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REPORT
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MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS BILL, 2013

MAY 23, 2012.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 5854]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2013, and for other purposes.

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PURPOSE OF THE BILL

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

SUMMARY OF COMMITTEE RECOMMENDATION

The Committee recommendations continue necessary support for servicemembers and veterans, while at the same time the Committee is keenly aware of the dire financial situation the Nation faces. The scale of the Nation's debt and the continuing annual deficit weighed heavily on the Committee as it formulated this bill. A driving force behind the Committee recommendations is the need to do all that we can to reduce the deficit and balance the budget of the United States. Where it was prudent, the Committee recommendation rescinds prior year funding that is no longer needed for the purpose for which it was appropriated while leaving sufficient resources to close out contracts. The Committee recommendation does not provide the pay raises that were included in the budget request. We have included direction to the Department of Defense to report on the feasibility of structuring contracts in such a way as to encourage efficiency and economy, by returning to contractors a portion of any savings they are able to generate as they

execute construction contracts, while returning a majority of those savings to the Treasury to reduce our dependence on debt.

The Committee recommends $146,385,167,000 in budget authority for the fiscal year 2013 programs and activities funded in the bill. In addition, advance appropriations of $54,462,000,000 are provided for fiscal year 2014 medical programs of the Department of Veterans Affairs. The fiscal year 2013 recommendation is an increase of $10,873,248,000 above the fiscal year 2012 enacted level and $693,662,000 below the President's request. Included in this amount is $74,638,167,000 in mandatory budget authority and $71,747,000,000 in discretionary budget authority.

The recommendation reflects the Committee's continued commitment to our servicemembers and veterans and to their families. The total funding level for military construction and family housing is $10,649,317,000, a $2.4 billion reduction below the fiscal year 2012 enacted level. A significant portion of this decrease is attributed to the deliberate pause in military construction by the Air Force. The overall level of funding supports the servicemen and women and their families who are making sacrifices during this time of war. The programs funded in the bill for the Department of Defense address the numerous challenges we have asked our military to accomplish simultaneously. These funds support continued cleanup of military bases closed during previous Base Realignment and Closure rounds, resource the military's global re-stationing plan, and ensure that our military personnel and their families' quality of life is preserved within these plans.

The total funding level available for fiscal year 2013 for the Department of Veterans Affairs is $135,377,850,000, an increase of 10.8 percent over the fiscal year 2012 enacted level. The recommendation provides funding increases for several mandatory veteran benefits programs, as authorized by current law. In addition to funds for fiscal year 2013, some of which have already been appropriated in advance, the Committee recommendation includes $54,462,000,000 in advance appropriations for fiscal year 2014 for the three health care accounts of the Department.

The following table compares amounts recommended in the bill to the President's request and amounts appropriated in fiscal year 2012:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2012
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2013
(Amounts in thousands)

	FY 2012 Enacted	FY 2013 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - DEPARTMENT OF DEFENSE					
Military construction, Army	3,006,491	1,923,323	1,820,323	-1,186,168	-103,000
Military construction, Navy and Marine Corps	2,112,823	1,701,985	1,551,217	-561,606	-150,768
Military construction, Air Force	1,227,058	388,200	388,200	-838,858	---
Military construction, Defense-Wide	3,431,957	3,654,623	3,569,623	+137,666	-85,000
Total, Active components	9,778,329	7,668,131	7,329,363	-2,448,966	-338,768
Military construction, Army National Guard	773,592	613,799	613,799	-159,793	---
Military construction, Air National Guard	116,246	42,386	42,386	-73,860	---
Military construction, Army Reserve	280,549	305,846	305,846	+25,297	---
Military construction, Navy Reserve	26,299	49,532	49,532	+23,233	---
Military construction, Air Force Reserve	33,620	10,979	10,979	-22,641	---
Total, Reserve components	1,230,306	1,022,542	1,022,542	-207,764	---
Total, Military construction	11,008,635	8,690,673	8,351,905	-2,656,730	-338,768
North Atlantic Treaty Organization Security Investment Program	247,611	254,163	254,163	+6,552	---
Family housing construction, Army	176,897	4,641	4,641	-172,256	---
Family housing operation and maintenance, Army	493,458	530,051	530,051	+36,593	---
Family housing construction, Navy and Marine Corps	100,972	102,182	102,182	+1,210	---
Family housing operation and maintenance, Navy and Marine Corps	367,863	378,230	378,230	+10,367	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2012
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2013
(Amounts in thousands)

	FY 2012 Enacted	FY 2013 Request	Bill	Bill vs. Enacted	Bill vs. Request
Family housing construction, Air Force	60,042	83,824	83,824	+23,782	---
Family housing operation and maintenance, Air Force	429,523	497,829	497,829	+68,306	---
Family housing operation and maintenance, Defense-Wide	50,723	52,238	52,238	+1,515	---
Department of Defense Family Housing Improvement Fund	2,184	1,786	1,786	-398	---
Homeowners assistance fund	1,284	---	---	-1,284	---
Total, Family housing	1,682,946	1,650,781	1,650,781	-32,165	---
Chemical demilitarization construction, Defense-Wide	75,312	151,000	151,000	+75,688	---
Base realignment and closure:					
Base realignment and closure account, 1990	323,543	349,396	349,396	+25,853	---
Base realignment and closure account, 2005	258,776	126,697	126,697	-132,079	---
Rescission	---	---	---	---	---
Total	258,776	126,697	126,697	-132,079	---
Total, Base realignment and closure	582,319	476,093	476,093	-106,226	---
Rescission (Sec. 127):					
Military Construction, Army	-100,000	---	---	+100,000	---
Military Construction, Navy and Marine Corps	-25,000	---	---	+25,000	---
Military Construction, Air Force	-32,000	---	---	+32,000	---
Military Construction, Defense-Wide	-131,400	---	-20,000	+111,400	-20,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2012
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2013
(Amounts in thousands)

	FY 2012 Enacted	FY 2013 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rescission (Sec. 128):					
Base Realignment and Closure, 2005	-258,776	---	-212,291	+46,485	-212,291
Rescission (Sec. 129):					
Civilian pay raise reduction	---	---	-2,334	-2,334	-2,334
Total, title I, Department of Defense	13,049,647	11,222,710	10,649,317	-2,400,330	-573,393
Appropriations	(13,596,823)	(11,222,710)	(10,883,942)	(-2,712,881)	(-338,768)
Rescissions	(-547,176)	---	(-234,625)	(+312,551)	(-234,625)
TITLE II - DEPARTMENT OF VETERANS AFFAIRS					
Veterans Benefits Administration					
Compensation and pensions	51,237,567	61,741,232	61,741,232	+10,503,665	---
Readjustment benefits	12,108,488	12,607,476	12,607,476	+498,988	---
Veterans insurance and indemnities	100,252	104,600	104,600	+4,348	---
Veterans housing benefit program fund (indefinite)	318,612	184,859	184,859	-133,753	---
(Limitation on direct loans)	(500)	(500)	(500)	---	---
Administrative expenses	154,698	157,814	157,814	+3,116	---
Vocational rehabilitation loans program account	19	19	19	---	---
(Limitation on direct loans)	(3,019)	(2,729)	(2,729)	(-290)	---
Administrative expenses	343	346	346	+3	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2012
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2013
(Amounts in thousands)

	FY 2012 Enacted	FY 2013 Request	Bill	Bill vs. Enacted	Bill vs. Request
Native American veteran housing loan program account..	1,116	1,089	1,089	-27	---
Total, Veterans Benefits Administration.....	63,921,095	74,797,435	74,797,435	+10,876,340	---
Veterans Health Administration					
Medical services:					
Advance from prior year.....	(39,649,985)	(41,354,000)	(41,354,000)	(+1,704,015)	---
Current year request.....	---	165,000	---	---	-165,000
Advance appropriation, FY 2014.....	41,354,000	43,557,000	43,557,000	+2,203,000	---
Subtotal.....	41,354,000	43,722,000	43,557,000	+2,203,000	-165,000
Medical support and compliance:					
Advance from prior year.....	(5,535,000)	(5,746,000)	(5,746,000)	(+211,000)	---
Advance appropriation, FY 2014.....	5,746,000	6,033,000	6,033,000	+287,000	---
Subtotal.....	5,746,000	6,033,000	6,033,000	+287,000	---
Medical facilities:					
Advance from prior year.....	(5,426,000)	(5,441,000)	(5,441,000)	(+15,000)	---
Advance appropriation, FY 2014.....	5,441,000	4,872,000	4,872,000	-569,000	---
Subtotal.....	5,441,000	4,872,000	4,872,000	-569,000	---
Medical and prosthetic research.....	581,000	582,674	582,674	+1,674	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2012
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2013
(Amounts in thousands)

	FY 2012 Enacted	FY 2013 Request	Bill	Bill vs. Enacted	Bill vs. Request
Medical care cost recovery collections:					
Offsetting collections	-3,326,000	-2,527,000	-2,527,000	+799,000	---
Appropriations (indefinite)	3,326,000	2,527,000	2,527,000	-799,000	---
DoD-VA Joint Medical Funds (transfers out)	---	(-280,000)	(-280,000)	(-280,000)	---
DoD-VA Joint Medical Funds (by transfer)	---	(280,000)	(280,000)	(+280,000)	---
Total, Veterans Health Administration	53,122,000	55,209,674	55,044,674	+1,922,674	-165,000
Appropriations	(581,000)	(747,674)	(582,674)	(+1,674)	(-165,000)
Advance from prior year	(50,610,985)	(52,541,000)	(52,541,000)	(+1,930,015)	---
Advance appropriations, FY 2014	(52,541,000)	(54,462,000)	(54,462,000)	(+1,921,000)	---
National Cemetery Administration					
National Cemetery Administration	250,934	258,284	258,284	+7,350	---
Departmental Administration					
General administration	416,737	416,737	416,737	---	---
General operating expenses, VBA	2,018,764	2,164,074	2,164,074	+145,310	---
Information technology systems	3,111,376	3,327,444	3,327,444	+216,068	---
Office of Inspector General	112,391	113,000	113,000	+609	---
Construction, major projects	589,604	532,470	532,470	-57,134	---
Construction, minor projects	482,386	607,530	607,530	+125,144	---
Grants for construction of State extended care facilities	85,000	85,000	85,000	---	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2012
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2013
(Amounts in thousands)

