



WASHINGTON UPDATE

A MONTHLY NEWSLETTER



Vol. 9 No. 7

Published by the AUSA Institute of Land Warfare

July 1997

Both Houses are in conference on authorization bill

The Senate and House have begun reconciling differences in their versions of the Fiscal Year 1998 Defense Authorization bill. The House finished its work on the bill before the July Fourth recess, but the Senate worked into the middle of the month wrapping up details.

Each year AUSA is faced with the challenge of presenting the most up-to-date information about the bills in a monthly news publication. To supplement the basic information here, the Association's government affairs staff will continuously update the AUSA Web Site to provide the most current information available. The site is: <http://www.ausa.org>.

Both the House and Senate versions of the bill authorize \$268.2 billion for defense spending, roughly \$2.6 billion more than the president requested in his budget submission.

Both bills also include a 2.8 percent pay increase for military personnel, effective Jan. 1, 1998. Common to the bills is \$474 million added to the president's request intended to accelerate the development of a national missile defense capability.

Health care. Health care remains a concern to the House and Senate and the bill attempts to reflect that concern with several initiatives.

In the House, Rep. Jim Moran, D-Va., introduced an amendment that would have permitted selected Medicare-eligible beneficiaries to enroll in a limited test of the Federal Employees Health Benefits Program (FEHBP).

The amendment was struck down in the Rules Committee, barring its consideration.

Listed below are other health-related features of the bills in outline form:

Eligibility to participate in the retiree dental insurance, when implemented, will be available to surviving spouses and children of members who died while on active duty. (House)

Secretary of defense must develop a plan to expand TRICARE-Prime into areas outside the catchment area. (House)

Secretary of defense must evaluate the feasibility of providing a health care stipend for active duty members assigned to areas where DoD managed care has not been established. (House)

Allows secretary of defense to waive deductibles, co-pays and annual fees for members assigned away from sources of care. Typically, recruiters, ROTC staff, U.S. Army Reserve advisers, et-al. (Senate)

Persian Gulf vets not otherwise eligible for military health care suffering from Gulf War illness. (Senate)

Waives the co-payment requirements for family members of active duty members stationed overseas when they receive host nation dental care under the overseas dental program. (House)

Reservists may pay dental care program premiums through deductions from reserve pay. (House and Senate)

Requires secretary of defense to develop a standard form for submission of health care claims. Provides a deadline of one year for submission of claims for payment. Eliminates the requirement for nonparticipating providers (who provide services to CHAMPUS patients) to submit a claim on the patient's behalf. (House)

Requires a study to evaluate the feasibility of establishing a mail-in pharmacy benefit for all Medicare-eligible beneficiaries who reside outside a catchment area. (House)

from page 1

Expresses support for Medicare subvention, a program over which other committees have primary jurisdiction. (Senate)

Directs the administration to conduct a study of the cost of implementing FEHBP for the non-active duty beneficiary population. (Senate)

Personnel. A 2.8 percent pay increase effective Jan. 1, 1998 is common to both bills, as well.

Both bodies are content to let the mobilization insurance program die a quick death in this year's bill.

Proposals to suspend the program were considered but rejected, as essentially unfair and intellectually dishonest. The exceedingly low participation rate among reservists made continuing the program unrealistic.

Listed below are other personnel-related provisions of the bills in outline form:

Adopted a single, price-based housing allowance based on a national index of housing costs. (House and Senate)

Several hundred million dollars added for barracks construction, family housing, child development centers, dining facilities and education centers. (House and Senate)

Eliminates the underfunding of military health care in the president's budget proposal. (House)

Reformed basic allowance for subsistence. (House and Senate)

Other provisions. Cuts off funding of current operations in Bosnia on June 30, 1998. (House)

More than \$77 billion in near-term readiness funding including ammunition procurement, flying hours, cold weather gear, enhanced force protection, barracks renovation, depot maintenance. (Senate)

Supported Army initiatives to digitize the force by increasing Force XXI-related programs by \$150 million. (Senate)

QDR recommendations find little support on Hill. The recommendations of the Quadrennial Defense Review sent to Congress for action in the Defense authorization act received little support on Capitol Hill.

