

## **Department of Defense Appropriations Amendments**

Amendment 4786: Require earmarks, limitations and directives to be printed in conference report

Amendment 4787: Cap conference spending at \$70 million

Amendment 4784: Require budget justifications and reports for Appropriations Committees be publicly posted on the DoD web site

Amendment 4785: Direct DoD to improve the methodology for estimating improper payments related to travel and to provide risk assessments that determine whether or not travel payments at DoD are at significant risk for making improper payments

**Amendment 4786 -- Requires that any limitation, directive, or earmarking be included in the bill's conference report.**

Some appropriation bills allow for earmarks or special projects and other directives included in the House version of an appropriations bill to be automatically approved by the Senate without being mentioned within the Senate version of these bills or their accompanying reports.

The following language is included in the Senate Committee report for the fiscal year 2007 Interior, Environment and Related Agencies Appropriations bill (Report 109-275, page 8): "Any limitation, directive, or earmarking contained in either the House or Senate report which is not contradicted by the other report nor specifically denied in the conference report shall be considered as having been approved by both Houses of Congress."

Such language has, consequently, enabled many earmarks to become law without being voted on or approved by the Senate. This process has been used to hide millions of dollars of pork spending from the public.

While the Department of Defense appropriations bill does not contain this language, it is important that the Senate is on record opposing such legislative shell game tactics that conceal how Congress spends tax dollars.

Taxpayers and policy makers shouldn't have to play hide and seek to find out how federal funds are being spent. In fact, those paying the taxes have a right to know and those spending the taxes have a responsibility to know.

Despite an incredible expansion in our economy and resulting record-high tax receipts, Congress continues to borrow money with our national debt now exceeding \$8.4 trillion.

Last year there were over 2,800 earmarks included in the Fiscal Year 2006 Department of Defense Appropriations bill, which totaled \$14.9 billion in additional federal spending. This included:

- **\$591,017,000** added in conference for eight additional aircrafts rated by the Office of the Inspector General of the Department of Defense as unsatisfactory;
- **\$500,000** for the Arctic Winter Games;
- **\$8,270,000** for breath alcohol testing equipment;
- **\$4,000,000** for an improvement plan for a shipyard that was scheduled to close because of waning business;
- **\$1,000,000** for an already-closed navy yard, \$22,000,000 for Maui Space Surveillance System operations and research; and
- **\$1,000,000** for the Waterfree Urinal Conservation Initiative.

This amendment will simply ensure that each and every earmark or directive must be included in the final Department of Defense appropriations bill and approved by both Chambers of Congress. This will enable further transparency and debate on all spending in this appropriations bill and provide the American taxpayer an additional safeguard that their money is not wasted on unnecessary projects that jeopardize the nation's fiscal health and the living standard of their children and grandchildren.

The Senate recently accepted this same amendment by unanimous consent to the Fiscal Year 2007 Department of Homeland Security Appropriations bill. It has also been accepted by unanimous consent to the Fiscal Year 2006 appropriations bills for Military Construction, Defense, Transportation, and Labor/Health and Human Services/Education. The Senate voted 55 to 39 to include it in the Fiscal Year 2006 Agriculture appropriations bill.

**Amendment 4787 – Caps conference expenditures by the Department of Defense at no more than \$70 million.**

**DoD Conference Spending, Fiscal Years 2001- 2006**

<b>Year</b>	<b>Amount</b>
2001	\$62,326,200
2002	\$73,657,400
2003	\$71,062,000
2004	\$79,902,500
2005	\$79,268,900
2006*	\$77,896,400

\*Estimate

Over the past five years, the Department of Defense (DoD) has spent nearly half a billion dollars on conferences. [The exact amount is \$444,113,400 million.]

In 2005 alone, DoD spent over \$79 million on conferences. This is a \$17 million annual increase since 2001 when the Department spent \$62 million.

According to a December 2005 letter from J. David Patterson, a principal deputy to the Pentagon comptroller about 36,100 civilian and military personnel attended 6,600 conferences worldwide in Fiscal Year 2005, at an average cost of \$2,196 per attendee. Of those meetings, 663 were held in Florida, 224 in Las Vegas and 98 in Hawaii, according to the letter.

DoD spends significantly more on conferences than any other federal department. In fact, DoD spent more on conferences in 2005 than the Departments of Agriculture, Commerce, Education, Energy, Housing and Urban Development, Labor, Transportation, and Treasury and the Environmental Protection Agency combined.

At a time when our nation is at war and our national debt has surpassed \$8.4 trillion, we must prioritize federal spending.

Earlier this year when the emergency supplemental appropriations bill to fund the wars in Iraq and Afghanistan was delayed by differences between the House and Senate, the Pentagon was forced to do just that and spending on conferences was among the first items that were trimmed to save money.