	FY 2012 Enacted	FY 2013 Request	Bill	Bill vs. Enacted	Bill vs. Request
Grants for the construction of veterans cemeteries....	46,000	46,000	46,000	---	---
Total, Departmental Administration.....	6,862,258	7,292,255	7,292,255	+429,997	---
General provision- block pay raise COLA (both advance and current).....	---	---	-93,798	-93,798	-93,798
Total, title II.....	124,156,287	137,557,648	137,298,850	+13,142,563	-258,798
Appropriations.....	(71,615,287)	(83,095,648)	(82,836,850)	(+11,221,563)	(-258,798)
Advance from prior year.....	(50,610,985)	(52,541,000)	(52,541,000)	(+1,930,015)	---
Advance appropriations, FY 2014.....	(52,541,000)	(54,462,000)	(54,462,000)	(+1,921,000)	---
(Limitation on direct loans).....	(3,519)	(3,229)	(3,229)	(-290)	---
Discretionary.....	(60,391,368)	(62,919,481)	(62,660,683)	(+2,269,315)	(-258,798)
Mandatory.....	(63,764,919)	(74,638,167)	(74,638,167)	(+10,873,248)	---
TITLE III - RELATED AGENCIES					
American Battle Monuments Commission					
Salaries and expenses.....	61,100	58,400	59,290	-1,810	+890
Foreign currency fluctuations account.....	16,000	15,200	15,200	-800	---
Total, American Battle Monuments Commission.....	77,100	73,600	74,490	-2,610	+890

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2012
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2013
(Amounts in thousands)

	FY 2012 Enacted	FY 2013 Request	Bill	Bill vs. Enacted	Bill vs. Request
U.S. Court of Appeals for Veterans Claims					
Salaries and expenses	30,770	32,481	31,187	+417	-1,294
Department of Defense - Civil					
Cemeterial Expenses, Army					
Salaries and expenses	45,800	45,800	173,733	+127,933	+127,933
Armed Forces Retirement Home - Trust Fund					
Operation and maintenance	65,700	65,590	65,590	-110	---
Capital program	2,000	2,000	2,000	---	---
Armed Forces Retirement Home - General Fund					
Capital program	14,630	---	---	-14,630	---
Total, Armed Forces Retirement Home	82,330	67,590	67,590	-14,740	---
Total, title III	236,000	219,471	347,000	+111,000	+127,529

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2012
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2013
(Amounts in thousands)

	FY 2012 Enacted	FY 2013 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE IV - OVERSEAS CONTINGENCY OPERATIONS					
Military Construction, Army	80,000	---	---	-80,000	---
Military Construction, Navy and Marine Corps	189,703	---	150,768	-38,935	+150,768
Rescission (P.L. 112-10 and P.L. 112-74)	-269,703	---	-150,768	+118,935	-150,768
Total, title IV	---	---	---	---	---
Grand total	137,441,934	148,999,829	148,295,167	+10,853,233	-704,662
Appropriations	(85,448,110)	(94,537,829)	(94,067,792)	(+8,619,682)	(-470,037)
Rescissions	(-547,176)	---	(-234,625)	(+312,551)	(-234,625)
Advances from prior year	(50,610,985)	(52,541,000)	(52,541,000)	(+1,930,015)	---
Advance appropriations, FY 2014	(52,541,000)	(54,462,000)	(54,462,000)	(+1,921,000)	---
Overseas contingency operations	---	---	---	---	---
(By transfer)	---	(280,000)	(280,000)	(+280,000)	---
(Transfer out)	---	(-280,000)	(-280,000)	(-280,000)	---
(Limitation on direct loans)	(3,519)	(3,229)	(3,229)	(-290)	---

MANAGEMENT AND OVERSIGHT INITIATIVES

The Committee believes the effective stewardship of taxpayer dollars is of the highest priority. In the interest of eliminating waste, fraud, and abuse in Federal programs, the Committee has and will continue to use public hearings, briefings and information requests, and reviews by the Government Accountability Office and the Inspectors General to promote strong financial and program management, oversight and leadership at the Department of Defense, the Department of Veterans Affairs, and other agencies under the jurisdiction of this bill.

The fiscal year 2013 appropriations Act and the accompanying report address management challenges of the Federal agencies funded herein, including directives to strengthen financial and program management, eliminate redundancy, and improve implementation and oversight of initiatives that support the mission of this bill. The Committee will use every means at its disposal to reduce mismanagement that results in waste, fraud, and abuse.

Department of Defense.—In addition to the notification and reporting requirements for military construction programs contained in Title 10, United States Code, the Committee's recommendations include several provisions requiring the Department of Defense to report on various aspects of military construction programs, or to provide notification to the Committee when certain actions are taken. The Committee also retains prior approval authority for any reprogramming of funds exceeding a specific threshold.

Department of Veterans Affairs (VA).—With the $135,377,850,000 provided for the VA in this bill and the increase in the number of veterans seeking VA medical services, the Committee believes it is important to strengthen its tools to monitor spending as well as the skills and operating procedures of the VA workforce. The following initiatives demonstrate the Committee's oversight focus:

Reprogramming requirements and notification of change in use of funds.—To address the problem that occurred in the fiscal year 2013 budget, when the Committee learned that new model estimates dramatically lowered the funding requirements for medical care, the Committee proposes bill language requiring the VA to notify the Congress by July 31st of each year of any significant changes in resource needs. This notification would permit the Congress to adjust funding, if appropriate, in conference deliberations. In addition, to ensure that the Committee is informed of and approves of changes in planned uses of medical services funds, the bill creates a reprogramming requirement for significant changes in funding of non-model initiatives.

Excessive overhead in medical services funding.—The Committee has heard concerns from numerous Members that the VA retains too much of the funding provided by Congress at headquarters and at the regional health networks instead of allowing it to flow through to the medical centers. The Committee is investigating the allocation process VA uses, mandating that VA provide information annually identifying the use of all funding retained at headquarters, as well as the funding retained by each network and for which purposes. In addition, the Committee is requesting regular budget information to better identify administrative expenses that are hidden in medical services appropriations.

Stricter control of construction funding.—Funds for major construction projects are currently made available until expended. Billions of dollars for these projects remain unobligated for years at a time as VA completes designs, negotiates with contractors, and complies with local, State, and Federal paperwork. The Committee has included language limiting the availability of these funds to five years, which is the same period of time the Committee makes Military Construction funding available. The Committee expects that this limitation will force modifications to the VA construction process and generate more efficient construction that will better serve veterans.

Bid savings control.—In the past, the VA has had considerable flexibility in allocating funding for major construction projects. Once funding was appropriated for a particular construction project, the Committee received little or no useful information about the ongoing status of the project, including whether any bid savings have been realized by the VA when contracts were awarded. The Committee continues bill language first adopted last year requiring the VA to notify the Committee of all bid savings totaling $5,000,000 or more, or five percent, whichever is less, within 14 days of the contract, as well as the proposed use of the funds. Additionally, the VA is not permitted to make any change in the scope of major construction projects.

Disability claims backlog reduction.—The Department's annual claims receipts are expected to reach 1,250,000 in 2013, an increase of almost 60 percent since 2005. Claims are also becoming more complex, with a higher number of disabling conditions claimed. To address the mounting workload, the Department has set as a strategic goal that no claim will be more than 125 days old in 2015. Deploying leading-edge, powerful 21st century information technology solutions to create a smart, paperless claims system which simplifies and improves claims processing for timely and accurate decisions the first time is key to achieving this goal, and the Committee has provided the funding necessary to develop these IT and business process solutions.

Oversight of conference expenses.—In response to recent reports of lavish spending at another executive branch agency on off-site staff conferences, the Committee requests the Office of Inspector General to conduct a review of the policies and controls in place at the VA to manage costs associated with agency conferences, as well as any vulnerabilities in such policies.

TITLE I

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION OVERVIEW

Fiscal year 2012 enacted level (including rescissions)	$13,049,647,000
Fiscal year 2013 budget request	11,222,710,000
Committee recommendation in the bill (including rescissions)	10,649,317,000
Comparison with:	
Fiscal year 2012 enacted level	(2,400,330,000)
Fiscal year 2013 budget request	(573,393,000)

Military construction accounts provide funds for new construction, construction improvements, planning and design, and host nation support. Projects funded by these accounts include facilities for

operations, training, maintenance, research and development, supply, medical care, and force protection, as well as unaccompanied housing, utilities infrastructure, and land acquisition.

The Committee recommends a total appropriation of $10,649,317,000 for Military Construction, a decrease of $2,400,330,000 from the fiscal year 2012 enacted level and a decrease of $573,393,000 below the budget request.

Reprogramming Guidelines.—The following reprogramming guidelines apply for all military construction and family housing projects. A project or account (including the sub-elements of an account) which has been specifically reduced by the Congress in acting on the budget request is considered to be a Congressional interest item and as such, prior approval is required. Accordingly, no reprogramming to an item specifically reduced below the threshold by the Congress is permitted, except that the Department of Defense may seek reprogramming for appropriated increments.

The reprogramming criteria that apply to military construction projects (25 percent of the funded amount or $2,000,000, whichever is less) continue to apply to new housing construction projects and to improvements over $2,000,000. To provide the services the flexibility to proceed with construction contracts without disruption or delay, the costs associated with environmental hazard remediation such as asbestos removal, radon abatement, lead-based paint removal or abatement, and any other legislated environmental hazard remediation may be excluded, if such remediation requirements could not be reasonably anticipated at the time of the budget submission. This exclusion applies to projects authorized in this budget year, as well as projects authorized in prior years for which construction has not been completed. Planning and design costs associated with military construction and family housing projects may also be excluded from these guidelines. In instances where prior approval to a reprogramming request for a project or account has been received from the Committees on Appropriations of both Houses of Congress, the adjusted amount approved becomes the new base for any future increase or decrease via below-threshold reprogramming (provided that the project or account is not a Congressional interest item as defined above).

In addition to these guidelines, the services are directed to adhere to the guidance for military construction reprogramming actions and notifications, including the pertinent statutory authorities contained in Department of Defense Financial Management Regulation 7000.14–R and relevant updates and policy memoranda. The Committee further encourages the Office of the Director of National Intelligence to use a format similar to that used by the Office of the Secretary of Defense to submit reprogramming requests.

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

pairs of facilities under the Operation and Maintenance accounts are described below:

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

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

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

(4) the appropriate service secretary shall notify the appropriate committees 21 days prior to carrying out any repair project with an estimated cost in excess of $7,500,000. The Committee strongly encourages the services and defense agencies to indicate the plant replacement value of the facility to be repaired on each such notification.

Quarterly summary of notifications.—The Committee directs the services and the Office of the Secretary of Defense (on behalf of itself and defense agencies) to continue to submit a quarterly report listing all notifications that have been submitted to the Committees during the preceding three-month period.