As the House and Senate work out differences in their versions of the Fiscal Year 1998 authorization bill, the size of the active and reserve components and the future of military depots were still at issue.

They are now in a joint conference. From this, a final bill will be sent to the President for his signature. The goal is to have the bill signed into law by the end of the fiscal year, Sept. 30, 1997.

In short, the full House said that the active force in all services should not fall below 1.45 million (495,000 in the Army) for a full year. At the same time the House did not want to extend early retirement and separation benefits. The Senate bill proposes a force of 1.42 million (485,000 in the Army) and reserve component end strength of 894,618 (16,112 below the current level).

Defense Secretary William Cohen and the service chiefs asked Congress in May to repeal the personnel floors. In testimony and in a letter signed by Cohen, they asked that drawdown benefits be extended past Fiscal Year 1999.

Likewise, cutting 20,000 soldiers from the Army Guard and U.S. Army Reserve by the year 2000 are also on hold until the conference resolves the differences.

The cuts agreed to June 19 by the Adjutants General Association were only a fraction of those recommended in the Quadrennial Defense Review. The review is the internal

See page 3

WASHINGTON UPDATE is published monthly by the AUSA Institute of Land Warfare to highlight current events of significance to the Army and defense from the Washington perspective. Further reproduction and distribution of this newsletter is encouraged.

John Grady - Editor
2425 Wilson Blvd, Arlington, VA 22201
Phone: 703-841-4300, Ext. 213
FAX: 703-841-3505

top-to-bottom examination of defense strategy, policies and structure into the 21st century. The review also called for a shift of roles from combat to combat support and combat service support for reserve component units. The effect of this would be felt primarily in the Army Guard.

The Total Army Analysis will determine future cuts. The Quadrennial Defense Review called for cuts of 45,000, the bulk of those coming from the Army Guard.

Reforms. The House, however, has included language that would cut the size of the Office of Secretary of Defense, the military headquarters staff and acquisition workforce. The House version also would kill a number of advisory committees and boards, but establish a nine-member commission on reorganizing and streamlining the Defense Department.

One area of this reorganization would transfer control of exchange, commissary and morale, welfare and recreation programs to the Defense Department's comptroller. These programs are now under the control of the under secretary of defense for personnel and readiness.

Additionally, the House recommended reforms in business practices covering such areas as printing, payroll and travel.

Closures. On future rounds of base closures, the House did not include legislation in its version of the authorization bill.

The situation in the Senate was complicated by wrangling over the effects of the last round of base closures.

The logistics centers at McClellan in California and Kelly in Texas were at the heart of the split. The centers were originally to be closed as part of the 1995 Base Realignment and Closure Commission (BRAC) work, but were spared immediate action.

To establish a BRAC in FY 1999, language would have to be in this year's authorization bill. In the past, it has taken about a year to create the commission and three to five years to close bases once selected.

While the House did not change the 60/40 rule concerning depot maintenance, the Senate would adjust the rule to 50/50.

Reserve components reach accord on future cuts. Twenty-thousand soldiers from the Army Guard and Reserve will be cut by the year 2000, if recommendations from the Army are approved by Congress.

The cuts were only a fraction of those recommended in the recently completed Quadrennial Defense Review.

The review is the internal top-to-bottom examination of defense strategy, policies and structure into the 21st century.

The review also called for a shift of roles from combat to combat support and combat service support for reserve component units. The effect of this would be felt primarily in the Army Guard.

The Total Army Analysis will determine future cuts. The Quadrennial Defense Review called for cuts of 45,000, the bulk of those coming from the Army Guard.

Pending congressional approval, the Guard will cut 5,000 soldiers in FY 1998 and 99 and 7,000 in 2000.