In an article titled, "Army Brass Defies A Costly Trend By Cutting London Trip," *CongressDaily* reported on June 2 that "Faced with a budget crunch and a supplemental spending bill that has yet to be reconciled between the House and Senate, the Army is severely restricting travel-- even canceling appearances by several of its top officers at an international military conference next week in London. ... A Pentagon spokesman said today the Office of the Secretary of Defense is trying to scale back some of its travel to save money, and is encouraging the military services to do the same. ... Canceling travel -- even for its highest-ranking officers -- is one of many penny-pinching moves the service plans to take until the House and Senate forward the FY06 emergency supplemental for military operations and hurricane relief to President Bush's desk for signature." Seven generals were scheduled to attend the conference.

*CongressDaily* noted that "not all travel is centered around important national security matters. Indeed, last year's round of meetings included the Armed Forces Golf Conference in West Palm Beach, Florida, the Armed Forces Bowling Training and Trade Show in Las Vegas and the Armed Forces Bowling Conference in Orlando."

Now that the supplemental has been passed and signed into law, doesn't mean that the government can continue with its wasteful spending habits.

As long as our men and women in uniform are in harms way or the national security of the United States is at risk, we should put restraints on non-essential spending including conferences.

Conferences may provide interesting opportunities to network and exchange information in person, but they do not win wars or protect our soldiers who are defending our freedom.

This amendment would cap the amount DoD could spend on conferences in 2007 at \$70 million, which is more than enough for a single department to pay for conferences in a single year. This cap would save approximately \$9 million in the next twelve months.

This ensures that a greater amount of defense dollars will actually be spent on protecting our nation, which should be the goal of DoD.

According to DoD, a complete set of body armor, including the outer tactical vest, Ballistic inserts (E-SAPI plates), the deltoid Auxiliary Protector and side plates, costs \$3,145. The \$9 million saved by this amendment could provide 2,860 men and women on the front lines in Iraq and Afghanistan with body armor.

These funds could also be used to upgrade military vehicles that can save both lives and money. The U.S. Army has started fielding new up-armored Humvees to give soldiers protection choices for different missions. The M1151 and M1152 series, which will replace the current M1114, will incorporate the latest combat lessons learned while paving the way for future enhancements across the entire wheeled vehicle fleet. "We have spent well over \$400 million just installing armor in the theater over the last 18 months," according to Brig. Gen. Patrick J. O'Reilly, Program Executive Officer, Combat Support/Combat Service Support. "And with this vehicle we would not have had to spend that \$400 million. We have also had more than 1,000 contractors who have been in the theater installing armor, and that introduced problems with things like contractors on the battlefield. We could have avoided that if we had had this."

These vehicles offer both tactical flexibility and significant life-cycle savings advantages. According to DoD, it costs \$159,000 per M1151 and \$152,000 per M1152. The \$9 million saved by this amendment could purchase 58 of these upgrade vehicles.

Since 2001, Congress has appropriated as much as \$436 billion for the global war on terrorism, including as much as \$401 billion for Iraq and Afghanistan operations. It is likely that hundreds of billions of dollars more will be needed to win these conflicts and we, therefore, must ensure federal dollars are prioritized. This amendment does just that in a responsible manner that ensures conferences and

related expenses may continue, but that the amount spent on these activities by the Pentagon does not exceed \$70 million next year, so that more of our defense dollars will actually be spent on our defense needs during this time of war.

The Senate has previously approved two similar amendments that capped conference spending by agencies.

Last year, the Senate accepted an amendment that would cap the amount the Department of Housing and Urban Development (HUD) could spend on conferences at \$3 million. In 2005 alone, HUD spent \$13.9 million on conferences. The agency planned to spend \$12.4 million on conferences in 2006. The amendment saved \$9.36 million.

The Senate also accepted an amendment to reduce the amount the Department of Health and Human Services (HHS) could spend on travel and conferences by \$15 million. In 2005 alone, HHS spent \$68.5 million on conferences. The amendment saved \$15 million.