Transfer of funds to and from the Foreign Currency Fluctuations, Construction, Defense account.—The Committee directs the Department of Defense to submit a quarterly report to the Committees on Appropriations of both Houses of Congress on the transfer of funds from military construction and family housing accounts to the Foreign Currency Fluctuations, Construction, Defense account. The report shall specify the amount transferred to the Foreign Currency account from each military construction and/or family housing account, and all other accounts for which an appropriation is provided in this Act, during the preceding fiscal quarter, and the amounts transferred from the Foreign Currency account to the above accounts during the same period. This report shall be submitted no later than 30 days after the close of each fiscal quarter. In addition, the Department of Defense shall notify the Committees on Appropriations of both Houses of Congress within 7 days of transferring any amount in excess of $10,000,000 to or from the Foreign Currency account.

Charter Schools.—Department of Defense installations throughout the United States are struggling with the issue of dependent education for K–12 students. Frequent moves by military families highlight the differences and inequities among various state public school systems. An increasing number of families are opting for private or home schooling to compensate for lack of public education quality and to maintain continuity in their child's progress. The 2008 Quadrennial Review of Military Compensation (Volume II: Deferred and Noncash Compensation) (QRMC) from the U.S. Department of Defense, an assessment of the competitiveness of benefits, notes in a section on education for dependents that parents should be allowed to start charter schools at military installations and initiate them in the "same way that civilians can under state law." While there is nothing that currently prevents such an option—in fact, there are several charters operating on military bases

at this time—the Committee looks forward to the upcoming DOD Education Activity report to Congress on this topic. The Committee notes the QRMC attention to this challenge and supports efforts to ensure that military families are aware of opportunities to access high quality education for their children.

Facilities management, life-cycle costs, and construction method alternatives.—The Committee believes that the military construction program best serves both our military personnel and the taxpayers when projects are open to competitive bidding from contractors representing the widest possible range of construction methods. To that end, the Committee urges the Department of Defense and the execution agents for military construction, principally the Army Corps of Engineers and the Naval Facilities Engineering Command, to ensure that requests for proposals or qualifications do not arbitrarily foreclose, discourage, or privilege any type of construction method. The Committee continues to encourage a level playing field for both traditional construction methods and alternative methods such as permanent modular construction. The Committee also encourages DOD to evaluate the regular use of carbon fiber grid precast concrete technology in military construction projects.

The Committee is also concerned by the recent report from the Government Accountability Office (GAO–10–436) indicating that varying services' attitudes toward the life-cycle costs of different construction methods were based more on pre-formed opinions, personal experiences, and anecdotal evidence rather than quantitative information or analyses. The Committee therefore urges DOD and the services to conduct further research regarding comparative life-cycle costs for differing types of construction, establish clear goals and benchmarks, and ensure these standards are communicated to contracting officials. Until such an empirical basis is established, the Committee urges DOD and the services to carefully reconsider blanket use of any new life-cycle approaches that depart from prior, standard practices.

Rebates.—The Department of Defense has been increasing the use of green technology to reduce energy consumption on military installations. The Committee commends this policy but is concerned that the Department of Defense is not fully utilizing the potential savings and rebates that may be available from the use of certain technologies or utilities. The Committee directs the Deputy Under Secretary of Defense for Installations and Environment to report to the congressional defense committees on the amount of rebates the Department has been able to capture.

Center of Excellence for Research and Graduate-level Studies.—The Committee is concerned that Air Force facilities for graduate-level research have been neglected over the years and funding for military construction has been deferred to the out years of budget submissions. Many of the research facilities have unsafe and limited lab space, inoperable HVAC systems, outdated plumbing, water damage and leaks in the roof. These deplorable working conditions are hindering the personnel conducting research in these facilities. Therefore, the Committee urges the Deputy Under Secretary for Installations and Environment to assess these aging facilities, how they are prioritized for funding and request funding in earlier fiscal years.

Increased Fuel and Training Efficiency.—The Committee is aware of proposals by the Department of Defense to use military construction funding to construct specialized training runways near existing aircraft locations. By constructing these specialized runways, the Department of Defense will save taxpayer dollars by decreasing the amount of transient flight hours required for aircraft to reach their training locations. Therefore, the Committee urges the Deputy Under Secretary for Installations and Environment to conduct a cost-benefit analysis regarding the construction of specialized training runways near existing aircraft locations and report back to the Committee within 180 days of enactment of this Act.

Maintenance of Aircraft Hangars.—The Committee recognizes the strategic importance of the Air National Guard components of the Aerospace Control Alert (ACA) mission and their role in our country's homeland defense. The Committee urges the Secretary of the Air Force to reprioritize its investments and place the maintenance facilities for legacy F–16 fighter aircraft with ACA missions that are responsible for high-value metropolitan areas at the top of the military construction list.

Bid savings.—The Committee has ascertained from cost variation notices required by 10 U.S.C. 2853 that the Department of Defense continues to have bid savings on previously appropriated military construction projects. Although the Committee's recommendation does not include rescissions to the Army, Navy, Air Force and Defense-Wide military construction accounts as a result of bid savings, the Committee directs the Secretary of Defense to submit quarterly reports on military construction bid savings.

Incremental funding.—The Committee has stated repeatedly that while projects should be fully funded or separated into stand-alone phases where practicable, incremental funding should remain an option when it makes fiscal and programmatic sense. In some cases, the phased approach can drive up costs by requiring inefficient designs and separate bids that leave subsequent phases vulnerable to construction price inflation. However, the Committee will continue to exercise its prerogative to recommend incremental funding when circumstances dictate. The Committee therefore recommends incremental funding for the Aegis Ashore Missile Defense System Complex in Romania.

LED lighting technologies.—The Committee understands that the use of LED lighting technology at military facilities has demonstrated substantial energy efficiencies and cost savings. However, the Committee is aware that LED lighting products of inferior quality were used at some facilities and installations and has resulted in those locations failing to achieve expected efficiencies. In some instances, this has led to policies prohibiting the use of this technology. Accordingly, the Committee directs the Deputy Under Secretary of Defense for Installations and Environment to establish minimum quality standards for the use of LED lighting products at Department of Defense installations and facilities. The standards should take into consideration Energy Star ratings and/or the Design Light Consortium lighting product recommendations.

Child Development Centers.—The Committee encourages the Department of Defense to reaffirm its commitment to providing exceptional child care facilities on all domestic and international military

installations. The Committee also encourages the Department of Defense to ensure that Child Development Centers located on military installations offer a safe child care environment and meet professional standards for early childhood education.

Sustainable Buildings Policy.—The Committee supports the Department of Defense's commitment to green buildings, and its goal to promote cost-effective sustainability. However the Committee is concerned that the Department of Defense's current approach to sustainable construction appears to select one green building certification system over others, particularly for wood products. The Committee expects the Department to ensure equal acceptance of forestry certification systems, and that systems designated as American National Standards are allowed to compete equally for use in the Department of Defense's building construction and major renovations while continuing to follow existing Buy America requirements. The Committee also strongly urges the Department of Defense to incorporate in its Sustainable Buildings Policy energy efficiency standards that are cost-effective, incorporate Energy Star components, and the results of life cycle assessments. The Committee directs the Deputy Under Secretary of Defense for Installations and Environment to provide a report to the congressional defense committees on the Department's efforts not later than 90 days after enactment of this Act.

Energy security.—The Committee strongly supports Department of Defense efforts to reduce costs and increase energy security through their investments in alternative energy sources. The reliance on oil for forward-deployed operations leaves the military vulnerable to supply shortages, attacks on fuel convoys, and volatile swings in the cost of petroleum. The Committee recognizes that investments in clean alternative energy sources will make our nation more secure and result in significant long term energy savings. Therefore, the Committee directs the Department of Defense, as a follow up to the Operational Energy Strategy Implementation Plan released on March 6, 2012, to report to the congressional defense committees on how energy efficient construction on military installations will lower operation and maintenance costs. This report shall be submitted within 90 days of enactment of this Act.

Military Construction Project Delivery.—The Committee is aware that the design-build project delivery method is conducted under one guaranteed contract, offers fast track aspects, cost savings, and decreased litigation claims. The Design-Build method reduces construction costs, speeds up construction time and guarantees quality in all measured categories. Therefore, the Committee encourages the use of this method, when appropriate, in order to provide greater efficiency, lower life cycle costs, and expedite construction, repairs and alterations of Federal buildings.

Contract Structures and Management.—The Committee believes that structuring contracts and employee compensation with incentives to reduce cost by permitting retention of a share of savings has the potential to generate substantial economies. The Committee directs the Department of Defense to report to the Committee on the structure of its contracts for military construction, including the portion of contracts awarded on a fixed-price basis, those awarded on a cost-plus fixed fee basis, and all other contract structures used by the Department for its construction programs.

For all contracts, the Department is directed to report on incentives that are included in the contracts to reduce the cost to the government and any financial incentives included for completion of contracts ahead of schedule or under cost. If such incentives do not currently exist, the Department is to report on the feasibility of beginning such a program.

Foreign Materiel Exploitation Labs.—The Committee is concerned that Department of Defense intelligence facilities that serve multiple agencies and our allies have been neglected over the years and funding for military construction has been deferred to the out years of budget submissions. Many of the labs are deteriorating, in temporary facilities, and lack appropriate space. Therefore, the Committee urges the Deputy Under Secretary for Installations and Environment to assess these aging lab facilities, reassess the funding priorities for these facilities and request funding in earlier fiscal years. To address the alarming threats faced by the United States, the Committee urges the Deputy Under Secretary to prioritize funding for these facilities in a much more timely manner. The Committee believes that these facilities are valuable national security assets that the Department of Defense should maintain in a manner that will ensure their vital role in protecting U.S. national security interests.

MILITARY CONSTRUCTION, ARMY

Fiscal year 2012 enacted level	$3,006,491,000
Fiscal year 2013 budget request	1,923,323,000
Committee recommendation in the bill	1,820,323,000
Comparison with:	
Fiscal year 2012 enacted level	(1,186,168,000)
Fiscal year 2013 budget request	(103,000,000)

The Committee recommends an appropriation of $1,820,323,000 for Military Construction, Army, a decrease of $1,186,168,000 from the fiscal year 2012 enacted level and a decrease of $103,000,000 below the budget request.

The Committee recommendation does not include $103,000,000 as requested by the Administration in title I for the cemetery expansion Millennium Project. The funds are instead provided in title III of this Act under Cemeterial Expenses, Army.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

Fiscal year 2012 enacted level	$2,112,823,000
Fiscal year 2013 budget request	1,701,985,000
Committee recommendation in the bill	1,551,217,000
Comparison with:	
Fiscal year 2012 enacted level	(561,606,000)
Fiscal year 2013 budget request	(150,768,000)

The Committee recommends an appropriation of $1,551,217,000 for Military Construction, Navy and Marine Corps, a decrease of $561,606,000 from the fiscal year 2012 enacted level and a decrease of $150,768,000 below the budget request.

The Committee recommendation transfers six projects totaling $150,768,000 from Military Construction, Navy and Marine Corps in title I to title IV.

