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SPECIAL REPORT: **Defense Appropriations for FY 2004** **(Conferenced Version), California** **Implications -- *October 2003***

On September 25, 2003, the House and Senate passed the Fiscal Year 2004 Conference report providing appropriations for the Department of Defense and Related Agencies. The bill, H.R. 2658 (replacing the previous Senate bill, S.1382) was approved in the Senate by a vote of 95 to 0. The initial report was S.Rpt. 108-87. Previously, by a vote of 29 to 0, the Senate Appropriations Committee marked up and passed their version of the bill on July 17, 2003.

Earlier in the year, by a vote of 399 to 19 on July 8, 2003, the House of Representatives passed H.R. 2658, a \$369 billion FY 2004 Appropriations bill for the Department of Defense and Related Agencies, after it was approved by the House Appropriations Committee on June 26, 2003. The House Committee report accompanying the bill is H.Rpt. 108-187.

The following represents a quick analysis of the bill from a California perspective as prepared by the California Institute. We apologize for any errors or omissions in our discussion of these documents, and would appreciate any input/feedback/corrections. The ordering of items generally reflects their presence in the bill and does not mean to imply any relative importance.

This appropriations analysis is available on the California Institute web site at <http://www.calinst.org/pubs/def04s.htm> , and a pdf format version is available at <http://www.calinst.org/pubs/def04s.pdf> . An analysis of the House version of the FY 2004 defense appropriations bill is available at <http://www.calinst.org/pubs/def04h.htm> , and a printable version in Adobe Acrobat ("pdf") format is available at <http://www.calinst.org/pubs/def04h.pdf> .

FY 2004 SENATE DEPARTMENT OF DEFENSE APPROPRIATIONS

CONGRESS APPROVES 2004 DEFENSE APPROPRIATIONS

By a 95-0 vote on Thursday, September 25, 2003, the Senate approved a \$368 billion fiscal 2004 defense appropriations measure. The House had approved the bill one day before by a 407-15 margin. The bill, HR 2658, was on the House floor only minutes after a House-Senate conference completed work. An examination of the House's earlier version of the bill, passed by a vote of 399 to 19 on July 8, is available on the California Institute website at <http://www.calinst.org/pubs/def04h.htm> .

The conference agreement includes a total of \$9.1 billion for ballistic missile defense, an increase of \$1.4 billion above fiscal year 2003. It provides \$1.4 billion for procurement and

continued development of unmanned aerial vehicles, a \$225 million increase, with specific funds for four Global Hawk UAVs, 16 Predator UAVs, 2 Predator B UAVs, 8 Shadow UAVs, and 8 Firescout UAVs. The Committee also provides \$270 million for continued development of Navy and Air Force Unmanned Aerial Combat Vehicles (UCAVs).

Within a total of \$74.7 billion for procurement (an increase of \$3.1 billion from 2003), the conference report provides \$2.9 billion for 42 Navy F/A-18E/F fighter aircraft, \$3.6 billion for 22 F-22 Air Force fighter aircraft, and \$2.1 billion for 11 Air Force C-17 airlift aircraft. It would also provide modification funds for existing inservice aircraft, including \$123 million for B-2A stealth bombers, \$104 million for B-1B bombers, and \$49 million for C-17s.

From within a total of \$65.2 billion for research and development (up \$7 billion from the prior year), the conference report provides \$4.3 billion for the Joint Strike Fighter program, \$364 million for the Air Force's MC2C command and control constellation, \$617 million for the Space-Based Infra-Red System (SBIRS), \$339 million for Advanced Wideband Satellite laser communications, and \$174 million for Space-Based Radar.

The conference report would provide a 4.1 percent pay increase and other benefits for U.S. troops and would undertake force modernization steps. It also includes \$285 million for environmental restoration activities at formerly used defense sites.