The following are among the conferences attended by or supported by the Department of Defense last year:

- AMF Bowling Tech Pinspotter Mechanics Training in Tulsa, OK
- Armed Forces Bowling Training and Trade Show in Las Vegas, NV
- Bowling Expo in Orlando, FL
- Armed Forces Bowling Conference in Orlando, FL (according to a DOD website, "Attending educational seminars at the annual Armed Forces Bowling Conference is a good way to help satisfy educational requirements." See <http://www.army.mil/cfsc/documents/business/BOWLINGCERTIFICATION.doc> )
- ODR: Bowling Managers Expo in Las Vegas, NV
- Armed Forces Golf Conference in West Palm Beach, FL
- 2005 Arts & Crafts Training & Tradeshow in Atlanta, GA
- The Crafts and Hobby Association Conference in Atlanta, GA,
- The American Association of Museums conference in Indianapolis, IN
- Museum training Conference in Naperville, IL
- Hotel/Motel Trade Show in New York, NY
- The 2004 Watchable Wildlife Conference in Dubuque, IA (More details at [http://www.watchablewildlife.org/conference/dubuque2004/field\\_trips.htm](http://www.watchablewildlife.org/conference/dubuque2004/field_trips.htm) ).
- National Conference of LaRaza in Philadelphia, PA



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**From:** Carstens, Roger, LTC, OSD-LA [mailto:Roger.Carstens@osd.mil]  
**Sent:** Monday, April 24, 2006 5:52 PM  
**To:** DeHaven, Tad (Coburn)  
**Subject:** RE: Item Cost Questions

Tad,

A complete set of body armor costs \$3,145 and includes the outer tactical vest, Ballistic inserts (E-SAPI plates), the deltoid Auxiliary Protector and side plates.

Up-Armored HUMMWW. The manufacturer costs are as follows:

M1151 - \$159k

M1152 - \$152k

M1152 ambulance - \$189k

This does not include the following items that are part of the total purchase package: Project Management Support, Comparison Testing, Preproduction Qualification Testing, System Technical Support, Engineering Support, Fielding Support, Engineering Changes, and Kits (Radios).

CongressDailyPM  
June 2, 2006

## Army Brass Defies A Costly Trend By Cutting London Trip

Faced with a budget crunch and a supplemental spending bill that has yet to be reconciled between the House and Senate, the Army is severely restricting travel -- even canceling appearances by several of its top officers at an international military conference next week in London. But critics of excessive government spending quickly noted that the Defense Department has ample funds for conference travel, including golf, bowling and other meetings in such prime destinations as Las Vegas and Hawaii. "I guess if you can't work on the naval base in Hawaii, at least you could conference there," one House aide said.

Indeed, the department spent \$79.3 million for conference travel last year alone, according to a December 2005 letter from J. David Patterson, a principal deputy to the Pentagon comptroller, to Sen. **Tom Coburn**, R-Okla. About 36,100 civilian and military personnel attended 6,600 conferences worldwide in FY05, at an average cost of \$2,196 per attendee. Of those meetings, 663 were held in Florida, 224 in Las Vegas and 98 in Hawaii, according to a copy of the letter obtained by *CongressDaily*. This year, travel expenses are slightly down, projected at \$77.9 million. Still, that is a dramatic increase above the \$62.3 million the department spent in FY01. A Pentagon spokesman said today the Office of the Secretary of Defense is trying to scale back some of its travel to save money, and is encouraging the military services to do the same.

The Pentagon comptroller's office devised the figures using a definition for "conference" provided by Coburn, specifically "a meeting for consultation, education or discussion that includes non-agency participants, not held entirely at an agency facility," according to the letter. But critics say not all travel is centered around important national security matters. Indeed, last year's round of meetings included the Armed Forces Golf Conference in West Palm Beach, Fla., the Armed Forces Bowling Training and Trade Show in Las Vegas and the Armed Forces Bowling Conference in Orlando.

But there also are many meetings with rigorous schedules that draw thousands of top personnel from militaries worldwide. The land warfare conference next week in London, for example, attracts general officers from the British, French, Australian and German armies, among others. Army Chief of Staff Peter Schoomaker was scheduled to deliver an address, but he and at least six other U.S. generals pulled out at the last minute because of budget woes, a defense source said. Canceling travel -- even for its highest-ranking officers -- is one of many penny-pinching moves the service plans to take until the House and Senate forward the FY06 emergency supplemental for military operations

and hurricane relief to President Bush's desk for signature. The Army's portion of the \$92 billion-plus bill, which remains in conference, is expected to be more than \$36 billion.

"There are two sides to the story," a Coburn spokesman said this week. "One is that we're sympathetic to the Army's concerns" about the supplemental spending bill, which has been languishing in Congress for weeks. But he also noted that the Army and other agencies "can obviously cut back on some spending." It is an issue that Coburn will address when the Senate takes up the Defense appropriations bill later this year, the spokesman added.

-- by *Megan Scully*



## AUSA: Army Magazine

Soldier Armed - M1151/M1152 Humvees  
07/01/2005

### M1151/M1152 Humvees

July 2005

*By Scott R. Gourley*

As these pages go to press, the U.S. Army should be starting initial production on two new models of the Humvee. Designated M1151 and M1152, the new two-seat and four-seat variants incorporate the latest combat lessons learned while paving the way for future enhancements across the entire wheeled vehicle fleet.