Also, the accord calls for the Army Reserve to cut 3,000 soldiers by 2000 pending approval.

Rep. Steve Buyer, R-Ind., said, "I'm disappointed with what I've seen" in the negotiations that took place in early June. Buyer, an Army reservist, is chairman of the personnel subcommittee of the House National Security Committee.

FORCE XXI is on right track: Hill. A key congressional leader said "good going, Army, you're on the right track" in describing the achievements of the Advanced Warfighting Experiment at the National Training Center.

Sen. Carl Levin, D-Mich., and ranking minority member of the Senate Armed Services Committee, joined three of his colleagues June 3 and a score of Senate staffers in hearing senior Army leaders explain what the service learned from the Force XXI Experimental Force about the future of warfare.

Gen. William Hartzog, commanding general of the Training and Doctrine Command, said, "we think we've accomplished a great deal over the last two years — learning what works and what doesn't work."

National Defense Panel is on firm timetable. The independent National Defense Panel is spending the early summer June reviewing future environments of national security. The panel, which is reviewing defense strategy and resources out to 2020, is to complete its report to the Senate Armed Services Committee in December.

Panel sources said they expect the group to have three strategic options developed by Aug. 18.

The outside panel was created as part of the Fiscal Year 1997 Defense Authorization Act. The same law called for the Defense Department to conduct its own examination of national security needs and resources through 2005. That report was the Quadrennial Defense Review, which was made public in May. The independent panel commented on the review, but saw no clear linkage between strategy and force structure.

Specifically, the panel wanted more emphasis on joint and combined operations and more aggressive cuts in infrastructure.

Congress will likely look at single-sex training in FY 1999. The House National Security Committee voted to require a study of the issue of single-sex basic training in the next fiscal year, rather than ask the Army, Air Force and Navy to change their basic training regimens now.

Although the Senate has not included similar language in the Fiscal year 1998 Defense Authorization Act, defense analysts say service chief and personnel experts have convinced Congress that no immediate change is necessary.

Federal district court rules for 'health care for life.' A federal district court in Florida rules in June that the government must prove that the Defense Department did not breach a contract with retirees who entered active service before 1956 that guaranteed them treatment in military facilities.

Additionally, the court ruled that the government must prove that depriving retirees of health care is not an illegal seizure of their property.

The court's ruling did not affect those who came in after 1956 when there was a change in the wording covering their service and access to health care.

Marine named to head Central Command. Lt. Gen. Anthony Zinni, USMC, has been approved to command the U.S. Central Command in Tampa, Fla. He is now the deputy commander of Central Command. If approved by the Senate, he replaces Army Gen. J.H. Binford Peay III.

National Defense Panel wants to hear from industry, public. The independent panel looking at the Defense Department out to the year 2020 is actively seeking input from industry and the public. In mid-June, the panel also began meeting with the secretary's Defense Reform Task Force. That task force, created by Secretary William Cohen and chaired by John Hamre, DoD comptroller, is looking at ways of streamlining activities in the Office of the Secretary of Defense. The National Defense Panel may be reached at (703)-602-4175.

Budget plan keeps pressure on defense spending. The five-year plan for a balanced federal budget reached by the Congress and Administration does little to ease pressures on Congress to keep military spending at \$250 billion a year or less.

While in various subcommittee hearings, individual senators and representatives called for more spending on specific defense programs, there was no concentrated effort to change spending targets.

Basic training under Hill scrutiny. Key congressional committees have taken eagle eye looks at basic training in all the services, and while not as yet requiring changes, they are searching for ways to address problems of quality of recruits entering the active force and sexual misconduct.

The House National Security Committee favors:

- A Hill-appointed panel to see if basic training is producing graduates fit for military duties. Issues include physical and mental performance and the affect of mixed-gender basic training.
- Services to submit a report on costs of separating basic training by gender and impact on readiness and unit cohesion.
- Outside Department of Defense review of military criminal investigative agencies to determine whether they can adequately investigate complaints of sexual misconduct.