MILITARY CONSTRUCTION, AIR FORCE

Fiscal year 2012 enacted level	$1,227,058,000
Fiscal year 2013 budget request	388,200,000
Committee recommendation in the bill	388,200,000
Comparison with:	
Fiscal year 2012 enacted level	(838,858,000)
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $388,200,000 for Military Construction, Air Force, a decrease of $838,858,000 below the fiscal year 2012 enacted level and the same as the budget request.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS AND RESCISSION)

Fiscal year 2012 enacted level	$3,431,957,000
Fiscal year 2013 budget request	3,654,623,000
Committee recommendation in the bill	3,549,623,000
Comparison with:	
Fiscal year 2012 enacted level	117,666,000
Fiscal year 2013 budget request	(105,000,000)

The Committee recommends an appropriation of $3,569,623,000 for Military Construction, Defense-Wide, an increase of $117,666,000 above the fiscal year 2012 enacted level and a decrease of $105,000,000 below the budget request.

The Committee recommendation includes a reduction to the Aegis Ashore Missile Defense System Complex in Romania of $75,000,000 and a reduction to contingency construction of $10,000,000. The Committee recommendation also includes a rescission from prior year unobligated balances in contingency construction under Administrative Provisions of title I.

Transfer of Funds.—The accompanying bill provides transfer authority to the Secretary of Defense to allow the transfer of funds to such appropriations of the Department of Defense available for military construction or family housing as the Secretary may designate.

DODEA School Construction.—The Committee fully supports the fiscal year 2013 request for the construction of 10 schools in the United States and overseas. The Committee however, is concerned that the changes that are occurring across the Department of Defense associated with force structure reductions may impact whether funding is needed if an installation is determined not to be an enduring installation. The Committee therefore directs the Director of the Department of Defense Education Activity (DODEA) to report on the status of DODEA funding and provide by location any funding that has been placed on hold for any reason to the congressional defense committees 90 days after enactment of this Act.

Energy Conservation Investment Program.—The Committee believes that as new construction and retrofit projects are undertaken at facilities to improve building energy efficiency and achieve the objectives prescribed in statutes, executive orders, and initiatives, the Department of Defense is encouraged to utilize new and underutilized, low-cost energy efficient technologies that provide the best value to taxpayers through minimal lifecycle costs. The Deputy Under Secretary for Installations and Environment shall report to the congressional defense committees on the Department's plan to

implement these technologies across the Department of Defense within 60 days of enactment of this Act.

The Committee has been in the forefront of ensuring that our military beneficiaries are provided "world class" medical facilities as a result of the fiscal year 2005 BRAC consolidation of Walter Reed Army Medical Center (WRAMC) and the National Naval Medical Center (NNMC). The Committee would observe that the new community hospital at Fort Belvoir meets the expectation of a "world class" facility however the Committee is disappointed in some of the facilities at Walter Reed National Military Medical Center. A most notable deficiency is the 3rd floor of Building 19 where the various cancer clinics are located as well as the chemotherapy treatment area. These facilities are nowhere close to being equal to the facilities at the old Walter Reed Army Medical Center. The Committee notes that the waiting areas and treatment areas are impersonal and not "patient friendly," and thus are not conducive to a positive healing environment. In addition, there are insufficient facilities for patients undergoing chemotherapy treatment. The Committee is aware that there are unobligated balances available in the BRAC 2005 account, and strongly encourages the Department of Defense to reprogram sufficient funds to correct these deficiencies.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Fiscal year 2012 enacted level	$773,592,000
Fiscal year 2013 budget request	613,799,000
Committee recommendation in the bill	613,799,000
Comparison with:	
Fiscal year 2012 enacted level	(159,793,000)
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $613,799,000 for Military Construction, Army National Guard, a decrease of $159,793,000 from the fiscal year 2012 enacted level and the same as the budget request.

Enforcement of Border Security.—Recognizing the need to bolster resources for the enforcement of border security, the Committee encourages the Army National Guard and the Air National Guard to consider, design, and construct facilities adjacent to our southwestern border that will support National Guard activities and house and support defense assets used by Customs and Border Protection and other law enforcement agencies for the terrestrial, maritime, and aerial surveillance of those borders, to include aircraft hangars suitable for unmanned aerial systems.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

Fiscal year 2012 enacted level	$116,246,000
Fiscal year 2013 budget request	42,386,000
Committee recommendation in the bill	42,386,000
Comparison with:	
Fiscal year 2012 enacted level	(73,860,000)
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $42,386,000 for Military Construction, Air National Guard, a decrease of $73,860,000 below the fiscal year 2012 enacted level and the same as the budget request.

MILITARY CONSTRUCTION, ARMY RESERVE

Fiscal year 2012 enacted level	$280,549,000
Fiscal year 2013 budget request	305,846,000
Committee recommendation in the bill	305,846,000
Comparison with:	
Fiscal year 2012 enacted level	25,297,000
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $305,846,000 for Military Construction, Army Reserve, an increase of $25,297,000 above the fiscal year 2012 enacted level and the same as the budget request.

Consolidation of Mission Function.—The Committee supports Army Reserve efforts to reduce costs and strengthen command and control through consolidated regional reserve facilities such as the Army Reserve Center in Worcester, MA, which had been identified for a Real Property Exchange by the United States government. The Committee supports this consolidation and is disappointed that no action has been taken. Since it is the Department's intention to consolidate mission function and expenditures where appropriate, the Committee remains interested in consolidation within this region, given the excess mission capacity. The Committee therefore urges the Secretary of the Army to identify a suitable and comparable site for relocation of all personnel and operations that are currently aligned with the existing Army Reserve Center and report on any actions taken within 30 days of enactment this Act.

MILITARY CONSTRUCTION, NAVY RESERVE

Fiscal year 2012 enacted level	$26,299,000
Fiscal year 2013 budget request	49,532,000
Committee recommendation in the bill	49,532,000
Comparison with:	
Fiscal year 2012 enacted level	23,233,000
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $49,532,000 for Military Construction, Navy Reserve, an increase of $23,233,000 above the fiscal year 2012 enacted level and the same as the budget request.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

Fiscal year 2012 enacted level	$33,620,000
Fiscal year 2013 budget request	10,979,000
Committee recommendation in the bill	10,979,000
Comparison with:	
Fiscal year 2012 enacted level	(22,641,000)
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $10,979,000 for Military Construction, Air Force Reserve, a decrease of $22,641,000 below the fiscal year 2012 enacted level and the same as the budget request.

NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Fiscal year 2012 enacted level	$247,611,000
Fiscal year 2013 budget request	254,163,000
Committee recommendation in the bill	254,163,000
Comparison with:	
Fiscal year 2012 enacted level	6,552,000
Fiscal year 2013 budget request	– – –

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

The Committee recommends an appropriation of $254,163,000 for NSIP, an increase of $6,552,000 above the fiscal year 2012 enacted level and the same as the budget request.

The U.S. occasionally has been forced to temporarily delay the authorization of projects due to shortfalls in U.S. obligation authority. The Committee directs the Secretary of Defense to notify the Committee within 14 days of the U.S. taking action to temporarily delay the authorization of projects, or to temporarily withhold funds from previously authorized projects, due to shortfalls in U.S. obligation authority.

FAMILY HOUSING OVERVIEW

Fiscal year 2012 enacted level	$1,682,946,000
Fiscal year 2013 budget request	1,650,781,000
Committee recommendation in the bill	1,650,781,000
Comparison with:	
Fiscal year 2012 enacted level	(32,165,000)
Fiscal year 2013 budget request	– – –

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

The Committee recommends a total appropriation of $1,650,781,000 for family housing construction, family housing operation and maintenance, and the homeowners assistance program, a decrease of $32,165,000 below the fiscal year 2012 enacted level and the same as the budget request. The decrease below the 2012 enacted level is due partly to the Department of Defense's success in implementing the Military Housing Privatization Initiative on military installations and the reduced requirement for appropriated construction and operating costs. The Committee encourages the Department, where feasible, to utilize energy efficient, environmentally friendly, and easily deployable composite building materials in new family housing construction.

Family housing privatization progress reports.—The Committee directs the Department of Defense to continue submitting semi-an-

nual progress reports on the family housing privatization program, including a breakout of military tenant satisfaction rates by project.

Foreign currency savings and sub-account transfers.—The Committee directs that savings in family housing operation and maintenance accounts from foreign currency re-estimates be used to maintain and repair existing family housing units. The Comptroller is directed to report to the Committees on Appropriations of both Houses of Congress on how these savings are allocated 90 days after enactment of this Act. In addition, the Committee directs the services and Defense agencies to notify the Committees on Appropriations of both Houses of Congress within 30 days of a transfer of funds between sub-accounts within the family housing construction and family housing operation and maintenance accounts, if such transfer is in excess of 10 percent of the funds appropriated to the sub-account to which the funds are being transferred. Notifications to the Committees shall indicate the sub-accounts and amounts that are being used to source the transfer.

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

FAMILY HOUSING CONSTRUCTION, ARMY

Fiscal year 2012 enacted level	$176,897,000
Fiscal year 2013 budget request	4,641,000
Committee recommendation in the bill	4,641,000
Comparison with:	
Fiscal year 2012 enacted level	(172,256,000)
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $4,641,000 for Family Housing Construction, Army, a decrease of $172,256,000 below the fiscal year 2012 enacted level and the same as the budget request. The significant decrease in Army family housing construction is due to all scheduled installations having now been privatized through the Residential Community Initiative and the Army having met its goal to eliminate those houses originally identified as inadequate.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

Fiscal year 2012 enacted level	$493,458,000
Fiscal year 2013 budget request	530,051,000
Committee recommendation in the bill	530,051,000
Comparison with:	
Fiscal year 2012 enacted level	36,593,000
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $530,051,000 for Family Housing Operation and Maintenance, Army, an increase of

$36,593,000 above the fiscal year 2012 enacted level and the same as the budget request.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

Fiscal year 2012 enacted level	$100,972,000
Fiscal year 2013 budget request	102,182,000
Committee recommendation in the bill	102,182,000
Comparison with:	
Fiscal year 2012 enacted level	1,210,000
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $102,182,000 for Family Housing Construction, Navy and Marine Corps, an increase of $1,210,000 above the fiscal year 2012 enacted level and the same as the budget request.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

Fiscal year 2012 enacted level	$367,863,000
Fiscal year 2013 budget request	378,230,000
Committee recommendation in the bill	378,230,000
Comparison with:	
Fiscal year 2012 enacted level	10,367,000
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $378,230,000 for Family Housing Operation and Maintenance, Navy and Marine Corps, an increase of $10,367,000 above the fiscal year 2012 enacted level and the same as the budget request.

