **Table B-3** provides a summary of appropriations actions related to such programs. Following are some highlights:

Air Force Aviation Programs[44]

The budget squeeze confronting the Air Force's modernization plans has been widely recognized. The simultaneous attempt to modernize Air Force fighters with the F-35, bombers with the B-21, trainers with the T-X, and other systems has created a classic "bow wave" of acquisitions, in which systems already being procured and others moving from development into procurement exceed the available procurement budget.[45] The Air Force original FY2017 budget submission attempted to relieve some of that budget pressure by deferring planned acquisitions.

F-35A Joint Strike Fighter

The FY2017 request included $4.4 billion for 43 F-35A Lightning II fighters, five fewer than projected in the FY2016 budget request. All told, the Air Force's new plan would acquire 45 fewer F-35A's during the period FY2017-FY2021 than had been planned in January 2016.

The enacted NDAA, like the Senate version of that bill, authorizes the requested amount for 43 of the fighters. Besides approving that amount, the House-passed NDAA also would have authorized $691 million for 5 additional aircraft.

The initial House-passed defense appropriations bill would have provided a total of $4.8 billion, adding to the requested amount $352 million for five additional F-35As. The Senate committee version of that bill (S. 3000) would have cut the FY2017 procurement amount by $418 million, but would have added $100 million to the $405 million requested for advance procurement funds with the aim of supporting the higher FY2018 production rate that had been planned prior to the FY2017 budget submission.

The enacted appropriation provides a net increase of $201 million to the $4.4 billion requested for 43 F-35As. The bill cuts $294 million from the amount requested on account of "efficiencies" and adds $405 million for five additional aircraft.

KC-46A Pegasus Tanker

The enacted NDAA, like both the House and Senate versions, authorized the $2.9 billion requested for 15 KC-46A mid-air refueling tankers. However, all three versions of the legislation cut the $262 million requested to continue development of the aircraft by more than 50%, to $122 million on grounds that the program had unspent funds from prior years' appropriations and had encountered fewer problems than the budget request had anticipated.

The initial House-passed defense appropriations bill would have cut $83 million from the $2.9 billion KC-46A procurement request and $32 million from the R&D request. The Senate

[44] For more on Air Force aviation programs see CRS Report R44305, *The Air Force Aviation Investment Challenge*, by Jeremiah Gertler.

[45] A modernization "bow wave" is a commonly used term to describe long-term defense modernization plans that depend on a significant increase in future funding. For more on this see *Defense Modernization Plans through the 2020s: Addressing the Bow Wave*, by Todd Harrison, Center for Strategic and International Studies, Washington, DC, January 2016, http://csis.org/files/publication/160126_Harrison_DefenseModernization_Web.pdf.

committee version of the appropriations bill would have provided the amounts requested both for procurement and for development of the plane.

The enacted appropriation (H.R. 244/P.L. 115-31) cuts the procurement request by $167 million—double the amount that would have been cut by the initial House-passed appropriations bill—while cutting $32 million from the tanker's R&D request.

Army Aviation Programs

Reductions in planned aircraft procurement also were evident in the Army's original FY2017 request, which would procure 110 helicopters instead of the 144 projected in 2015. Army leaders attributed these deferrals primarily to budget concerns and force structure issues resulting from the recently issued report of the National Commission on the Future of the Army.[46]

Specifically, the FY2017 budget request included:

- $929 million for 74 UH-60M Black Hawk helicopters (26 fewer than projected last year);
- $565 million for 22 CH-47 Chinook helicopters (5 fewer than projected last year); and
- $1.1 billion to remanufacture 52 AH-64 Apache helicopters (5 fewer than projected last year).

The enacted version of the FY2017 NDAA—like the version passed by the Senate—authorized the originally requested amounts for these programs. The House-passed version would have added a total of $703 million for 41 additional helicopters.

The initial House-passed FY2017 defense appropriations bill would have added to the amount requested $1.1 billion for a total of 51 additional helicopters while the Senate committee version (S. 3000) would have added $368 million for additional Black Hawks to equip National Guard units.

The enacted appropriation bill adds to the amount requested $674 million for additional helicopters, including at least 5 newly built Apaches and 25 Black Hawks for the Army and National Guard.

Navy and Marine Corps Aviation Programs

Navy officials have been telling congressional defense committees in recent years that the service has too few strike fighters—aircraft designed for both air-to-air and air-to-ground combat. This is, in part, because of tight budgets and, in part, because of delays in fielding the F-35 Joint Strike Fighter (JSF), which is intended gradually to supplant the fleet of F/A-18s that have equipped Navy and Marine Corps squadrons since the 1980s. Over the course of the past three fiscal years (FY2014-FY2016), Congress has added to the Administration's budget requests a total of $2.9 billion for 32 aircraft of the F/A-18 type, including 27 equipped for electronic warfare, which are designated as E/F-18Gs.

The original FY2017 Navy budget request included $185 million for 2 F/A-18 Super Hornet fighters of the most recent E and F models, $891 million for 4 F-35B Joint Strike Fighters (the version of the F-35 designed to operate from aircraft carriers), and $2 billion for 16 F-35Cs which

[46] These issues are explained in CRS Report R44366, *National Commission on the Future of the Army (NCFA): Background and Issues for Congress*, by Andrew Feickert.

is the Marine Corps' version of the JSF, designed for short take-off, vertical landing (STOVL) operations from large amphibious landing ships.

However, the Navy also sent Congress an "unfunded requirements list" (URL) requesting an additional 14 Super Hornets and 6 additional F-35s. In the letter to Congress accompanying the URL, the Chief of Naval Operations stated

> Our legacy strike fighters (F/A-18A-D) are reaching end of life faster than planned due to use and wear. Improving the inventory of F/A-18F and F-35C aircraft will help reconcile a near term (2018-2020) strike fighter inventory capacity challenge, and longer term (2020-2035) strike fighter model balance within the carrier air wing. It will reduce our reliance on legacy-model aircraft which are becoming increasingly expensive and less reliable.[47]

The Navy linked its avowed strike fighter shortage to its proposal—as a part of the FY2017 budget—to reduce the number of carrier air wings from 10 to nine. In recent years, the number of carrier air wings has usually been one less than the number of carriers in commission, in recognition of the fact that, at any given moment, one carrier is undergoing a lengthy mid-life nuclear refueling overhaul and thus cannot deploy.

The Navy's proposal to reduce the number of carrier air wings from 10 to 9 would mean that the number of air wings would be two less than the number of carriers since the Navy's carrier force is scheduled to increase from 10 to 11 next year with the commissioning of the first Gerald R. Ford-class carrier. Navy officials have testified that in light of how the Navy now operates and maintains the carrier force, it will now make sense for the number of carrier air wings to be two less than the number of carriers. The Navy might need legislative relief to implement its proposal—Section 1093 of the FY2012 NDAA requires the Navy to maintain 10 carrier air wings.[48]

The House-passed NDAA would have authorized the additional aircraft requested in the Navy's URL, but the enacted bill—like the Senate-passed version—authorized only those included in the Administration's budget request.

Similarly, the initial House-passed FY2017 defense appropriations bill would have added to the Navy's aircraft request a total of $1.8 billion for the additional F/A-18s and JSFs mentioned in the Navy's URL while the Senate committee version (S. 3000) would have funded only the aircraft requested in the budget.

The enacted appropriation (H.R. 244/P.L. 115-31) includes—in addition to the amounts requested—$979 million for 12 F-18E/Fs and $757 million for six F-35s.

The enacted version of the FY2017 NDAA includes a provision (Section 1042) that would allow the Navy to reduce the number of active-component carrier air wings from 10 to nine until such time as the navy fields enough carriers to support 10 wings or the start of FY2026, whichever comes first.