“From the outside, you probably couldn’t tell much of a difference between a current Humvee and these M1151s and M1152s,” observed Brig. Gen. Patrick J. O’Reilly, Program Executive Officer, Combat Support/Combat Service Support. “Basically, they have a very similar chassis to an M1114 up-armored Humvee (UAH), but the big difference is that the M1151/M1152 design has armor that can quickly be installed and uninstalled from the vehicle by the crew members themselves.

“The intent is that the crew will do it without lift,” he added. “That’s the design goal of this. That’s the reason we went after it.”

Another design objective was to require as few tools as possible to install the M1151/M1152 armor packages.

“If we could do it with no tools, we would. But the goal is that you will need only one or two tools to install this armor. And they will be tools that you already carry on the vehicle,” O’Reilly said.

Noting that current M1114 UAH designs feature permanent armor packages that add stress and decrease payload capacity over the life of the platform, he added, “The new vehicles would only carry the weight when you have a mission like we currently have in Southwest Asia. It will also give tremendous flexibility to the commanders because a vehicle can be up-armored for a period of time and then quickly unarmored—for example, our pre-positioned vehicles that are on ships at sea.

“If you had this capability, you could actually convert the vehicles onboard the ship from an unarmored to armored or an armored to unarmored configuration. If you’re going to

arrive and perform humanitarian relief, you wouldn't want armor but would want to maximize payload. If you're going into a theater-opening operation where you need the armor, you could convert your vehicles as the ship was steaming towards its destination."

The M1151/M1152 production process will feature a combination of some armoring, together with a significant amount of installation attachments. The production armoring, also known as the "A-kit," will add approximately 700 pounds to the vehicle weight. This armoring will be applied to areas operators would find difficult to access, including floorboard areas and behind the firewall.

The incorporation of additional attachment points will allow operators to complete the armoring process, installing the additional "B-kit" armor as needed.

According to O'Reilly, the M1151/M1152 program emerged in February 2004, based on direction from the Army Chief of Staff that all vehicles should be capable of handling armor.

The new Humvee designs are currently completing automotive and ballistic testing at Aberdeen Proving Ground, Md. The M1152 started production in June, with approximately 50 vehicles produced in the first month. Production of the M1151 is slated to begin in July, with approximately 29 vehicles to be manufactured the first month.

"The initial production estimates right now are that more than 1,000 M1151s will be built between now and the end of the calendar year," O'Reilly said. "And we will also build more than 1,500 M1152s in that same time period, for a total of more than 2,500 of these vehicles."

Together with the manufacture of these armor-ready M1151 and M1152 vehicles, the Army will also be developing and testing the add-on armor kits. "That is also going to occur between June and October, so that we will have full materiel release ready to go to the field with the Army by the end of November," O'Reilly said.

"It's a pretty simple approach," he summarized. "And it came about as a way of being able to release the payload and help the reliability and life of the vehicle while still protecting the crew—because you do not have to carry around the weight of all the armor all the time, but you can quickly go to an armor configuration when you need to."

In addition to emphasizing its tactical flexibility, O'Reilly noted that the M1151/M1152 concept also offers significant life-cycle savings advantages. "We have spent well over \$400 million just installing armor in the theater over the last 18 months," he said. "And with this vehicle we would not have had to spend that \$400 million. We have also had more than 1,000 contractors who have been in the theater installing armor, and that introduced problems with things like contractors on the battlefield. We could have avoided that if we had had this."

Although the Army is preparing to move into initial production on the M1151/M1152

systems, O'Reilly acknowledged that planners are already looking beyond the initial designs. "We're looking at another design iteration of the armor kit so that it can be even lighter and easier to install than the version that will be coming out in a couple of months," he said. "We're already working on trying to improve another iteration."

In spite of the planned manufacture of more than 2,500 of the new vehicles this calendar year, the PEO stressed that the M1114 UAH will not go away. "There still will be a purpose for the up-armored Humvees that have been built," he said. "It's just that they are more for the role where you need permanent armor, such as convoy security and things like that. The military police have those types of missions so they will continue to be used. We're not going to pull them out of the Army as the 1151s and 1152s come in, but the 1151s and 1152s will basically be the next generation that will replace our Level II armor that we have now."

Finally, from a transformational standpoint, the M1151/M1152 designs optimize the possibilities of some future technology enhancements. "Because we've designed these pre-installed kits and they are ready to accept armor, it also allows for the future evolution of armor over the next several years," O'Reilly concluded. "As we come up with new materials—lightweight materials, higher levels of protection and such that the Army research lab and others are still working on—then you could still upgrade that vehicle armor package so that it would fit on the vehicles' attachment points. Without affecting the vehicles, this allows us to continue to insert technology, going to newer and more advanced materials over the years."