FAMILY HOUSING CONSTRUCTION, AIR FORCE

Fiscal year 2012 enacted level	$60,042,000
Fiscal year 2013 budget request	83,824,000
Committee recommendation in the bill	83,824,000
Comparison with:	
Fiscal year 2012 enacted level	23,782,000
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $83,824,000 for Family Housing Construction, Air Force, an increase of $23,782,000 above the fiscal year 2012 enacted level and the same as the budget request. The increase in fiscal year 2013 is due to a funding adjustment, requested by the Air Force in fiscal year 2012 to cover an anticipated shortfall in family housing operation and maintenance funding.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

Fiscal year 2012 enacted level	$429,523,000
Fiscal year 2013 budget request	497,829,000
Committee recommendation in the bill	497,829,000
Comparison with:	
Fiscal year 2012 enacted level	68,306,000
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $497,829,000 for Family Housing Operation and Maintenance, Air Force, an increase of $68,309,000 above the fiscal year 2012 enacted level and the same as the budget request.

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

Fiscal year 2012 enacted level	$50,723,000
Fiscal year 2013 budget request	52,238,000
Committee recommendation in the bill	52,238,000
Comparison with:	
Fiscal year 2012 enacted level	1,515,000
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $52,238,000 for Family Housing Operation and Maintenance, Defense-Wide, an increase of $1,515,000 above the fiscal year 2012 enacted level and the same as the budget request.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

Fiscal year 2012 enacted level	$2,184,000
Fiscal year 2013 budget request	1,786,000
Committee recommendation in the bill	1,786,000
Comparison with:	
Fiscal year 2012 enacted level	(398,000)
Fiscal year 2013 budget request	– – –

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

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

The Committee recommends an appropriation of $1,786,000 for the Department of Defense Family Housing Improvement Fund, a decrease of $398,000 below the fiscal year 2012 enacted level and the same as the budget request.

Family Housing Improvement Fund.—The Committee was made aware during budget briefings that the Navy's fiscal year 2013 budget submission for Family housing contained a request to privatize 870 units however the budget submission only included funding for 614 units. The Navy requested language allowing the transfer of credited funds from Navy land conveyances in the Family Housing Improvement Fund to eliminate the shortfall. Therefore, the recommendation includes an Administrative Provision (Section 130) in title I allowing the transfer of $10,500,000 by the Secretary of Defense to the Secretary of the Navy to alleviate this requirement as requested by the Navy.

HOMEOWNERS ASSISTANCE FUND

Fiscal year 2012 enacted level	$1,284,000
Fiscal year 2013 budget request	– – –
Committee recommendation in the bill	– – –
Comparison with:	
Fiscal year 2012 enacted level	(1,284,000)
Fiscal year 2012 budget request	– – –

The Homeowners Assistance Fund account finances the Homeowners Assistance Program (HAP), which provides assistance to individual military and Federal civilian homeowners who sustain losses on the sales of their primary residences due to declining real estate markets attributable to the closure or realignment of military installations, as well as the temporary expansion of the program to include military homeowners adversely affected by the housing crisis and the permanent extension of benefits to wounded warriors and surviving spouses. This non-expiring revolving fund receives funding from several sources, including appropriations, borrowing authority, reimbursable authority, prior fiscal year unobligated balances, appropriation transfers, revenue from the sale of acquired properties, and recovery of prior year obligations.

The Committee recommends no appropriation for the Department of Defense Homeowners Assistance Fund in fiscal year 2013, the same as the budget request.

CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE-WIDE

Fiscal year 2012 enacted level	$75,312,000
Fiscal year 2013 budget request	151,000,000
Committee recommendation in the bill	151,000,000
Comparison with:	
Fiscal year 2012 enacted level	75,688,000
Fiscal year 2013 budget request	– – –

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

The Committee recommends an appropriation of $151,000,000 for Chemical Demilitarization Construction, Defense-Wide, an increase of $75,688,000 above the fiscal year 2012 enacted level and the same as the budget request.

BASE REALIGNMENT AND CLOSURE ACCOUNT 1990

Fiscal year 2012 enacted level	$323,543,000
Fiscal year 2013 budget request	349,396,000
Committee recommendation in the bill	349,396,000
Comparison with:	
Fiscal year 2012 enacted level	25,853,000
Fiscal year 2013 budget request	– – –

The Committee recommends an appropriation of $349,396,000 for the Base Realignment and Closure Account 1990, the same as the fiscal year 2013 budget request.

BASE REALIGNMENT AND CLOSURE ACCOUNT 2005

Fiscal year 2012 enacted level	$258,776,000
Fiscal year 2013 budget request	126,697,000
Committee recommendation in the bill	126,697,000
Comparison with:	
Fiscal year 2012 enacted level	(132,079,000)
Fiscal year 2013 budget request	

The Committee recommends an appropriation of $126,697,000 for the Base Realignment and Closure Account 2005, a decrease of $132,079,000 below the fiscal year 2012 enacted level and the same as the fiscal year 2012 budget request. This funding supports the most recent base realignment and closure round which affected over 800 installations and locations through 24 major closures, 24 major realignments, and 765 other actions. This funding is requested for non-constructed related actions.

Base Realignment and Closure 2005.—The committee recommendation continues to carry a parking limitation for Base Closure and Realignment (BRAC) recommendation #133 (Mark Center). The Committee believes that carrying this provision will continue to mitigate traffic congestion surrounding the Mark Center site. Specifically, the Committee recommendation includes a limitation on the number of parking spaces the Department may utilize at the Mark Center to no more than 2,000, with the exception of disabled parking spaces. The limitation may be waived in part, but not in whole, if the Secretary of Defense certifies that none of the intersections surrounding the Mark Center reach failing levels of service "e" or "f," as defined by the Transportation Research Board Highway Capacity Manual, during a consecutive 90-day period or the Department of Defense and the Virginia Department of Transportation agree on the number of additional parking spaces that may be made available to employees of the facility subject to continued 90-day traffic monitoring. The Committee continues to strongly encourage the Department of Defense to examine mandatory commuting alternatives such as telework, flexible work schedules, satellite parking facilities with dedicated shuttle service to the Mark Center, parking capacity at the Pentagon, additional ridesharing and public transit incentives and all other means to ensure that Mark Center employees can commute to and from work without undue burden.

Base Realignment and Closure 2005 Remediation Agreements.—The Committee commends the Deputy Under Secretary of Defense for Installations and Environment and the Department of the Army for their willingness to work with other governmental agencies to facilitate private sector growth and government efficiency. The Committee understands from reports by the Department of the Army that additional requirements are being imposed on some of the cleanup efforts in States. The Department of the Army has indicated that additional requirements in the remediation of land in closures threaten to delay land transfer and therefore increase expenses beyond the original project scope.

Therefore, the Committee believes the Deputy Under Secretary of Defense for Installations and Environment and the Environmental Protection Agency should continue to work to reach remediation agreements with standards allowed under current BRAC law. The Committee directs the Department of Defense's Inspector Gen-

eral to review BRAC 2005 closures and report to the congressional defense committees on additional issues that delayed land transfer and increased costs to the Department of Defense 180 days after enactment of this Act.

ADMINISTRATIVE PROVISIONS

The bill includes section 101 prohibiting the use of funds for payments under a cost-plus-a-fixed-fee contract for construction where cost estimates exceed $25,000. An exception for Alaska is provided.

The bill includes section 102 permitting the use of construction funds for the hire of passenger motor vehicles.

The bill includes section 103 permitting funds to be expended on the construction of defense access roads under certain circumstances.

The bill includes section 104 prohibiting construction of new bases in the United States without a specific appropriation.

The bill includes section 105 limiting the use of funds for the purchase of land or land easements that exceed 100 percent of value except under certain conditions.

The bill includes section 106 prohibiting the use of funds to acquire land, prepare sites, or install utilities for family housing except housing for which funds have been appropriated.

The bill includes section 107 limiting the use of minor construction funds to relocate any activity from one installation to another without prior notification.

The bill includes section 108 prohibiting the procurement of steel unless American producers, fabricators, and manufacturers have been allowed to compete.

The bill includes section 109 prohibiting the use of funds to pay real property taxes in foreign nations.

The bill includes section 110 prohibiting the use of funds to initiate a new installation overseas without prior notification.

The bill includes section 111 establishing a preference for United States architectural and engineering services where the services are in Japan, NATO member countries, or countries bordering the Arabian Sea within the Central Command area of responsibility.

The bill includes section 112 establishing a preference for United States contractors for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or countries within the Central Command area of responsibility, except bids by Marshallese contractors for military construction on Kwajalein Atoll.

The bill includes section 113 requiring the Secretary of Defense to give prior notice to Congress of military exercises where construction costs exceed $100,000.

The bill includes section 114 allowing funds appropriated in prior years to be used for new projects authorized during the current session of Congress.

The bill includes section 115 allowing the use of expired or lapsed funds to pay the cost of supervision for any project being completed with lapsed funds.

The bill includes section 116 providing that funds for military construction projects are available until the end of the fourth fiscal year following the fiscal year in which funds are appropriated, subject to certain conditions.

(INCLUDING TRANSFER OF FUNDS)

The bill includes section 117 allowing for the transfer of proceeds from "Base Realignment and Closure Account, Part I" to the continuing Base Realignment and Closure accounts.

(INCLUDING TRANSFER OF FUNDS)

The bill includes section 118 allowing for the transfer of funds from Family Housing Construction accounts to the Department of Defense Family Housing Improvement Fund and funds from Military Construction accounts to the Department of Defense Military Unaccompanied Housing Improvement Fund.

(INCLUDING TRANSFER OF FUNDS)

The bill includes section 119 providing transfer authority to the Homeowners Assistance Program.

The bill includes section 120 requiring that funds in this title be the sole source of all operation and maintenance for flag and general officer quarter houses, and limits the repair on these quarters to $35,000 per year without notification.

The bill includes section 121 making funds in the Ford Island Improvement Fund available until expended.

The bill includes section 122 prohibiting the use of funds for military construction, family housing, or land acquisition projects at installations closed or realigned under BRAC, except under certain conditions.

(INCLUDING TRANSFER OF FUNDS)

The bill includes section 123 allowing the transfer of expired funds to the "Foreign Currency Fluctuations, Construction, Defense" account.

The bill includes section 124 prohibiting the number of parking spaces available for use.

The bill includes section 125 prohibiting the use of funds for any action related to the expansion of Pinon Canyon Maneuver Site, Colorado.

The bill includes section 126 prohibiting the use of funds to relocate a unit of the Army that would impact more than 200 personnel.

(RESCISSION)

The bill includes section 127 rescinding funds from prior appropriations Acts.

(RESCISSION)

The bill includes section 128 rescinding funds from prior appropriations for the BRAC 2005 account.

The bill includes section 129 reducing the civilian pay raise.