Strategic Nuclear Forces

The original FY2017 DOD budget request included nearly $4.7 billion in R&D and procurement funding to upgrade and replace U.S. nuclear weapons delivery systems. See the summary of congressional action authorizing funding for selected long-range strike aircraft and missile

[47] Letter from Johnathan W. Greenert, Chief of Naval Operations, to Honorable Harold "Hal" Rogers, Chairman, Committee on Appropriations, House of Representatives, March 13, 2015.

[48] P.L. 112-81. For more on the proposal to disestablish a carrier air wing, see CRS Report RS20643, *Navy Ford (CVN-78) Class Aircraft Carrier Program: Background and Issues for Congress*, by Ronald O'Rourke.

programs in **Table A-3**. **Table B-3** provides a summary of appropriations actions related to such programs.

Following are some highlights:

Ohio Replacement Ballistic Missile Submarine Program[49]

The Navy's proposed FY2017 budget included $1.1 billion for continued research and development funding and $773.1 million for the first increment of advance procurement (AP) funding for the Ohio replacement program, a program to build a class of 12 new ballistic missile submarines.

The House and Senate versions of the NDAA approved the full amount requested for the new class of missile subs, as did the enacted version of the bill. The House bill had authorized the advance procurement funds in the National Sea-based Deterrence Fund, but the final version of the bill authorized those funds in the Navy's shipbuilding account.

The House-passed and Senate committee versions of the initial defense appropriations bill also provided the full amount requested for the new class of missile subs, as does the enacted appropriation bill.

See the summary of congressional action authorizing funding for this program in **Table A-2. Table B-2** provides a summary of related appropriations actions.

B-21 Long-Range Strike Bomber

For FY2017, the budget requested $1.36 billion to continue development of the B-21 Long Range Strike Bomber, which is almost 40% less than the FY2017 budget for the program that the Air Force had projected in 2015. The Air Force attributed the reduction to lower than expected bids for the work and, all told, reduced the projected B-21 budget over the period FY2017-FY2021 by $3.5 billion.

The Senate version of the NDAA would have reduced the B-21 request by $302 million; however the enacted bill—like the House version—approved the originally requested amount.

Similarly, the House-passed defense appropriations bill would have cut $302 million from the request while the Senate committee version would have provided $1.4 billion, as requested.

The enacted appropriation (H.R. 244/P.L. 115-31) would provide $1.3 billion for the bomber program.

Nuclear-capable Missiles

For the most part, Congress has supported the original FY2017 budget request for continued development of nuclear-armed ballistic missiles and a long-range cruise missile that could carry a nuclear warhead. The Obama Administration request included:

- $1.1 billion for modifications and life-extension for the D-5 Trident II ballistic missile carried on Ohio-class submarines and slated to arm the replacement subs nearing construction.

[49] For more on the Ohio replacement program, see CRS Report R41129, *Navy Columbia Class (Ohio Replacement) Ballistic Missile Submarine (SSBN[X]) Program: Background and Issues for Congress*, by Ronald O'Rourke.

- $109 million for research into the new ground-based strategic deterrent, which will eventually replace existing Minuteman III long-range intercontinental ballistic missiles (ICBMs); and
- $96 million for development of the a new long-range stand-off missile (LRSO), which will replace the existing bomber-launched cruise missile.

The enacted FY2017 NDAA authorized the amounts requested for all three programs and the initial House-passed appropriations bill would have provided those amounts. The Senate committee version of the appropriations bill would have fully funded the request for the ICBM replacement missile and the LRSO, but would have trimmed $8 million from the amount requested for Trident II modernization.

The enacted FY2017 appropriations bill cut $4 million from the Trident II modernization request and $5 million from the ICBM development program.

Ballistic Missile Defense Programs

For FY2017 the Obama Administration requested $9.1 billion to develop and deploy ballistic missile defense (BMD) capabilities, which was a decrease of about $700 million from the FY2016-enacted level of $9.8 billion. The request included $7.5 billion for the Missile Defense Agency (MDA) and the remainder primarily for the Army Patriot missile defense program.[50]

A summary of congressional action authorizing funding for selected elements of the missile defense program can be found in **Table A-4**. **Table B-4** provides a summary of appropriations actions related to such programs. Following are some highlights:

U.S. Homeland Missile Defense

For defense of U.S. territory, the FY2017 budget request included $862.1 million to maintain the commitment to high operational readiness of the Ground-based Missile Defense (GMD) system based at Fort Greely, AK, and Vandenberg Air Force Base, CA and to increase the total number of interceptor missiles at those two sites from 30 to 44. The enacted NDAA—like the House and Senate versions—authorizes the requested amount.

The initial House-passed appropriation bill would have provided $862 million for the homeland defense system, as requested, but the initial Senate committee bill (S. 3000) would have added $111 million for an unspecified "program increase," as does the enacted appropriation (H.R. 244/P.L. 115-31).

Congress has expressed strong interest in establishing, in the eastern United States, a third GMD site. MDA is currently evaluating three military bases for deployment of a possible third GMD site (Fort Custer, MI, Fort Drum, NY, and Camp Ravenna, OH). The enacted NDAA authorizes $15 million, not requested by the Obama Administration, for planning and design work on a third GMD site.

Missile Defense of Europe

The FY2017 request continued to support the European Phased Adaptive Approach (EPAA), which is the U.S. commitment to NATO's territorial BMD effort. At the end of 2015, the United

[50] Department of Defense Fiscal Year 2017 President's Budget Submission Missile Defense Agency, Defense-wide Justification Book Volume 2a of 2, Research, Development, Test & Evaluation, February 2016, and Department of Defense Fiscal Year 2017 President's Budget Submission Missile Defense Agency, Defense-wide Justification Book Volume 2b of 2,Procurement, February 2016.

States completed Phase 2 of the EPAA with the deployment of an Aegis Ashore site in Romania. The FY2017 request supports the implementation of Phase 3 of the EPAA, to include the deployment of an Aegis Ashore site in Poland during FY2018.

The enacted NDAA as well as the House-passed and Senate committee-approved versions of the initial defense appropriations bill and the enacted appropriation all approved the amounts requested for European missile defense: $58 million for procurement of Aegis Ashore equipment and $43 million to continue development of the land-based version of the SM-3 interceptor missile.

Israeli Missile Defenses

The FY2017 request also continues U.S. contributions to production of the Israeli-designed Iron Dome system designed to defeat short-range rockets and continues support for continued development of Iron Dome as well as the Israeli Arrow and the David's Sling weapon systems.[51]

The enacted NDAA would add a total of $455 million to the $150 million requested for these three programs as would the House-passed and Senate committee-approved versions of the initial defense appropriation bill and the enacted appropriation (H.R. 244/P.L. 115-31).

Ballistic Missile Defense

For more information on ballistic missile defense programs, see CRS In Focus IF10541, *Defense Primer: Ballistic Missile Defense*, by Steven A. Hildreth.

Space and Space-based Systems

For FY2017 the Obama Administration's request includes $7.1 billion for Air Force national security space programs, an increase of about $100 million above the FY2016 enacted level. DOD has stated this budget request allows the United States to maintain supremacy in space and provides communications, navigation, missile warning, space situational awareness, and environmental monitoring.[52]

See the summary of congressional action authorizing funding for selected space-based systems and launch vehicle programs in **Table A-5**. **Table B-5** provides a summary of appropriations actions related to such programs.

Evolved Expendable Launch Vehicle (EELV) Satellite Launcher

The budget request included $738 million for the Evolved Expendable Launch Vehicle (EELV) program to procure five launches for national security space missions, three of which will be awarded competitively. It also included $297 million to continue developing the family of launch vehicles used in this program and $769 million maintain a launch infrastructure that would allow the launch of up to eight national security space missions each year.