**Coburn/Obama Amendment 4784 – Requires public disclosure of all reports delivered to the Appropriations Committee, including the justifications of the President’s annual budget request, by the Department of Defense unless such reports contain information that would compromise national security.**

This amendment requires the annual justifications of the President's budget request and all reports directed to be provided to the Appropriations Committees by the Department of Defense (DoD) in H.R. 5631 (and its accompanying reports) be posted on the Department’s website within 48 hours of being delivered to the Appropriations Committees unless such information compromises national security.

**Twenty reports are required by the 2007 DoD appropriations bill**

The fiscal year 2007 DoD appropriations bill requires 20 reports to be prepared and delivered to the Appropriations Committees. In addition, DoD provides the Appropriations Committees with annual justifications for the Administration’s budget proposals that outline how funding has been spent in previous years and what agency priorities are planned for future years. These reports and justifications are not readily available to other members of Congress or the public.

Few of these reports contain sensitive information involving national security but do contain information that may be of interest to the public, the media or lawmakers who are not members of the Appropriations Committee.

In the interest of transparency and accountability, this information should be publicly available. Certainly taxpayers, the media, and every member of Congress should have access to every Department’s budget justifications.

**DoD has refused to release budget justifications until permission was granted by the Appropriations Committee**

Every Department annually provides budget justifications to the Appropriations Committees but not necessarily to other members of Congress or the public. The policy of providing justifications of the President's budget only to the appropriators reinforces the culture that has led to the earmark "favor" factory reputation of the Appropriations Committees, unaccountable decision making, spending on dubious projects, authorizing on appropriations bills, and other headline grabbing misuses of federal funds.

Earlier this year, the Senate Federal Financial Management Subcommittee (of the Senate Committee on Homeland Security and Government Affairs) requested the budget justifications that were provided to the Appropriations Committees from every Department. DoD initially resisted the Subcommittee's request. After a month of persistent requests by the Subcommittee, DoD eventually did agree to deliver the justifications, but only after receiving the permission of the Appropriations Committees.

While the Subcommittee finally received the documents that were provided to the Appropriations Committee, it required a massive amount of staff time and effort to extort these documents. Many members of Congress are not even aware that these documents exist and few are likely to have actually read them despite the fact that they contain detailed explanations of the operations, priorities and goals of every department. The taxpayers, of course, have no ability to negotiate access to these documents.

**Annual budget justifications should be available to those who pay the taxes, not just those who spend taxes**

The only conclusion one can draw from the resistance to provide the Departments' budget justifications is that the budget requests are NOT justifiable, or that there is something being kept hidden. The same is true of the other reports that DoD and other Departments are directed to provide to the Appropriations Committees in appropriations bills.



The Federal Financial Management Subcommittee will continue to request these documents every year and take whatever actions are necessary to obtain them. The public and the media, however, will continue to be denied these government documents that do not contain classified information unless this amendment is approved.

If we are truly to have a “government of the people, by the people, for the people,” then the routine operations of the government must no longer be concealed or kept hidden from the people.

Budget justifications should be available to those who pay the taxes, not just those who spend our taxes.

### **This amendment ensures greater transparency and accountability of taxpayer funds**

This amendment will lift the veil of secrecy around communications between DoD and the Appropriations Committee. These reports should be available to all members of Congress, who are responsible for approving funding for every federal department and agency, and to the taxpayers. This will enhance transparency and accountability of federal funding and ensure that the taxpayers, rather than only Washington insiders and bureaucrats, can decide if federal funding priorities are justifiable.

### **Citizens’ organizations want reports and budget justifications prepared for Appropriations Committee to be public**

This amendment has been endorsed by organizations across the political spectrum. A recent letter sent to members of the U.S. Senate signed by over 50 organizations reads:

“As advocates from diverse political perspectives, we concur that government transparency is vital to the health of our political system. Regardless of our views on the appropriate role of the federal government, we believe government must publicly disclose its spending decisions and the rationale behind them. Such disclosure will help encourage a more actively engaged citizenry, resulting in a

more effective and efficient government.

“American taxpayers should not be kept in the dark about spending decisions, and yet there are obstacles at every turn. Shadowy policymaking climates often lead to adverse results, as recent bribery investigations of several Members of Congress demonstrate. Disclosing agency budget justifications is a key step in shining sunlight on the appropriations process and should be accessible to any American. Moreover, the availability of such information will help the electorate better understand the decisions that Members of Congress make.

“We realize this proposal may draw resistance from federal agencies and possibly within Congress. Yet bureaucratic conflicts and congressional turf wars are not sufficient reasons to withhold this information from the public. In the interest of good governance and democratic principles, we urge you to unite in support of legislative efforts to disclose budget justification documents.”