(INCLUDING TRANSFER OF FUNDS)

The bill includes section 130 allowing the transfer of funds to the Secretary of the Navy from the Family Housing Improvement Fund as requested by the Navy.

The bill does not include section 121 as requested to provide authority to obligate funds provided in military construction Army for Arlington Cemetery.

The bill does not include section 122 as requested to provide authority under a continuing resolution when an authorization bill has been enacted to obligate funds that have not been appropriated.

TITLE II

DEPARTMENT OF VETERANS AFFAIRS

Fiscal year 2012 enacted level [1]	$122,226,272,000
Fiscal year 2013 budget request [1]	135,636,648,000
Committee recommendation in the bill [1]	135,377,850,000
Comparison with:	
Fiscal year 2012 enacted level	13,151,578,000
Fiscal year 2013 budget request	(258,798,000)
Fiscal year 2014 advance budget request [1]	54,462,000,000
Fiscal year 2014 Committee recommendation in the bill [1]	54,462,000,000

[1] All funding cited excludes amounts in the Medical Care Collections Fund.

The Department of Veterans Affairs (VA) serves nearly 58,000,000 people: 22,200,000 veterans and 35,500,000 family members of living veterans or survivors of deceased veterans. This group constitutes 18 percent of the United States population. To serve adequately the nation's veterans, the VA employs 302,000 people, making it one of the largest Federal agencies in terms of employment.

The Committee recommends a total of $135,377,850,000 in budget authority for programs in fiscal year 2013, an increase of $13,151,578,000 or 10.8 percent above the fiscal year 2012 enacted level and $258,798,000 below the budget request. In addition, advance appropriations of $54,462,000,000 are provided for fiscal year 2014. Consistent with H. Con. Res. 112, the House-passed fiscal year 2013 budget resolution, the Committee does not provide funding for the 0.5 percent Federal employee pay raise assumed in the VA budget request, as implemented in sections 231 and 232 of the bill.

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2012 enacted level	$51,237,567,000
Fiscal year 2013 budget request	61,741,232,000
Committee recommendation in the bill	61,741,232,000
Comparison with:	
Fiscal year 2012 enacted level	10,503,665,000
Fiscal year 2013 budget request	– – –

This appropriation provides funds for service-connected compensation payments to an estimated 4,000,000 veterans, survivors, and dependents. In addition, pension payments are funded for 520,000 veterans and their survivors. The average cost per compensation case for veterans in 2013 is estimated at $14,862, and pension payments are projected at a unit cost of $9,465.

The Committee recommends an appropriation of $61,741,232,000 for compensation, pension, and burial benefits, an increase of

$10,503,665,000 above the fiscal year 2012 enacted level and the same as the budget request.

The appropriation includes authority to transfer funding not to exceed $9,204,000, of which $9,059,000 is for the General Operating Expenses, Veterans Benefit Administration account and $145,000 is for the Information Technology Systems account. These funds are for the administrative expenses of implementing cost-saving provisions required by the Omnibus Budget Reconciliation Act of 1990, Public Law 101–508, the Veterans' Benefits Act of 1992, Public Law 102–568, and the Veterans' Benefits Improvements Act of 1994, Public Law 103–446. These cost-saving provisions include verifying pension income against Internal Revenue Service (IRS) and Social Security Administration (SSA) data; establishing a match with the SSA to obtain verification of Social Security numbers; and applying the VA pension cap for Medicaid-eligible single veterans and surviving spouses alone in Medicaid-covered nursing homes. The bill also continues to include language permitting this appropriation to reimburse such sums as may be earned to the Medical Care Collections Fund to help defray the operating expenses of individual medical facilities for nursing home care provided to pensioners.

READJUSTMENT BENEFITS

Fiscal year 2012 enacted level	$12,108,488,000
Fiscal year 2013 budget request	12,607,476,000
Committee recommendation in the bill	12,607,476,000
Comparison with:	
Fiscal year 2012 enacted level	498,988,000
Fiscal year 2013 budget request	– – –

This appropriation finances the education and training of veterans and servicemembers through the Post 9–11 GI Bill and the All-Volunteer Force Educational Assistance Program. Supplemental education benefits are also provided to certain veteran members of the Selected Reserve and are funded through transfers from the Department of Defense. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and grants for automobiles with approved adaptive equipment. This account also finances educational assistance allowances for eligible dependents of veterans who died from service-connected causes or have a total and permanent service-connected disability, as well as dependents of servicemembers who were captured or are missing in action. Almost 75 percent of the funds in the account support the Post 9–11 GI Bill.

The Committee recommends an appropriation of $12,607,476,000 for Readjustment Benefits, an increase of $498,988,000 above the fiscal year 2012 enacted level and the same as the budget request.

VETERANS INSURANCE AND INDEMNITIES

Fiscal year 2012 enacted level	$100,252,000
Fiscal year 2013 budget request	104,600,000
Committee recommendation in the bill	104,600,000
Comparison with:	
Fiscal year 2012 enacted level	4,348,000
Fiscal year 2013 budget request	– – –

The Veterans Insurance and Indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; national service life insurance

(NSLI), applicable to certain World War II veterans; servicemen's indemnities, applicable to Korean conflict veterans; and the veterans mortgage life insurance, applicable to individuals who have received a grant for specially adapted housing.

The Committee recommends an appropriation of $104,600,000 for Veterans Insurance and Indemnities, an increase of $4,348,000 above the fiscal year 2012 enacted level and the same as the budget request. The amount provided will enable the Department to transfer funding to the service-disabled veterans insurance fund and transfer additional amounts for payments for policies under the veterans mortgage life insurance program. These policies are identified under the Veterans Insurance and Indemnity appropriation since they provide insurance to service-disabled veterans unable to qualify under basic NSLI.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

	Program account	Limitation on direct loans for specially adapted housing loans	Administrative expenses
Fiscal year 2012 enacted level	$318,612,000	$500,000	$154,698,000
Fiscal year 2013 budget request	184,859,000	500,000	157,814,000
Committee recommendation in the bill	184,859,000	500,000	157,814,000
Comparison with:			
Fiscal year 2012 enacted level	(133,753,000)	– – –	3,116,000
Fiscal year 2013 budget request	– – –	– – –	– – –

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

The Committee recommends such sums as may be necessary (currently estimated to total $184,859,000) for funding subsidy payments, $500,000 for the limitation on direct loans for specially adapted housing loans, and $157,814,000 for administrative expenses.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

	Program account	Limitation on direct loans	Administrative expenses
Fiscal year 2012 enacted level	$19,000	$3,019,000	$343,000
Fiscal year 2013 budget request	19,000	2,729,000	346,000
Committee recommendation in the bill	19,000	2,729,000	346,000
Comparison with:			
Fiscal year 2012 enacted level	– – –	(290,000)	3,000
Fiscal year 2013 budget request	– – –	– – –	– – –

This appropriation covers the subsidy cost of direct loans for vocational rehabilitation of eligible veterans and includes administrative expenses necessary to carry out the direct loan program. Loans of up to $1,108 (based on indexed chapter 31 subsistence allowance rate) are available to service-connected disabled veterans enrolled in vocational rehabilitation programs when the veteran is temporarily in need of additional assistance. Repayment is made in monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay. Most loans are repaid in full in less than one year. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation.

The Committee recommends $19,000 for funding subsidy program costs and $346,000 for administrative expenses. The administrative expenses may be paid to the General Operating Expenses, Veterans Benefit Administration account.

In addition, the Committee includes language limiting direct loans to $2,729,000. It is estimated that the Department will make 2,857 loans in fiscal year 2013, with an average amount of $955.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM

Administrative expenses:	
Fiscal year 2012 enacted level	$1,116,000
Fiscal year 2013 budget request	1,089,000
Committee recommendation in the bill	1,089,000
Comparison with:	
Fiscal year 2012 enacted level	(27,000)
Fiscal year 2013 budget request	– – –

The Native American Veteran Housing Loan Program, as authorized by title 38 United States Code, chapter 37, subchapter V, provides the Secretary with authority to make direct housing loans to Native American veterans for the purpose of purchasing, constructing, or improving dwellings on trust lands. The Committee recommends the budget request of $1,089,000 for administrative expenses of the Native American Veteran Housing Loan Program.

VETERANS HEALTH ADMINISTRATION

The Department operates the largest Federal medical care delivery system in the country, with 152 hospitals, 107 domiciliary residential rehabilitation treatment programs, 133 nursing homes, 300 Vet Centers, 70 mobile Vet Centers, and 809 outpatient clinics which include independent, satellite, community-based, and rural outreach clinics. Approximately 6,300,000 patients will be treated in 2013.

The Veterans Health Administration (VHA) is comprised of four accounts: Medical Services, Medical Support and Compliance, Medical Facilities, and Medical and Prosthetic Research. For these accounts, the Administration has requested total resources for fiscal year 2014 of $54,462,000,000 in direct appropriations to fund the three advance appropriations of the VHA. This is an increase of $1,921,000,000 above the fiscal year 2013 enacted level of $52,541,000,000 and the same as the budget request. In addition, VA will receive an estimated $2,527,000,000 in Medical Care Collections Fund in fiscal year 2013. The Committee also provides the 2013 budget request of $582,674,000 for medical and prosthetic research.

The Committee is very disturbed by the dramatic changes in VA estimates for the Medical Care accounts for fiscal years 2012 and 2013 and the lack of timely notification to Congress. The Committee did not learn of decreased resource requirements totaling nearly $3,000,000,000 in 2012 and nearly $2,000,000,000 in 2013 until the 2013 budget was delivered in February. Since the funding for both these years had already been appropriated in advance, Congress lost the opportunity to consider adjusting funding levels for these accounts. If the Committee had been informed of the changes last year as the 2012 appropriations bill was being finalized, such changes could have been considered. To address this notification lapse, the Committee includes bill language requiring the VA to notify the Congress of any changes in funding requirements exceeding $250,000,000 identified when the Enrollee Healthcare Projection Model is re-calculated in the spring of each year. This notification shall be transmitted as part of the sufficiency letter due to Congress no later than July 31 of each year, as required in section 117(d) of title 38, United States Code.

In addition to the lack of notification about excess funding, the Committee was not informed until the budget submission about the VA's planned allocation of these funds. While the Committee does not challenge the allocation of the funding to special initiatives such as homeless assistance and hospital activations, it is concerned by the lack of opportunity for oversight. As one example, an initiative labeled "new models of patient-centered care", which was funded for the first time in fiscal year 2012, was increased by $610,000,000 from the budget estimate to the enacted level. That same initiative was increased from being zero-funded to $448,000,000 as the fiscal year 2013 budget progressed. To regain an opportunity for oversight, the Committee includes bill language requiring the VA to submit a reprogramming request when it proposes a change in funding for initiatives listed on the "VA Medical Care Obligations by Program" page in the Congressional Budget Submission. This reprogramming requirement applies to re-estimates of ten percent or more in the current year or advance year.