The enacted NDAA would reduce launch procurement program by $26 million and the infrastructure program by $201 million on grounds that those funds were not yet needed for the programs. On the other hand, the bill authorized $380 million—$183 million more than requested—for EELV development.

[51] Ibid.

[52] U.S. Air Force, Fiscal Year 2017 Budget Overview, SAF/FMB, February 2016.

The versions of the initial defense appropriations bill passed by the House and approved by the Senate Appropriations Committee each would have cut the EELV procurement requests, on grounds that two of the five planned launches would not occur during FY2017. The House bill would have cut $478 million and the Senate committee bill $425 million.

The enacted FY2017 appropriations bill cut the EELV request by $253 million.

DOD Overseas Contingency Operations Funding

In addition to revising the caps for DOD's base budget, the BBA identified a nonbinding FY2017 budget level of $58.8 billion for OCO. President Obama's February 2016 OCO budget request matched this level, which included $5.1 billion for base budget activities that were not funded in the base budget due to the budget caps.[53] President Obama submitted an amendment to the OCO budget request to Congress on November 10, 2016, adding $5.8 billion to the DOD FY2017 OCO budget request.[54]

The second FY2017 continuing resolution (H.R. 2028/P.L. 114-254), enacted on December 10, 2016, appropriated $5.8 billion for OCO-designated elements of the DOD budget request that were deemed to be particularly urgent.

On March 16, 2017, the Trump Administration requested additional DOD funds for FY2017, including $5.1 billion designated as OCO-related. This brought DOD's total FY2017 budget request for OCO-designated spending in FY2017 to $69.7 billion—$64.6 billion for contingency operations and $5.1 billion for base requirements (see **Table 12**).

Table 12. Evolution of the FY2017 DOD Request for OCO-Designated Funds

billions of dollars

Activity	FY2016 Enacted	Initial FY2017 Request	Nov 2016 Budget Amendment (net change)	Mar 2017 Additional Request (net change)	Total FY2017 Request
Operations/Force Protection	$8.8	$8.6	+$2.8	+$2.1	$13.5
In-theater Support	$14.8	$17.0	+$1.3	+$0.8	$19.1
Joint Improvised-Threat Defeat Fund	$0.4	$0.4	+$0.1	--	$0.5
Afghanistan Security Forces Fund	$3.6	$3.4	+$0.8	--	$4.2
Support for Coalition Forces	$1.4	$1.4	--	--	$1.4
Iraq Train and Equip Fund	$0.7	$0.6	$0.3	n/a	$0.9

[53] The Department of Defense Fiscal Year 2017 Budget Request Overview, Office of the Under Secretary of Defense (Comptroller)/CFO, February 9, 2016 reported the amount requested $5.2 billion. However, subsequent budget justification documents detail the amount to be $5,055.8 million. See **Table 13**.

[54] Office of Management and Budget, "Estimate #3—FY 2017 Budget Amendments: Department of Defense, Department of State, and the U.S. Agency for International Development to fund Overseas Contingency Operations," November 10, 2016.

Activity	FY2016 Enacted	Initial FY2017 Request	Nov 2016 Budget Amendment (net change)	Mar 2017 Additional Request (net change)	Total FY2017 Request
Syria Train and Equip Fund	$0.0	$0.3	--	n/a	$0.3
Counter-ISIL Train and Equip Fund	n/a	n/a	n/a	+$0.6	$0.6
Equipment Reset and Readiness	$10.1	$9.4	+$0.1	+$0.6	$10.1
Classified Programs	$8.1	$8.1	+$0.4	+$1.0	$9.5
Counterterrorism Partnership Fund	$1.1	$1.0	--	--	$1.0
European Reassurance Initiative	$0.8	$3.4	--	+<$0.1	$3.4
National Guard and Reserve Equipment/Military Readiness	$1.5	--	--	--	$0
Prior-Year Rescissions	-$0.4	—-	—-	--	$0
Bipartisan Budget Act of 2015 Compliance	$7.7	$5.1	--	--	$5.1
Total	**$58.6**	**$58.8**	**+$5.8**	**+$5.1**	**$69.6**

Source: Department of Defense Fiscal Year 2017 Budget Request Overview, Office of the Under Secretary of Defense (Comptroller)/CFO, Figure 7.3, February 9, 2016; Department of Defense Fiscal Year 2017 Budget Request Overview, Overseas Contingency Operations Budget Amendment, Office of the Under Secretary of Defense (Comptroller)/CFO, Figure 4, November 10, 2016.; and Department of Defense Fiscal Year 2017 Budget Request Overview, Request for Additional FY2017 Appropriations, Office of the Under Secretary of Defense (Comptroller)/CFO, Figure 2.4, March 16, 2017.

Notes: Numbers may not add due to rounding. At the start of 2017, the Iraq Train and Equip and Syria Train and Equip funds were consolidated into the Counter-ISIL Train and Equip Fund.

In the Obama Administration's original FY2017 OCO request, roughly 70% of the funds were to support President Obama's plan to extend the continued presence of U.S. forces in Afghanistan (Operation Freedom's Sentinel). Funding associated with intensified operations in Syria and Iraq (Operation Inherent Resolve) accounted for most of remainder of the initial request. However, the request also included $3.4 billion—about 5% of the initial OCO request—for supporting continued operations of the President's European Reassurance Initiative (ERI), a sharp increase in funding over FY2016 levels for a program designed to signal the U.S. commitment to the security of NATO allies and partners through an expanded U.S. presence in Europe.[55]

President Obama's November 2016 amendment to the OCO request reflected the Administration's decision to increase U.S. troop levels in Afghanistan and Iraq (see **Table 13**).[56]

[55] The amended FY2017 OCO request also includes $20 million in financing for incremental costs associated with continued Navy and Air Force-led counter-ISIL operations in Libya under Operation Odyssey Lightning (OOL).

[56] See The White House, Office of the Press Secretary, "Statement by the President on Afghanistan," July 6, 2016, at https://www.whitehouse.gov/the-press-office/2016/07/06/statement-president-afghanistan. See also Force Management

Table 13. Assumed FY2017 Force Levels for Overseas Contingency Operations

average annual number of military personnel

Force	FY2015 Actual	FY2016 Actual	FY2017 Request	Nov 2016 Budget Amendment	Mar 2017 Additional Request
Afghanistan (OFS)	10,012	9,737	6,217	8,674	6,874
Iraq/Syria (OIR)	3,180	3,550	3,550	5,562	5,765
In-theater Support	55,958	55,831	58,593	58,593	62,486
U.S. and other locations	16,020	15,991	13,085	13,085	13,085
Total	**85,170**	**85,109**	**81,445**	**85,914**	**90,010**

Source: Under Secretary of Defense (Comptroller), *Request for Additional FY2017 Appropriations*, March 16, 2107.

Notes: Force levels expressed as annual average troop strength. In-theater support includes Afghanistan, Iraq, Horn of Africa, Libya, and the European Reassurance Initiative.

FY2017 OCO Budget Request and Congressional Action

For a more detailed discussion of the initial FY2017 DOD OCO budget request and Congressional action thereon, see CRS Report R44519, *Overseas Contingency Operations Funding: Background and Status*, coordinated by Lynn M. Williams and Susan B. Epstein.

OCO Funding in the FY2017 NDAA

The House and the Senate passed their respective versions of the FY2017 NDAA (H.R. 4909 and S. 2943) before President Obama sent Congress his November 2016 OCO budget amendment. The final version of the bill was enacted into law after the November 2016 budget amendment, but before President Trump requested an additional FY2017 OCO funding increase.