### **Reports required to be submitted to the Appropriations Committee by the 2007 Senate DoD report**

The following is a list of DoD reports directed to be prepared by report 109-292 and delivered to the Appropriations Committees:

Pages 9- 10

*Reserve Component Budget Structure.*—In the fiscal year 2006 budget request, the Department of Defense submitted the budgets for the Reserve Component’s military personnel appropriations in a single budget activity format. The Congress approved the change as a test during fiscal year 2006, with final approval or disapproval to be made in the fiscal year 2007 appropriation. The Committee recognizes the advantages of the single budget activity format in providing greater flexibility for the Reserve Components to manage Unit and Individual Training with Full Time Support and the other smaller specialty training accounts. The Committee supports the Department’s request for the new Reserve Component budget format with the understanding that the Department will submit a semi-annual detailed report of internal reprogramming action similar to the report provided in fiscal year 2006, and that the Reserve Components will keep the congressional defense committees apprised of any significant financial issues that may develop between reports. Reports will be submitted 30 days following the end of the second quarter and the fiscal year.

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*Legal Assistance.*—The Committee is aware that as military members leave active duty and reserve service, many are not aware of the legal issues which may confront them in the civilian environment. Therefore, the Committee directs the Secretary of Defense to provide a report to the congressional defense committees identifying any requirement for members of the Armed Forces to have legal assistance during and immediately after their demobilization from active duty, discharge, separation, or release from the Armed Forces. The report shall be submitted by March 31, 2007, and shall include any recommendations for legislative or administrative action that the Secretary considers appropriate in light of the results of this study.

Pages 53- 54

*Air Force Personnel Reductions.*—The Committee is concerned about the impact of planned Air Force reductions to military personnel, civilian personnel, and contractor support. Thus, the Committee requests the Secretary of the Air Force to provide a report no later than January 31, 2007 that describes the planned reductions, their rationale, and their impact on Air Force major commands, agencies and activities.

Pages 73- 74

The Committee acknowledges the challenges in constructing the facility at Shchuch'ye and in developing the Earned Value Management [EVM] System and recognizes that the Department of Defense agrees with the recommendations offered in the Government Accountability Office [GAO] report. The Committee encourages the Department to take steps to complete the EVM System and directs the Department to provide a report to the congressional defense committees no later than November 15, 2006, addressing the status of the system and steps taken to improve the quality of the data.

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*National Guard Procurement.*—The Committee is concerned that procurement funding and actual equipment designated for the National Guard could be diverted to other budget areas and non-National Guard units. The Committee notes that substantial shortfalls still exist in National Guard equipment stocks, threatening the force's dual-role mission to supplement active duty forces abroad and respond to emergencies at home. Therefore, the Department of Defense shall report to the Committee no later than 9 months after the passage of this act on how it has obligated funds and provided equipment designated for the National Guard in the budget and accompanying justification materials.

*Alternative Diesel Fuel.*—The Committee notes the recent developments relating to the conversion of coal to liquid fuels. Demonstration projects in the United States have produced high-quality, ultra clean synthetic diesel fuels that provide improved efficiency and improved emissions compared to traditionally produced diesel fuel. The Committee encourages the Department of Defense to continue to explore the use of Fischer—Tropsch fuels as alternative sources for DOD’s fuel requirements. Further, the Committee requests that the Under Secretary for Acquisition, Technology, and Logistics prepare a report for the congressional defense committees on the Defense Department’s assessment, use, and plans to continue to explore the potential of synthetic fuels, to include fuels produced through the Fischer—Tropsch process.

The Committee remains supportive of the Department’s ability to conduct rapid research projects in support of urgent warfighter requirements, but—as previously expressed in Senate Report 108–284, accompanying the Department of Defense Appropriations bill, 2005, and in Senate Report 109–141, accompanying the Department of Defense Appropriations bill, 2006—reminds the Department that timely congressional notification of the execution of these funds for new start programs remains critical to the Committee’s ability to conduct appropriate oversight. Therefore, the Committee directs the Department to submit to the congressional defense committees no later than 30 days after the end of each fiscal quarter a written report detailing the obligation and expenditure of funds provided for the above-mentioned programs by project, to include schedules and funding requirements for each initiated project. Furthermore, the Committee directs the Department to submit with the fiscal year 2008 budget submission a list of programs funded under these initiatives in fiscal years 2005 and 2006 that have transitioned to the Services as programs of record.