MEDICAL SERVICES

Fiscal year 2012 enacted level	$39,649,985,000
Fiscal year 2013 enacted level	41,354,000,000
Fiscal year 2013 additional request	165,000,000
Fiscal year 2014 advance budget request	43,557,000,000
Committee 2014 recommendation in the bill	43,557,000,000
Comparison with:	
Fiscal year 2013 enacted level	2,203,000,000
Fiscal year 2014 budget request	– – –

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

The Committee provides an advance appropriation of $43,557,000,000 for Medical Services for fiscal year 2014, an increase of $2,203,000,000, or 5.3 percent, above the fiscal year 2013 enacted level and the same as the budget request. The Committee has not included requested bill language to make available through September 30, 2015, $1,400,000,000 of the Medical Services appropriation for fiscal year 2014, instead maintaining current policy of providing extended availability on a current year rather than advance funding basis.

The fiscal year 2013 budget includes a request for an additional $165,000,000 for Medical Services in fiscal year 2013. The Committee does not provide this additional fiscal year 2013 funding. Since the VA has significantly overestimated Medical Care funding needs for both 2012 and 2013, the Committee is reluctant to provide any additional 2013 funding at this time. Should any shortfall occur, the Department should utilize funding from administrative expenses for VHA headquarters and the veterans integrated service networks (VISNs).

Operational improvements.—The budget request is built on the assumption of substantial savings from what are called "operational improvements". These savings are estimated at $1,300,000,000 in fiscal years 2013 and 2014. The operational improvements vary from fee care payment savings to clinical staff and resource "realignment" to real property cost savings. The Committee is concerned that these savings estimates are uncertain at best and depend in part on regulatory changes and hiring policies that may not materialize. In fact, the Committee notes that the Government Accountability Office (GAO) found in a February, 2012 report that VA's estimated savings from two of its six operational improvements lacked analytic support, and estimated savings from another were flawed. In addition, GAO found that VA lacks a process for tracking actual savings for one operational improvement and its processes may overstate results for two others. Given this uncertainty, coupled with the unfortunate record the VA has had in the past with budgets based on similar "savings", the Committee requests that the VA continue to provide an operating plan identifying the timeframe and benchmarks used in generating the estimates and the metrics to be used to validate the savings, as requested in the 2012 House report.

Allocation of health funding.—The Committee is concerned that the process the VA uses to allocate the health services appropria-

tion through the VISNs and from them to the medical centers may shortchange the ultimate users because of excessive funding retained at headquarters or at the VISNs. The Committee continues to request a report each year no later than thirty days after VA allocates the medical services appropriation to the VISNs that identifies: (1) the amount of general purpose funding that is allocated to each VISN; (2) the amount of funding that is retained by central headquarters for specific purposes, with amounts identified for each purpose; and (3) the amount of funding that is retained by each VISN before allocating it to the medical centers, identifying separately the amounts retained for purposes such as network operations, network initiatives, and emergencies.

Homeless assistance.—The Committee provides the full fiscal year 2014 budget request of $1,351,851,000 for VA homeless assistance programs, in addition to $4,816,132,000 for homeless veterans treatment costs. These programs include the Homeless Providers Grant and Per Diem, the Domiciliary Care for Homeless Veterans, and the Department of Housing and Urban Development—Department of Veterans Affairs Supported Housing programs.

Mental health issues

The Committee provides the full fiscal year 2014 budget request of $6,453,027,000 for mental health programs, which is a $268,929,000, or 4.3 percent, increase over 2013 levels. Included within this total are $443,332,000 for post-traumatic stress disorder (PTSD) and $75,605,000 for suicide prevention.

Delays in mental health treatment.—The Committee has been pleased that VA policy requires that all first-time patients referred to or requesting mental health services receive an initial evaluation within 24 hours and a more comprehensive diagnostic and treatment planning evaluation within 14 days. However, the Committee is alarmed by the recent Office of Inspector General (OIG) report finding that: (1) the VA's reported 95 percent success rate in meeting this requirement is based on an unreliable and inaccurate method of measurement; and (2) the VA did not provide first-time patients with timely mental health evaluations, and existing patients often waited more than 14 days past their desired date of care for their treatment appointment. With the mental health needs of veterans increasing, particularly among veterans returning from conflicts in Iraq and Afghanistan, the VA must redouble its efforts to provide timely access to mental health care services. The Committee instructs the VA to implement the four recommendations made by the OIG: (1) the Under Secretary for Health shall revise the current full mental health evaluation measurement to ensure the measurement is calculated to reflect the veteran's wait time experience upon contact with the mental health clinic or the veteran's referral to the mental health service from another provider to the completion of the evaluation; (2) the Under Secretary for Health shall reevaluate alternative measures or combinations of measures that could effectively and accurately reflect the patient experience of access to mental health appointments; (3) the Under Secretary for Health shall conduct a staffing analysis to determine if mental health staff vacancies represent a systemic issue impeding the VHA's ability to meet mental health timeliness goals, and if so, develop an action plan to correct the impediments;

and (4) the Under Secretary for Health shall ensure that data collection efforts related to mental health access are aligned with the operational needs of relevant decision makers throughout the organization. The Committee further instructs the VA to report to the Committee on its progress in meeting these recommendations 90 days and 180 days after enactment of this Act.

Suicide rates.—With the withdrawal of troops in Afghanistan and Iraq, there has been a troubling increase in mental illnesses and suicide rates among our veterans. The Committee is concerned about the current mental health and suicide prevention services that are readily available to our growing number of veterans and requests that the Department of Veterans Affairs report to the Committee how the VA is improving these services and impacting suicide rates. The Committee requests that the VA also describe in this report VA's coordination with the Department of Defense (DOD) in ensuring these services are provided to active service members.

Collaboration on suicide data.—The Committee fully supports the developing data sharing between the Department and public health agencies to improve the nation's capacity to prevent veteran suicides. By linking VA claims data and systems with other public health surveillance data, less lag time, more complete tracking and a richer set of data will help inform targeted prevention strategies. The Committee encourages VHA collaborations to share data with Federal public health agencies for the purpose of expediting surveillance initiatives.

Affiliations with university-based medical centers.—The Committee encourages the VA to establish collaborations with research universities and teaching hospitals for the treatment and research of mental health disorders, such as post-traumatic stress disorder and traumatic brain injury, to improve the psychological health of veterans and train mental health professionals so they will understand the unique needs of veterans. The Committee requests a report on current VA-university partnerships on mental health research and training no later than 90 days after enactment of this Act.

Community-based programs.—The Committee is concerned about increasing numbers of veterans facing substance abuse problems, homelessness, incarceration, mental illness, and family domestic violence. The Committee encourages VA to coordinate with community-based programs for prevention and intervention, particularly when service members transition from active duty service. Partnerships with existing, scalable, and proven programs in the community which are able to integrate supportive housing, individual case management, treatment, job training, and job placement will expand the ability of the VA to address veterans' mental health and other health related issues.

Rural health issues

The Committee provides the full fiscal year 2014 budget request of $250,000,000 to improve access and quality of care for the 3,300,000 veterans residing in rural and highly rural areas. The Committee directs the Office of Rural Health to submit to the Committee within 30 days of enactment of this Act an operating plan

for this funding, as well as any changes to that operating plan at the start of the fiscal year for which the funds are provided.

Access for underserved populations.—The Committee is concerned about the health care needs of elderly veteran populations in rural areas. These veterans often have difficulty obtaining access to quality health care and disability services, due to long distances to healthcare facilities and the lack of specialty providers working in rural areas. While the VA has made strides in expanding access to rural veterans, it is clear that the VA continues to struggle to find an adequate and effective strategy to reach these veterans. The Committee requests a detailed report by March 31, 2013, on the feasibility of offering mobile health services, home-based primary care, telemedicine, and other enhanced home-based services in these underserved areas.

Non-VA care.—The Committee encourages the VA to evaluate using local private sector health care assets and facilities when feasible and cost-effective. The increased use of private providers can reduce the cost of per diem and mileage expended by the VA and prevents veterans from traveling long distances from home to get quality health care. When using non-VA facilities, VA should establish performance criteria and certify health care facilities to ensure quality control. The Committee found compelling the hearing testimony on Project ARCH, a demonstration in five rural sites using non-VA health care facilities, and requests a quarterly report on the findings of the demonstration as it progresses.

Assignment to health care centers.—The Committee has heard complaints that some veterans travel long distances because of the locations VA directs them for care even though there are closer, more easily accessible health center locations. The Committee requests the VA to report to the Committee about the method used to assign veterans to VA health care centers. The report should include a description of how often service areas change, what notification is made to veterans of such changes, and what appeal rights veterans have to use a different facility than the one they were assigned.

Nursing shortages.—The Committee is concerned about a severe shortage of nurses and nursing education programs in rural areas. The Committee encourages the VA to establish strategic partnerships with higher education institutions such as historically black colleges and universities to expand the accessibility of health care in rural areas by developing nursing education programs located in those areas. The Committee directs the Department to provide a report to the Committee on its progress on this initiative not later than 180 days following the enactment of this Act.

Other health issues

Dialysis.—The Committee is very concerned about the growing number of cases of end stage renal disease (ESRD). According to VA estimates for fiscal year 2011, over 27,000 veterans have ESRD, of whom approximately 16,500 received dialysis from the VA on contract with providers or on an outpatient basis from a VA facility. Studies have demonstrated that home-based dialysis therapies, including peritoneal dialysis and home hemodialysis, are less costly than in-center hemodialysis, while providing equal, if not potentially better, patient outcomes. The Committee directs the De-

partment to report to the Committee the number of VA patients currently using home-based dialysis therapies and actions VA is taking to encourage increased use of home dialysis, as well as barriers to expanding the provision of home options. This report shall be submitted not later than 90 days after enactment of this Act.

COPD and Alpha–1.—The Committee is concerned by the incidence of chronic obstructive pulmonary disease (COPD) in the veteran population. COPD is caused by smoking, exposure to air pollution and a genetic condition known as Alpha–1 Antitrypsin Deficiency (AATD). The Committee notes the positive results of a pilot testing program conducted by the Miami, FL Veterans Administration Medical Center that utilized electronic medical records to help detect and properly treat veterans for COPD and AATD. The Committee encourages the VA to broaden COPD and AATD testing among at-risk veterans and requests a report on progress made by February 1, 2013.

HIV/AIDS among veterans.—The Committee recognizes the actions the VA has taken to implement routine HIV testing among veterans and urges the VA to expand on initiatives that have demonstrated success, such as the use of the Computerized Patient Record System HIV testing clinical reminder. In addition, the Committee encourages the VA to incorporate rapid HIV testing in order to increase access to testing as well as patient receipt of results.