Based on the initial February 2016 OCO request, the House-passed NDAA would have provided a total of $58.8 billion designated as OCO funding, cutting less than $5.0 million from the requested amount. However, of that total, the House bill would have used $23.1 billion for base budget purposes—approximately $18.0 billion more than the $5.1 billion in FY2017 OCO funding the Obama Administration planned to use for base budget expenses.

Most of the remaining OCO funds authorized by the House bill—$35.7 billion—would remain available to cover OCO activities through April 30, 2017. By that date, leaders of the House Armed Services Committee contended, the President elected in November 2016 could request supplemental appropriations to cover OCO funding requirements through the remaining months of FY2017.

The Senate-passed version of the NDAA would have authorized $58.9 billion in OCO-designated funds, an increase of $93 million over the February request. No OCO-designated funds in the Senate bill were explicitly directed to base budget expenses.

Level for Iraq, as reported by The White House, Office of the Press Secretary, "Letter from the President—War Powers Resolution," June 13, 2016, at https://www.whitehouse.gov/the-press-office/2016/06/13/letter-president-war-powers-resolution.

As enacted—after President Obama increased the total FY2017 OCO request to $64.6 billion—the final version of the FY2017 NDAA authorized $67.8 billion, $9.0 billion more than the original request and $3.2 billion more than the adjusted request. Of that increase, $3.2 billion was dedicated to base budget purposes (see **Table 14**).

Table 14. FY2017 OCO-Designated Defense Authorizations

(H.R. 4909 and S. 2943)

amounts in millions of dollars

	February 2016 Budget Request		H.R. 4909		S. 2943	S. 2943[a] P.L.114-328	
	OCO	OCO for Base	OCO	OCO for Base	OCO	OCO	OCO for Base
Procurement	$8,226.5	$1,287.9	$7,043.1	$10,782.2	$9,504.1	$8,704.9	$1,918.6
RDT&E	$336.1	$38.0	$336.1	$452.1	$374.2	$478.3	$38.0
Operation and Maintenance	$39,860.2	$3,604.7	$24,629.2	$9,186.9	$43,097.8	$45,516.4	$4,881.1
Military Personnel	$3,499.3	$62.9	$2,199.6	$2,622.6	$3,562.3	$3,644.2	$1,350.5
Other[b]	$1,399.9	$23.8	$1,399.9	$23.8	$2,179.8	$1,038.5	$23.8
Military Construction	$134.0	$38.4	$133.6	$38.4	—	$133.6	$38.4
Total	$53,742.2	$5,055.8	$35,741.5	$23,052.0	$58,890.6	$59,515.9	$8,250.4
Grand Total	**$58,798.0**		**$58,793.5**		**$58,890.6**	**$67,766.4**	

Sources: Authorizations amounts drawn from H.Rept. 114-537, H.R. 4909, S.Rept. 114-255, and S. 2943.

Notes: Numbers may not add due to rounding.

a. S.Rept. 114-255 does not distinguish between OCO and OCO for base requirements.

b. Includes funding associated with accounts such as the Defense Health Program; the Joint IED Defeat Fund; and the Defense Working Capital Fund.

FY2017 Defense Appropriations OCO Funding

In their treatment of OCO-designated funds, the versions of the initial FY2017 defense appropriations bill passed by the House and approved by the Senate Appropriations Committee generally tracked the House-passed and Senate-passed versions of the NDAA, respectively.

H.R. 5293, the FY2017 defense appropriations bill passed by the House on June 16, 2016, would have provided $58.6 billion for OCO, of which $15.7 billion was intended to cover base budget expenses with the balance of the OCO funds intended to meet OCO costs through the end of April 2017.[57]

As with the Senate-passed version of the NDAA, the first Senate committee-approved defense appropriations bill would provide $58.6 billion in OCO-designated funds, with no increase in the amount of OCO funds for base budget purposes.

[57] H.Rept. 114-577.

Following President Obama's November 2016 request for $5.8 billion in additional OCO funding, the second continuing resolution (H.R. 2028/P.L. 114-254) was enacted. Division B of H.R. 2028 provided $5.8 billion in OCO appropriations; however, the amounts were not directly aligned with President Obama's request.[58]

H.R. 1301 (the second FY2017 defense appropriations bill) was generally based on the Obama Administration's initial FY2017 budget request, balancing the November 2016 OCO budget amendment and the amount provided by H.R. 2028 (P.L. 114-254).

Title IX of Division C of the Consolidate Appropriations Act, 2017 (H.R. 244/P.L. 115-31) carried forward the OCO funding levels proposed in H.R. 1301. However, Title X provided an additional $14.8 billion in "Additional Appropriations," all of which were designated as OCO funding but were not associated with requirements for contingency operations (see **Table 15**).

Table 15. FY2017 Defense OCO Appropriations by Account

(H.R. 5293, S. 3000, H.R. 2028, H.R. 1301, and H.R. 244)

amounts in millions of dollars

					H.R. 244[a] P.L. 115-31	
Account	**House H.R. 5293**	**Senate S. 3000**	**H.R. 2028[b] P.L. 114-254**	**H.R. 1301[c]**	**Title IX**	**Title X**
Military Personnel	$4,400.2	$3,562.3	$265.1	$3,442.0	$3,442.0	$131.4
Operation and Maintenance	$35,554.7	$47,736.5	$4,615.9	$47,736.5	$47,736.5	$7,697.4
Procurement	$16,635.4	$9,949.9	$812.2	$9,368.1	$9,368.1	$5,520.2
RDT&E	$496.7	$374.2	$81.7	$406.7	$406.7	$1,117.6
Revolving and Management Funds	$140.6	$140.6	—	$140.6	$140.6	$285.7
Defense Health Program and Other	$1,427.4	$902.4	—	$908.6	$908.6	—
General Provisions	-$19.0	$416.8	—	-$180.5	-$180.5	—
Total	$58,626	$58,635.0	$5,775.0	$61,822.0	$61,822.0	$14,752.3
Grand Total	**$58,626**	**$58,635.0**	**$5,775.0**	**$61,822.0**	**$76,574.3**	

Sources: Appropriations figures drawn from H.R. 5293 and accompanying H.Rept. 114-577; S. 3000 and accompanying S.Rept. 114-263; H.R. 2028/P.L. 114-254; H.R. 1301 and accompanying Joint Explanatory Statement; and P.L. 115-31 and accompanying Joint Explanatory Statement.

Note: Numbers may not add due to rounding.

a. The Joint Explanatory Statement to accompany H.R. 244 can be found in the Congressional Record, May 3, 2017, Book II, pp. H3391-3703.The Evolution of the FY2017 Defense Budget Request.

b. Does not include military construction appropriations.

c. The Joint Explanatory Statement to accompany H.R. 1301 can be found in the Congressional Record, March 8, 2017, pp. H1640-H1935.

[58] For account level detail see Table 12 in CRS Report R44519, *Overseas Contingency Operations Funding: Background and Status*, coordinated by Lynn M. Williams and Susan B. Epstein.

FY2017 "Additional Appropriations"

Title X of Division C of the Consolidated Appropriations Act, 2017 (H.R. 244/P.L. 115-31) included $14.8 billion in "Additional Appropriations" for the Department of Defense. These additional appropriations partly respond to the Trump Administration's March 2017 request for an additional $30.0 billion to be added to the Obama Administration's budget request for FY2017. The Trump Administration's request included $24.9 billion in additional funding for the base budget and $5.1 billion in funding for Overseas Contingency Operations.