*MTF Efficiency Wedge.*—The Committee recognizes that with healthcare costs on the rise, the Department must find cost saving measures within the Defense Health Program without harming healthcare for our service members and their families. However, the Committee is very concerned over the Department’s use of an “efficiency wedge” that decrements the operation and maintenance accounts of the Military Treatment Facilities [MTF] to cover these costs. In fiscal year 2007 the total efficiency wedge charged to the MTFs is more than double the level of fiscal year 2006. All three services have admitted challenges in implementing the fiscal year 2006 efficiencies and have not indicated a plan for those proposed in fiscal year 2007. The Committee is concerned that the increasing amount of the efficiency wedge for the MTFs will have an adverse impact on the quality of medical care, as well as the ability to provide such care to military personnel through

the direct care system. Therefore, the Committee directs that a total of \$120,000,000 from fiscal year 2006 carryover funds be divided up equally between the Services to alleviate any shortfalls that MTF's have sustained, or may sustain in the future. The Committee further directs the Department to provide a report to the congressional defense committees by February 6, 2007 providing a detailed plan for the MTF's absorption of the fiscal year 2007 efficiency wedge along with a detailed plan for any proposed fiscal year 2008 efficiency wedge.

Pages 223- 224

*Impact of the Nursing Shortage on the Military Healthcare Delivery System.*—The Committee recognizes that the national nursing shortage threatens the quality and safety of our health care. The Committee also notes that this greatly impacts the recruitment and retention of nurses in the military health care system. Therefore, the Committee directs the Assistant Secretary of Defense Health Affairs, in conjunction with the Service Surgeons General and the Chiefs of the Nurse Corps, to provide a report to the congressional defense committees, by March 1, 2007, that outlines options to alleviate the shortage of nurses and cultivate nurses for the military workforce. The report should address recruitment and retention issues for the military, evaluate the medical enlisted commissioning programs for sufficiency and adequacy of funding and billets, and investigate the “Troops-to-Nurse Teachers” program based upon the Department of Defense’s Troops-to-Teachers program, which will look at potential assignment of military nurse educators for duty at accredited baccalaureate schools of nursing and capitalize on the expertise and skills of military nurse veterans.

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*Post-Doctoral Education.*—The Committee continues to be supportive of post-doctoral training in health psychology and applauds the successes and progress being made at Tripler Army Medical Center. The Committee encourages the Department of Defense to consolidate post-doctoral training efforts for psychologists in those military treatment facilities where independent departments of psychology exist and to lengthen it to a 2-year program, where appropriate. The Committee directs the Service Surgeons General to provide a report to the congressional defense committees, by March 1, 2007, which details the challenges faced in filling these training positions.

Page 225

*Alcoholism Research.*—The Committee remains concerned about excessive alcohol consumption among service members. Alcoholism is a significant factor in suicide and accidental deaths, as well as lost productivity and health problems. The Committee directs the Department of Defense to conduct a study and report to the congressional

defense committees not later than March 1, 2007 on the current organizational structure of alcohol and drug programs and related policies within the Department of Defense.

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#### REPORTING REQUIREMENTS

The Committee directs that the reporting requirements of section 9010 of Public Law 109–148, the Department of Defense Appropriations Act, 2006, and repeated in section 9010 of this bill regarding military operations and stability in Iraq shall apply to the funds appropriated in this act. The Committee further directs the Secretary of Defense to provide a report to the congressional defense committees within 30 days after the date of enactment of this legislation on the allocation of the funds within the accounts listed in this title. The Secretary shall submit updated reports 30 days after the end of each fiscal quarter until funds listed in this title are no longer available for obligation. The Committee further directs that these reports shall include: a detailed accounting of obligations and expenditures of appropriations provided in this chapter by program and subactivity group for the continuation of the war in Iraq and Afghanistan; and a listing of equipment procured using funds provided in this title. The Committee is disappointed by the responsiveness of the Defense Department in reports required under Public Law 109–148 and Public Law 109–234. While recent reporting has substantially improved the level of detail provided to the Committee, the reports arrive significantly later than required. Reports such as the quarterly reports on obligations for the global war on terror and quarterly reports for the Commander’s Emergency Response Program have been submitted 6 months late. The Committee expects that these reports will be completed and delivered to the Committee by the proposed due dates and will include the required detail. The Committee expects that in order to meet unanticipated requirements, the Department of Defense may need to transfer funds within these appropriations accounts for purposes other than those specified in this report. The Committee directs the Department of Defense to follow normal prior approval reprogramming procedures should it be necessary to transfer funding between different appropriations accounts in this title.

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*Commander’s Emergency Response Program.*—The Committee recommends \$500,000,000 to continue the Commander’s Emergency Response Program [CERP]. The Committee directs the Department to submit quarterly reports on CERP not later than 15 days after the end of each fiscal quarter to the congressional defense committees. The quarterly reports should include detailed information on the source of funds for the program, the allocation and use of funds during that quarter, the recipient of the funds, and the specific purposes for which the funds were used.

The following is a list of reports directed to be prepared by DoD and delivered to the Appropriations Committees in H.R. 5631:

SEC. 8068. *Secretary of Defense Reporting Requirement.*—Retains a provision carried in previous years.

SEC. 8108. *Limitation on Retirement of B-52H Aircraft Pending Report on Bomber Force Structure.*—The Committee recommends a new provision requiring a report on bomber force structure prior to retiring aircraft.

Sec. 9010. *Reporting Requirements.*—Retains and modifies a provision carried in previous years.

**Amendment 4785 – regarding reporting requirements on improper payments compliance for payments made related to travel at the Department of Defense in fiscal year 2005.**

The Improper Payment Information Act was enacted in November 2002 for the purpose of finding and eliminating payments that should not have been made, or were made for incorrect amounts, by government agencies.

In the past year, the Subcommittee on Federal Financial Management has held three hearings on improper payments. The results have been horrifying.

Improper payments- which include inadvertent, fraudulent, and irresponsible payments- are costing the taxpayers at the very least, **\$37 billion each year.**

Even worse, this \$37 billion represents only 18 of 70 agencies who are currently reporting improper payment information as required under law.

One of the most daunting things about the government's improper payment problem is that the magnitude is not yet known, because some of the largest programs are not reporting.

The Department of Defense is reporting improper payment information for only three programs: Military Retirement Fund, Military Health Benefits, and for the first time this year, DoD began reporting improper payments for Military Pay.

However, it is very likely that many other activities and programs with large outlays at the Department are at risk of making "significant" improper payments.

Federal programs and activities deemed to be at "*significant*" risk of making improper payments by their respective agencies are required under existing law to report improper payment information to Congress.



("Significant" as defined by OMB means at least 2.5% of all payments made are improper, and the absolute dollar figure associated with that 2.5% or more totals at least \$10M.)

To be certain, the Act EXEMPTS NO AGENCY from compliance. The following four steps are required by the statute:

- Perform a risk assessment to determine whether or not programs and activities are risk susceptible to making "significant improper payments," defined by OMB as program where at least 2.5% of all payments are improper AND the absolute dollar figure associated with that 2.5% or more totals at least \$10M.
- Develop a statistically valid estimate of improper payments for all programs and activities identified as susceptible to significant improper payments in the risk assessment.
- Develop a corrective action plan for all programs where the statistical estimate exceeds \$10 million in annual improper payments, agencies are required to develop a remediation plan for eliminating improper payments. The remediation plan must contain annual targets for reducing improper payment levels.
- Report the results of IPIA activities on an annual basis in their Performance and Accountability Report (PAR).

An August 2005 Department of Defense Inspector General Report entitled, "Identification and Reporting of DoD Erroneous Payments" found that the Defense Financial Accounting Service (DFAS) did not use statistical methods to estimate the amount of erroneous payments related to travel payments.

The Department of Defense reported that they had assessed payments related to travel for risk of making significant improper payments, and reported in their fiscal year 2005 Performance and Accountability Report that these payments were at low risk for making significant improper payments.

Anyone who has kept up with the Department of Defense's expenditure on travel knows that it is probable they are making significant improper payments.

Take, for example, the 58,000 unused airline tickets in 2000 and 2001 found at the Department that had a residual value of \$21.1 million. (GAO)

Or, take the potentially 27,000 improper reimbursements for travel at DOD in 2001 and 2002 totaling more than \$8 million. (GAO)

After these horrifying discoveries in 2004, the Office of Management and Budget and the Department of Defense took actions to implement GAO's recommendations to improve travel management at DOD.

However, the DOD IG's report issued last August tells the story that DOD did not use a statistically valid estimate when measuring for improper payments at the Department. This could potentially mean billions of dollars spent by DOD with no form of oversight, even though it's written in law.

DoD must fix their methodology when it comes to determining payments made improperly for travel. If Congress does not hold them accountable in this way, it could take years for them to develop a proper methodology.

My amendment requires the Department of Defense to fix their methodology for fiscal year 2005 in estimating improper payments related to travel so that we can be sure payments made for travel are properly expended. My amendment does three things:

- 1) requires DOD to provide the Congressional Defense Committees and the Government Affairs Committees with risk assessments for fiscal year 2005 that determine whether or not travel payments at DOD are at significant risk for making improper payments.

- 2) It requires DOD to use a statistically valid estimate for determining whether or not travel payments are at risk for making significant improper payments;
- 3) Finally, it requires DOD to provide a justification for their methodology as being statistically valid and accurately representing the full universe of travel payments made at DOD.