The current national defense discretionary limit set by the BCA is $551.0 billion for FY2017. The Trump Administration's request for additional appropriations was accompanied with a request to raise the FY2017 BCA limit on defense spending by $25.0 billion in order to accommodate the additional $24.9 billion in base budget authority.[59]

Congress did not act on the Trump Administration's request to raise the FY2017 BCA limit, instead choosing to designate the additional appropriations provided—$14.8 billion of the $24.9 billion requested—as Overseas Contingency Operations funding. This effectively precludes the additional appropriations from triggering sequestration.[60] **Table 16** provides a comparison of the Trump Administration's request and the additional appropriations provided by Title X of Division C of P.L. 115-31.

Table 16. Request for Additional FY2017 DOD Base Budget Authority

amounts in millions of dollars

Appropriations Title	Mar 2017 Request for Additional Base Budget Authority	H.R. 244 Division C, Title X Additional Appropriations
Military Personnel	$976.7	$131.4
Operation and Maintenance	$7,218.7	$7,697.4
Procurement	$13,462.1	$5,520.2
RDT&E	$2,064.3	$1,117.6
Revolving and Management Funds	$961.8	$249.7
Total[a]	**$24,683.6**	**$14,752.3**

Source: Department of Defense Comptroller, Overview—Request for Additional FY2017 Appropriations, Washington, DC, March 16, 2017.

a. Does not include Military Construction and Family Housing appropriations; H.R. 244 Division C, Title X included $2.2 billion in funding for Counter-ISIL Train and Equip Fund and Counter ISIL OCO Transfer Fund. Totals may not reconcile due to rounding.

Consideration of the FY2017 defense budget request spanned two Presidents and two Congresses over 15 months, making it difficult to cogently compare the budget request with the final amounts appropriated. The NDAA, enacted in December 2016, authorized additional base appropriations by redirecting amounts that were requested for OCO. In their final actions on FY2017 funding, the appropriators responded to the Trump Administration's request for additional base budget

[59] For more information see CRS Report R44806, *The Trump Administration's March 2017 Defense Budget Proposals: Frequently Asked Questions*, by Pat Towell and Lynn M. Williams.

[60] For more information see CRS Report R44039, *The Budget Control Act and the Defense Budget: Frequently Asked Questions*, by Lynn M. Williams.

authority by increasing the level of OCO-designated funds. **Table 17** provides a comparison of authorization and appropriations of OCO funding for contingency operations.

Table 17. OCO Authorized Amounts vs. Appropriated Amounts

amounts in millions of dollars

Appropriations Title	NDAA P.L. 114-328	Appropriations P.L. 114-254	Appropriations P.L. 115-31 Title XI	Authorization vs. Appropriation
Military Personnel	$3,644.2	$265.1	$3,442.00	$62.9
Operation and Maintenance	$45,516.4	$4,615.9	$47,736.50	$6,836.0
Procurement	$8,704.9	$812.2	$9,368.10	$1,475.4
RDT&E	$478.3	$81.7	$406.70	$10.1
Revolving and Management Funds	$1,038.5	—	$1,049.20	$10.7
Total	**$59,382.3**	**$5,775.0**	**$62,002.5**	**$8,395.1**

Source: Department of Defense Comptroller, Overview—Request for Additional FY2017 Appropriations, Washington, DC, March 16, 2017.

Subject to the same considerations that limit reasonable comparison of final authorization and appropriations levels, **Table 18** provides the amounts designated in the NDAA (P.L. 114-328) as OCO funding for base budget purposes, and the "additional appropriations" designated as OCO funding in Division C, Title X of Consolidated Appropriations Act, 2017 (P.L. 115-31).

Table 18. Comparison of "OCO for Base" Authorized Amounts vs. "Additional Appropriations"

amounts in millions of dollars

Appropriations Title	NDAA P.L. 114-328	Appropriations P.L. 115-31 Title X	Authorization vs. Appropriation
Military Personnel	$1,350.5		-$1,219.1
Operation and Maintenance	$4,881.1	$7,697.40	$2,816.3
Procurement	$1,918.6	$5,520.20	$3,601.6
RDT&E	$38.0	$1,117.60	$1,079.6
Revolving and Management Funds/DHP	$23.8	$285.70	$261.9
Total	**$8,212.0**	**$14,752.30**	**$6,540.3**

Source: Department of Defense Comptroller, Overview—Request for Additional FY2017 Appropriations, Washington, DC, March 16, 2017.

Appendix A. Authorization Action on Selected Programs

Table A-1. FY2017 Authorization Action on Ground Vehicle Programs

amounts in millions of dollars

	FY2017 Request			H.R. 4909			S. 2943			Conference Report P.L. 114-328		
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D
	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt.	Amt	Qty	Amt	Amt
M-2 Bradley Infantry Fighting Vehicle		$276.4	$101.9		$276.4	$101.9		$276.6	$101.9		$273.3	$101.9
--- OCO											$72.8	
M-1 Abrams Tank Upgrade/Mods		$480.2	$78.5		$652.4	$78.5		$620.2	$78.5		$580.2	$78.5
--- OCO for Base					$140.0						$72.8	
Paladin Self-propelled Howitzer	36	$469.3	$41.5	48	$594.5	$41.5	36	$469.3	$41.5	36	$469.3	$41.5
--- OCO	12	$125.2					12	$125.2		12	$125.2	
Stryker Combat Vehicle		$590.6	$136.5		$590.6	$136.5		$579.6	$136.5		$579.6	$136.5
M-88A1 Hercules Tank Recovery Vehicle	22	$92.0		22	$92.0		22	$92.0		22	$92.0	
--- OCO for Base				16	$72.0							
Armored Multi-Purpose Vehicle			$184.2			$184.2			$184.2			$184.2
Amphibious Assault Vehicle			$158.7			$158.7			$158.7			$138.8
Joint Light Tactical Vehicle	2,020	$700.7	$34.7	2,020	$700.7	$34.7	2,020	$700.7	$34.7	2,020	$700.7	$34.7
Family of Medium Tactical Vehicles	8	$53.3		651	$200.8		8	$53.3		8	$53.3	
--- OCO	643	$147.5					643	$147.5		643	$147.5	
--- OCO for Base	449	$152.0		449	$152.0		449	$152.0		449	$152.0	

Source: H.Rept. 114-840, *Conference Report to accompany* S. 2943, *National Defense Authorization Act for FY2017.*

Table A-2. FY2017 Authorization Action on Selected Ship Programs

amounts in millions of dollars

	FY2017 Request			H.R. 4909			S. 2943			Conference Report P.L. 114-328		
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D
	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt
U.S.S. Gerald R. Ford-class aircraft carrier		$2,662.6	$70.5		$2,662.6	$70.5		$2,662.6	$70.5		$2.662.6	$70.5
--- OCO for Base					$263.0							
Carrier refueling and complex overhaul		$1,991.8			$1,991.8			$1,991.8			$1,991.8	
DDG-51 *Arleigh Burke*-class destroyer	2	$3,211.3		2	$3,211.3		2	$3,261.1		2	$3,261.1	
--- OCO for Base					$433.0							
DDG-51 mods		$367.8	$272.3		$367.8	$272.3		$432.8	$272.3		$367.8	$272.3
--- OCO for Base					$65.0							
Air and Missile Defense Radar (AMDR) *[improved radar for DDG-51-class ships]*			$144.4			$144.4			$144.4			$144.4
DDG-1000 *Zumwalt*-class destroyer		$271.8	$45.6		$271.8	$45.6		$271.8	$45.6		$271.8	$45.6
Virginia-class submarine	2	$4,955.2	$113.0	2	$4,955.2	$113.0	2	$4,955.2	$113.0	2	$5,040.2	$113.0
--- OCO for Base					$85.0							
Virginia Payload Module			$97.9			$97.9			$97.9			$97.9
Ohio-class Replacement Program		$773.1	$1,091.1		$773.1[a]	$1,091.1		$773.1	$1,091.1		$773.1	$1,091.1
Littoral Combat Ship (LCS)	2	$1,125.6	$51.6	2	$1,125.6	$51.6	2	$1,097.6	$51.6	2	$1,097.6	$51.6
--- OCO for Base				1	$384.7							
LX(R) Amphibious Landing Transport			$6.3			$6.3		$50.0	$25.4		$440.8	$6.3
---OCO for Base				1	$856.0	$19.0						
LHA(R) America-class helicopter carrier	1	$1,623.0	$9.5	1	$1,623.0	$9.5	1	$1,623.0	$9.5	1	$1,623.1	$9.5

Source: H.Rept. 114-840, *Conference Report to accompany* S. 2943, *National Defense Authorization Act for FY2017.*

Table A-3. FY2017 Authorization Action on Selected Aircraft and Ballistic Missile Programs

amounts in millions of dollars

	FY2017 Request			H.R. 4909			S. 2943			Conference Report P.L. 114-328		
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D
	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt
F-35A (Air Force)	43	$4,806.4	$613.5	43	$4,806.4	$613.5	43	$4,806.4	$613.5	43	$4,593.4	$608.0
--- OCO for Base				5	$690.5							
F-35B (STOVL)	16	$2,271.4	$605.7	16	$2,271.4	$605.7	16	$2,271.4	$605.7	16	$2,271.4	$603.4
--- OCO for Base				2	$254.2							
F-35C (Navy – carrier-based)	4	$971.6	$592.1	4	$971.6	$592.1	4	$971.6	$592.1	4	$971.6	$589.9
--- OCO for Base				4	$540.0							
F/A-18 Super Hornet [in OCO]	2	$184.9		2	$184.9		2	$184.9		2	$184.9	
--- OCO for Base				14	$1,400.0							
F/A-18 mods		$1,023.5	$189.1		$986.2	$189.1		$1,023.5	$189.1		$986.2	$189.1
F-15 mods		$105.7	$613.4		$105.7	$613.4		$105.7	$613.4		$105.7	$613.4
---OCO for Base					$60.4							
F-16 mods		$97.3	$132.8		$97.3	132.8		$185.6	$132.8		$114.3	$132.8
--- OCO for Base					$187.5							
F-22 mods		$241.4	$457.9		$241.4	$457.9		$241.4	$457.9		$241.4	$449.8
Long-range Strike Aircraft & Missiles												
Long-Range Strike Bomber			$1,358.3			$1,358.3			$1,056.0			$1,358.3
B-2 mods		$46.7	$468.1		$46.7	$441.4		$46.7	$441.4		$46.7	$441.4
B-1 mods		$116.3	$5.8		$116.3	$5.8		$116.3	$5.8		$116.3	$5.8

	FY2017 Request			H.R. 4909			S. 2943			Conference Report P.L. 114-328		
B-52 mods		$109.0	$78.3		$109.0	$78.3		$109.0	$78.3		$109.0	$78.3
Trident II missile mods		$1,103.1			$1,103.1			$1,103.1			$1,103.1	
Conventional Prompt Global Strike			$181.3			$186.3			$181.3			$181.3
Fixed-wing and Tilt-Rotor Cargo, Transport, and Tanker Aircraft												
KC-46A tanker	15	$2,884.6	$261.7	15	$2,884.6	$121.7	15	$2,884.6	$121.7	15	$2,884.6	$121.7
C-17 mods		$21.6	$12.4		$21.6	$12.4		$21.6	$12.4		$21.6	$12.4
C-5 mods		$24.2	$66.1		$24.2	$66.1		$24.2	$66.1		$24.2	$66.1
C-130 (all models)	14	$1,235.3	$32.8	14	$1,235.3	$32.8	14	$1,235.3	$32.8	14	$1,320.9	$32.8
--- OCO	1	$73.0		1	$73.0		1	$73.0		1	$73.0	
--- OCO for Base				4	$374.5							
V-22 Osprey	16	$1,283.8	$191.1	16	$1,283.8	$191.1	16	$1,283.8	$191.1	16	$1,268.8	$174.4
--- OCO for Base				2	$150.0	$11.4						
Fixed-wing Intelligence, Surveillance, and Reconnaissance Aircraft												
E-2D	6	$1,041.5	$363.8	6	$1,041.5	$363.8	6	$1,041.5	$363.8	6	$1,041.5	$363.8
P-8A	11	$2,063.4	$241.3	11	$2,063.4	$241.3	11	$2,063.4	$241.3	11	$1,986.4	$211.3
E-8 Joint Stars replacement			$128.0			$128.0			$128.0			$128.0
E-3A AWACS mods		$223.4	$86.6		$223.4	$86.6		$223.4	$86.6		$223.4	$86.6
MQ-1 Predator [and payload]		$99.1	$13.5		$128.7	$13.5		$99.1	$13.5		$99.1	$13.5
--- OCO for Base					$95.1							
MQ-9 Reaper and mods		$275.0	$169.2		$275.0	$218.2		$202.8	$216.3		$275.0	$179.2
--- OCO		$385.7			$385.7			$385.7			$298.7	
--- OCO for Base		$179.4			$179.4			$179.4			$179.4	
Global Hawk (all versions)	2	$509.7	$588.2	2	$509.7	$588.2	2	$509.7	$588.2	2	$496.8	$588.2

	FY2017 Request			H.R. 4909			S. 2943			Conference Report P.L. 114-328		
--- OCO for Base				1	$95.0							
Helicopters												
UH-60 Blackhawk *[new and rebuilt]*	74	$975.4	$46.8	74	$975.4	$46.8	74	$975.4	$46.8	74	$975.4	$46.8
--- OCO for Base				36	$440.2							
AH-64 Apache *[new and rebuilt]*	48	$988.2	$66.4	48	$988.2	$66.4	48	$988.2	$66.4	48	$988.2	$66.4
--- OCO for Base	4	$78.0		9	$340.9		4	$78.0		4	$78.0	
AH-64 mods		$137.9			$137.9			$137.9			$137.9	
CH-47 Chinook	22	$565.0	$91.8	22	$565.0	$91.8	22	$565.0	$91.8	22	$565.0	$91.8
CH-47 mods		$102.9			$102.9			$102.9			$102.9	
--- OCO for Base					$102.0							
CH-53K	2	$437.0	$404.8	2	$437.0	$404.8	2	$437.0	$404.8	2	$437.0	$373.3
AH-1Z Super Cobra	24	$817.0	$27.4	24	$817.0	$27.4	24	$817.0	$27.4	24	$813.8	$27.4
--- OCO for Base				2	$57.0							
VH-92A Presidential Helicopter			$338.4			$338.4			$338.4			$338.4
Combat Rescue Helicopter			$319.3			$319.3			$319.3			$304.3

Source: H.Rept. 114-840, Conference Report to accompany S. 2943, National Defense Authorization Act for FY2017.

Table A-4. FY2017 Authorization Action on Selected Missile Defense Programs

amounts in millions of dollars

	FY2017 Request		H.R. 4909		S. 2943		Conference Report P.L. 114-328	
	Procurement	R&D	Procurement	R&D	Procurement	R&D	Procurement	R&D

	FY2017 Request			H.R. 4909			S. 2943			Conference Report P.L. 114-328		
	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt
AEGIS Ballistic Missile Defense *(shipborne and Aegis Ashore)*	35	$571.4	$1,203.4	35	$661.4	$1,203.4	35	$571.4	$1,203.4	35	$636.4	$1,183.4
--- OCO for Base						$10.0						
THAAD Ballistic Missile Defense	24	$369.6	$253.2	24	$369.6	$253.2	24	$369.6	$253.2	24	$369.6	$253.2
Ground-based Midcourse Defense			$918.6			$918.6			$918.6			$918.6
--- OCO for Base						$65.0						
Improved Continental U.S. Defense *(new interceptor and kill vehicle)*			$345.6			$345.6			$450.6			$345.6
--- OCO for Base						$130.0						
Iron Dome		$42.0			$62.0			$42.0			$62.0	
Israeli Cooperative Programs			$103.8		$270.0	$293.8			$238.8		$270.0	$268.7
Sea-Based X-Band Radar (SBX)			$68.8			$68.8			$68.8			$68.8

Source: H.Rept. 114-840, Conference Report to accompany S. 2943, National Defense Authorization Act for FY2017.

Table A-5. FY2017 Authorization Action on Selected Space and Communications Systems

amounts in millions of dollars

	FY2017 Request			H.R. 4909			S. 2943			Conference Report P.L. 114-328		
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D
	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt
Advanced Extremely High Frequency Satellite		$645.6	$259.1		$645.6	$259.1		$645.6	$229.1		$645.6	$229.1
Evolved Expendable Launch Vehicle	5	$1,506.4	$296.6	5	$1,506.4	$100.0	5	$1,506.4	$296.6		$1,279.4	$160.0
Rocket Propulsion System						$220.0						$220.0

	FY2017 Request			H.R. 4909			S. 2943			Conference Report P.L. 114-328		
	Procurement		R&D	Procurement		R&D	Procurement		R&D	Procurement		R&D
	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt	Qty	Amt	Amt
Global Positioning System		$49.4	$535.2		$46.5	$535.2		$49.4	$535.2		$46.5	$535.2
Space-based Infrared System		$362.5	$182.0		$362.5	$182.0		$362.5	$182.0		$362.5	$182.0
Warfighter Information Network–Tactical		$427.6	$4.9		$434.2	$4.9		$327.6	$4.9		$427.6	$4.9
--- OCO		$9.6			$3.0			$9.6			$9.6	

Source: H.Rept. 114-840, Conference Report to accompany S. 2943, National Defense Authorization Act for FY2017.

Appendix B. Appropriations Action on Selected Programs

Table B-1. FY2017 Appropriations Action on Selected Ground Vehicles Programs

[Unless expressly stated, amounts are Procurement funds only]

amounts in millions of dollars

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31 (additions to H.R. 1301 in red)
M-2 Bradley Infantry Fighting Vehicle	$276.4	$264.9	$258.3	$265.3	+$213.6	$265.3
--- OCO		$72.8	$72.8	$72.8		$72.8
M-1 Abrams Tank Upgrade/Mods	$480.2	$475.8	$480.2	$492.0	+$330.0	$492.0
--OCO		$172.0	$172.0	$172.0		$172.0
--- OCO for Base		$60.0				
Paladin Self-propelled Howitzer	$469.3	$469.3	$445.8	$461.5		$461.5
--- OCO	$125.2	$125.2	$117.4	$122.6		$122.6
Stryker Combat Vehicle	$590.6	$585.9	$556.5	$564.6	+$8.3	$564.6
--- OCO						$8.3
M-88A1 Hercules Tank Recovery Vehicle	$92.0	$92.0	$92.0	$92.0	+$135.0	$92.0
--- OCO for Base		$72.0				
Armored Multi-Purpose Vehicle **R&D only**	$184.2	$184.2	$184.2	$184.2		$184.2
Amphibious Assault Vehicle **R&D only**	$158.7	$138.8	$136.7	$138.8		$138.8
Joint Light Tactical Vehicle	$700.7	$688.0	$700.7	$691.7		$691.7
Family of Medium Tactical Vehicles	$53.3	$53.3	$53.3	$53.3		$53.3
--- OCO	$299.5	$299.5	$299.5	$299.5		$299.5

Source: H.Rept. 114-577 to accompany H.R. 5293, S.Rept. 114-263 to accompany S. 3000, H.R. 1301 and H.R. 244/P.L. 115-31. The Joint Explanatory Statement to accompany H.R. 1301 can be found in the Congressional Record, March 8, 2017, pp. H1640-H1935. The Joint Explanatory Statement to accompany H.R. 244 can be found in the Congressional Record, May 3, 2017, Book II, pp. H3391-3703.

Table B-2. FY2017 Appropriations Action on Selected Ship Programs

[Unless expressly stated, amounts are Procurement funds only]

amounts in millions of dollars

	Feb 2016 initial request	**H.R. 5293 House-passed 6/22/16**	**S. 3000 committee-reported 6/30/16**	**H.R. 1301 initial compromise introduced 3/2/17**	**Mar 2017 additional request**	**H.R. 244 P.L. 115-31 (additions to H.R. 1301 in red)**
U.S.S. Gerald R. Ford-class aircraft carrier	$2,662.6	$2,642.0	$2,646.6	$2,626.6		$2,626.6
--- OCO for Base		$263.0				
Carrier refueling and complex overhaul	$1,991.8	$1,938.5	$1,976.4	$1,932.3		$1,932.3
DDG-51 *Arleigh Burke*-class destroyer	$3,211.3	$3,211.3	$3,614.8	$3,614.8	$433.0	$3,614.8
--- OCO for Base		$433.0				
DDG-51 mods	$367.8	$354.2	$367.8	$364.6	$65.0	$364.6
--- OCO						$65.0
--- OCO for Base		$65.0				
Air and Missile Defense Radar ***R&D only***	$144.4	$144.4	$144.4	$144.4		$144.4
DDG-1000 *Zumwalt*-class destroyer	$271.8	$271.8	$271.8	$271.8		$271.8
Virginia-class submarine	$4,955.2	$4,930.1	$5,040.2	$5,040.2		$5,040.2
Virginia Payload Module **R&D only**	$97.9	$97.9	$97.9	$97.9		$97.9

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 initial compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31 (additions to H.R. 1301 in red)
Ohio-class Replacement Program ***Procurement plus R&D***	$1,473.9	$1,473.9	$1,473.9	$1,473.9		$1,473.9
Littoral Combat Ship (LCS)	$1,125.6	$1,439.2	$1,600.6	$1,563.7		$1,563.7
LX (R) Amphibious Landing Transport			$200.0	$1,786.0		$1,786.0
--- OCO for Base		$1,550.2				
LHA(R) *America*-class helicopter carrier	$1,623.1	$1,559.2	$1,623.1	$1,617.7		$1,617.7

Source: H.Rept. 114-577 to accompany H.R. 5293, S.Rept. 114-263 to accompany S. 3000, H.R. 1301 and H.R. 244/P.L. 115-31. The Joint Explanatory Statement to accompany H.R. 1301 can be found in the Congressional Record, March 8, 2017, pp. H1640-H1935. The Joint Explanatory Statement to accompany H.R. 244 can be found in the Congressional Record, May 3, 2017, Book II, pp. H3391-3703.

Table B-3. FY2017 Appropriations Action on Selected Aircraft Programs

[Unless expressly stated, amounts are Procurement funds only]

amounts in millions of dollars

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 initial compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31 (increase over H.R. 1301 in red)
Fixed-wing Tactical Aircraft						
F-35A (Air Force)	$4,806.4	$5,158.4	$4,488.4	$5,007.4	+$595.5	$5,007.4
--- OCO						$75.0
F-35B (STOVL)	$2,271.4	$2,430.6	$2,348.2	$2,525.6	+$2.9	$2,525.6
--- OCO						$2.9
F-35C (Navy – carrier-based)	$971.6	$1,448.6	$1,064.6	$1,393.2		$1,393.2

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 initial compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31 (increase over H.R. 1301 in red)
F/A-18 Super Hornet		$1,200.0	$979.0	$979.0	+$2,320.0	$979.0
--- OCO for Base	$184.9	$145.9	$184.9	$167.9		$167.9
F/A-18 mods	$1,023.5	$974.0	$1,018.8	$988.2	-$105.4	$988.2
F-15 mods	$105.7	$105.7	$145.4	$145.4		$145.4
--- OCO for Base		$60.4				
F-16 mods	$97.3	$124.7	$97.3	$113.3	+$160.0	$113.3
--- OCO				$17.0		$144.1
--- OCO for Base		$77.4				
F-22 mods	$241.4	$241.4	$199.4	$224.4		$224.4
Long-range Strike Aircraft & Missiles						
Long-Range Strike Bomber ***R&D only***	$1,358.3	$1,358.3	$1,258.3	$1,338.3		$1,338.3
B-2 mods	$46.7	$46.7	$46.7	$46.7		$46.7
B-1 mods	$116.3	$109.3	$109.3	$116.3	+$34.0	$116.3
--- OCO						$34.0
Trident II missile mods	$1,103.1	$1,094.7	$1,103.1	$1,099.1		$1,099.1
Conventional Prompt Global Strike ***R&D only***	$181.3	$181.3	$101.3	$161.3		$161.3
Fixed-wing and Tilt-Rotor Cargo, Transport, and Tanker Aircraft						
KC-46A tanker	$2,884.6	$2,801.9	$2,884.6	$2,567.2		$2,567.2
C-17 mods	$21.6	$21.6	$17.5	$17.5		$17.5
C-5 mods	$24.2	$24.2	$24.2	$24.2		$24.2

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 initial compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31 (increase over H.R. 1301 in red)
C-130 (all models)	$1,235.3	$1,224.5	$1,346.3	$1,336.3	+$500.0	$1,336.5
--- OCO	$73.0	$73.0	$73.0	$73.0		$73.0
--- OCO for Base		$758.0				
V-22 Osprey	$1,303.8	$1,416.6	$1,438.8	$1,431.8	+$170.8	$1,41318
--- OCO				$97.0	+85.4	+$182.4
Fixed-wing Intelligence, Surveillance, and Reconnaissance Aircraft						
E-2D	$1,041.5	$996.4	$1,041.5	$1,041.5		$1,041.5
P-8A	$2,063.4	$1,923.5	$1,943.4	$1,943.4	+$920.0	$1,943.4
E-8 Joint Stars replacement ***R&D only***	$128.0	$128.0	$128.0	$128.0		$128.0
E-3A AWACS mods	$223.4	$223.4	$223.4	$223.4	+$21.8	$223.4
---OCO						$21.8
MQ-1 Predator with payload and mods	$99.1	$314.1	$99.1	$314.1	+$178.0	$314.1
--- OCO						$108.0
MQ-9 Reaper and mods	$275.1	$275.1	$270.4	$283.1		$283.1
--- OCO	$565.1	$329.4	$439.8	$429.8		$429.8
--- OCO for Base		$148.7				
Global Hawk and mods (all versions)	$509.7	$563.9	$483.9	$539.2		$539.2
Helicopters						
UH-60 Blackhawk, new and rebuilt	$975.4	$1,173.7	$1,332.9	$1,305.3	+$376.2	$1,305.3
--- OCO for Base		$241.9				
AH-64 Apache, new and rebuilt	$988.2	$1,434.2	$959.2	$1,221.1	+$707.8	$1,221.1

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 initial compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31 (increase over H.R. 1301 in red)
---- OCO	$78.0	$78.0	$78.0	$78.0		$149.8
--- OCO for Base						$78.0
CH-47 Chinook and mods	$667.9	$662.5	$667.9	$664.9	+$61.0	$664.9
--- OCO for Base		$240.0				
CH-53K ***Procurement plus R&D***	$841.8	$806.1	$761.2	$767.3		$783.6
AH-1Z Super Cobra	$817.0	$854.9	$805.0	$855.0		$855.0
VH-92A Presidential Helicopter ***R&D only***	$338.4	$338.4	$302.9	$338.4		$338.4
Combat Rescue Helicopter ***R&D only***	$319.3	$304.3	$273.3	$273.3		$273.3

Source: H.Rept. 114-577 to accompany H.R. 5293, S.Rept. 114-263 to accompany S. 3000, H.R. 1301 and H.R. 244/P.L. 115-31. The Joint Explanatory Statement to accompany H.R. 1301 can be found in the Congressional Record, March 8, 2017, pp. H1640-H1935. The Joint Explanatory Statement to accompany H.R. 244 can be found in the Congressional Record, May 3, 2017, Book II, pp. H3391-3703.

Table B-4. FY2017 Appropriations Action on Selected Missile Defense Programs

[Amounts include Procurement plus R&D funds]

amounts in millions of dollars

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 initial compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31 (increase over H.R. 1301 in red)
AEGIS Ballistic Missile Defense	$1,774.5	$1,744.5	$1,789.5	$1,784.8		$1,784.8
--- OCO for Base		$75.0				

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 initial compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31 (increase over H.R. 1301 in red)
THAAD Ballistic Missile Defense	$622.9	$568.5	$672.8	$658.7	+$151.0	$658.7
--- OCO						$151.0
Ground-based Midcourse Defense	$918.6	$973.6	$1,035.6	$1,030.6		$1,030.6
--- OCO for Base		$65.0				
Improved Continental U.S. Defense *(new interceptor and kill vehicle)*	$345.7	$300.7	$370.9	$325.8		$325.8
Iron Dome	$42.0	$62.0	$62.0	$62.0		$62.0
Israeli Cooperative Programs	$103.8	$538.7	$538.7	$538.7		$538.7
Sea-Based X-Band Radar (SBX)	$68.8	$65.8	$88.8	$85.8	+$24.5	$90.3

Source: H.Rept. 114-577 to accompany H.R. 5293, S.Rept. 114-263 to accompany S. 3000, H.R. 1301 and H.R. 244/P.L. 115-31. The Joint Explanatory Statement to accompany H.R. 1301 can be found in the Congressional Record, March 8, 2017, pp. H1640-H1935. The Joint Explanatory Statement to accompany H.R. 244 can be found in the Congressional Record, May 3, 2017, Book II, pp. H3391-3703.

Table B-5. FY2017 Appropriations Action on Selected Space and Communications Systems

[Amounts include Procurement plus R&D funds]

amounts in millions of dollars

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 initial compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31
Advanced Extremely High Frequency Satellite (AEHF)	$904.7	$874.7	$904.7	$874.7		$874.7
Evolved Expendable Launch Vehicle (EELV)	$1,803.4	$1,325.0	$1,308.0	$1,650.0		$1,650
Global Positioning System (GPS)	$584.7	$581.7	$344.4	$565.2	+$157.3	$565.2
Space-based Infrared System (SBIRS)	$544.5	$524.5	$524.5	$519.5	+$36.8	$519.5

	Feb 2016 initial request	H.R. 5293 House-passed 6/22/16	S. 3000 committee-reported 6/30/16	H.R. 1301 initial compromise introduced 3/2/17	Mar 2017 additional request	H.R. 244 P.L. 115-31
Warfighter Information Network–Tactical (WIN-T)	$432.5	$546.1	$432.5	$546.5		$546.5
--- OCO	$9.6	$9.6	$9.6	$9.6		$9.6

Source: H.Rept. 114-577 to accompany H.R. 5293, S.Rept. 114-263 to accompany S. 3000, H.R. 1301 and H.R. 244/P.L. 115-31. The Joint Explanatory Statement to accompany H.R. 1301 can be found in the Congressional Record, March 8, 2017, pp. H1640-H1935. The Joint Explanatory Statement to accompany H.R. 244 can be found in the Congressional Record, May 3, 2017, Book II, pp. H3391-3703.

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