Prescription drug abuse.—The Committee is pleased that the 2012 appropriations bill gave the Secretary the authority to disclose veterans' controlled substance prescriptions to State controlled substance monitoring programs. The epidemic of prescription pain killer abuse is overwhelming local communities, and law enforcement officials need every tool available to contain the problem. VA participation in the State monitoring boards is an important step. The Committee directs the agency to jumpstart its regulatory process so that the VA can begin to share information with the States before the end of fiscal year 2012. The VA is directed to provide the Committee with a timeline for implementing the regulations and a monthly update on their status, as well as any procedural obstacles that could jeopardize the schedule.

Health professions school affiliations with VA health care facilities.—The Committee continues to support a closer collaboration between VA health care facilities and the historically black health professions schools. The Committee is pleased with recent efforts to improve the working relationship and requests a report no later than 90 days after enactment of this Act on the symposium requested in the fiscal year 2011 report, in which VA health leaders and leaders of historically black health professions schools came together to pursue next steps of collaboration.

Prostate cancer.—The Committee is concerned by the incidence of prostate cancer in the veteran population. The Committee requests that VA provide information about the number of veterans currently diagnosed with prostate cancer and treated in VA facilities and the range and frequency of specific treatments provided. The report should include a description of prostate cancer research conducted by the VA and any changes in VA treatment protocols that resulted.

Ophthalmology services.—The Committee notes the steady increase in ocular injuries seen in veterans from both Operation En-

during Freedom and Operation Iraqi Freedom, as well as the rapidly increasing demand for eye care within the aging veterans population. In light of this growing need, the Committee urges the VA to help ensure veterans have access to high quality care by moving quickly with its plans to expand its national ophthalmology services.

Medical equipment purchases.—The Committee understands that the number of veterans who require healthcare services is increasing due to both advances in medical care that are increasing longevity and the continued length of active war engagement. As the cost for providing medical services for veterans continues to rise, the VA should explore new options for cost savings without reducing the quality of medical care for veterans. The Committee encourages the VA to develop a pilot program using competitive bidding for parts replacement for various types of medical equipment, similar to what is used by private sector hospitals and health systems. Currently, replacement parts are purchased by the VA via long term contracts which may not reflect prices on the open market. This pilot would help the VA analyze if savings can be realized by purchasing replacement equipment parts from alternative sources through competitive bidding. The pilot should be evaluated two years after the start date by comparing the costs of equipment parts purchased in geographic areas selected for the pilot versus costs in an equivalent number of geographic areas using standard acquisition methods. The VA should include estimates of potential savings nationwide if competitive bidding were used to acquire replacement parts.

MEDICAL SUPPORT AND COMPLIANCE

Fiscal year 2012 enacted level	$5,535,000,000
Fiscal year 2013 enacted level	5,746,000,000
Fiscal year 2014 advance budget request	6,033,000,000
Committee 2014 recommendation in the bill	6,033,000,000
Comparison with:	
Fiscal year 2013 enacted level	287,000,000
Fiscal year 2014 advance budget request	– – –

The Medical Support and Compliance appropriation funds the expenses of management and administration of the Department's health care system, including financial management, public health and environmental hazard, quality and performance management, medical inspection, human research oversight, training programs and continuing education, security, volunteer operations, and human resources.

The Committee recommends an advance appropriation of $6,033,000,000 for Medical Support and Compliance for fiscal year 2014, an increase of $287,000,000 above the fiscal year 2013 enacted level and the same as the budget request. The Committee has not included requested bill language to make available through September 30, 2015, $100,000,000 of the Medical Support and Compliance appropriation for fiscal year 2014, instead maintaining current policy of providing extended availability on a current year rather than advance funding basis.

MEDICAL FACILITIES

Fiscal year 2012 enacted level	$5,426,000,000
Fiscal year 2013 enacted level	5,441,000,000
Fiscal year 2014 advance budget request	4,872,000,000
Committee 2014 recommendation in the bill	4,872,000,000
Comparison with:	
Fiscal year 2013 enacted level	(569,000,000)
Fiscal year 2013 advance budget request	– – –

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

The Committee recommends an advance appropriation of $4,872,000,000 for Medical Facilities for fiscal year 2014, a decrease of $569,000,000 below the fiscal year 2013 enacted level and the same as the budget request. The Committee has not included requested bill language to make available through September 30, 2015, $250,000,000 of the advance Medical Facilities appropriation for fiscal year 2014, instead maintaining current policy of providing extended availability on a current year rather than advance funding basis.

The Committee supports VA plans for the construction of a new joint VA–DOD Community Based Outpatient Clinic (CBOC) on the Monterey, CA peninsula as part of the Health Care Center Facility pilot program. The Committee is aware that this CBOC will meet the health care needs of over 50,000 veterans and over 31,000 active duty army personnel and their families who reside in the greater Monterey, CA region. The Committee understands that the VA has selected a preferred site, and the Committee urges the VA to move quickly to break ground for this much needed facility.

MEDICAL AND PROSTHETIC RESEARCH

Fiscal year 2012 enacted level	$581,000,000
Fiscal year 2013 budget request	582,674,000
Committee recommendation in the bill	582,674,000
Comparison with:	
Fiscal year 2012 enacted level	1,674,000
Fiscal year 2013 budget request	– – –

This appropriation provides for medical, rehabilitative, and health services research. Medical research is an important aspect of the Department's programs, providing complete medical and hospital services for veterans. The prosthetic research program is also essential in the development and testing of prosthetic, orthopedic, and sensory aids for the purpose of improving the care and rehabilitation of eligible disabled veterans, including amputees, paraplegics, and the blind. The health services research program provides unique opportunities to improve the effectiveness and efficiency of the health care delivery system. Budgetary resources from a number of areas including appropriations from the medical care accounts, reimbursements from DOD, grants from the National Institutes of Health, private proprietary sources, and voluntary organizations provide support for the Department's researchers. Estimated total research resources from all sources in 2013 are

$1,876,000,000. The VA will support about 2,200 research projects during fiscal year 2013.

The Committee recommends $582,674,000 for Medical and Prosthetic Research, an increase of $1,674,000 above the fiscal year 2012 enacted level and the same as the budget request. Funds are available through September 30, 2014.

Gastrointestinal disorders and Gulf War syndrome.—The Institute of Medicine (IOM) identified a link between Gulf War service and the development of functional gastrointestinal disorders in its 2010 report on Gulf War service and health. These disorders can be painful and debilitating for veterans, and the Committee urges VA to prioritize this important research area.

Respiratory exposures/burn pits.—There is a reported increase in respiratory conditions such as atypical pneumonias, asthma and bronchiolitis among military personnel who were exposed to burn pits, increased particulate matter and other potential hazards while serving in Iraq, Kuwait, and Afghanistan. The Committee notes the research recommendations in the IOM report entitled "Long-Term Health Consequences of Exposure to Burn Pits in Iraq and Afghanistan" and encourages the Department to allocate the resources needed to address the key research questions identified by the IOM report.

Outcomes-based prosthetics research.—The Committee is aware of the need for comparative outcomes research to establish which orthotic and prosthetic services, supports and devices generate the best outcomes for which types of veterans. The Committee encourages the VA to increase its outcomes-based research to guide VA orthotics and prosthetics care. To generate a baseline for this research effort, the Committee expects a report within 60 days of enactment of this Act identifying the individual VA comparative outcomes studies that have been completed or are underway for orthotics and prosthetics. This report should also include a description of the key research questions that need to be addressed in fiscal year 2013 and beyond.

Intelligent prostheses.—The committee encourages the Department of Veterans Affairs to increase its research supporting advances in the interface between the nervous system and intelligent prostheses to give sensation back to amputees.

Prosthetics for women.—Approximately 6 percent of wounded veterans returning from Iraq and Afghanistan are amputees, and the number of veterans accessing VA health care for prosthetics and sensory aids continues to increase. The Committee remains concerned about the lack of resources available for prosthetics for women in the military, since most prostheses are designed to fit male veterans. The Committee applauds the Prosthetic Women's Workgroup and directs the VA, in collaboration with the Workgroup, to issue a comprehensive report on female veteran amputees and access to prosthetics. This report should be submitted to the Committee within 90 days of final passage of this legislation.

Polytrauma rehabilitation technology.—The Committee encourages the VA to increase its research in polytrauma rehabilitation technology, especially through affiliations with universities and non-profit research institutions which are developing technologies to support rehabilitation requirements.

Neurological research.—The Committee is aware that the Department is conducting innovative research in new neuro-diagnostic techniques, the relationship of traumatic brain injury (TBI) to PTSD, and clinical strategies to enhance neuro-rehabilitation of TBI and PTSD that will lead to maximum recovery of function and community reintegration. The Committee encourages efforts to demonstrate the effectiveness of new bench-to-bedside programs to detect and treat cognitive loss that accompanies TBI and PTSD in affected veterans.

Federal neuroscience working group.—The Committee is aware that the Office of Science and Technology Policy, within the Executive Office of the President, is establishing an interagency working group under the auspices of the National Science and Technology Council (NSTC) to coordinate investments in neuroscience research across the Federal government and leverage the potential for significant, transformative advances in our fundamental understanding of learning, brain development, and brain health and recovery. The goal of the working group is to help coordinate, focus and enhance Federal efforts related to neuroscience, including efforts to develop future clinical treatments for traumatic and acquired brain injuries; increase our understanding of cognition and apply that knowledge to the improvement of education and learning; and improve our understanding of, and develop better therapies for neurodegenerative diseases, childhood developmental disorders, and other neurological conditions. The Committee supports the activities of the NSTC neuroscience working group and urges the Department of Veterans Affairs to play an active role in it.

MEDICAL CARE COLLECTIONS FUND

The Department of Veterans Affairs Medical Care Collections Fund (MCCF) was established by the Balanced Budget Act of 1997 (Public Law 105–33). The Department deposits first-party and pharmacy co-payments, third-party insurance payments and enhanced-use collections, long-term care co-payments, Compensated Work Therapy Program collections, Compensation and Pension Living Expenses Program collections, and Parking Program fees into the MCCF. The Department uses these funds for medical care and services to veterans. The Congressional Budget Office estimate of fees that will be collected in fiscal year 2013 is $2,527,000,000.

NATIONAL CEMETERY ADMINISTRATION

Fiscal year 2012 enacted level	$250,934,000
Fiscal year 2013 budget request	258,284,000
Committee recommendation in the bill	258,284,000
Comparison with:	
Fiscal year 2012 enacted level	7,350,000
Fiscal year 2013 budget request	– – –

The National Cemetery Administration (NCA) was established in accordance with Public Law 93–43, the National Cemeteries Act of 1973. It has a fourfold mission: to provide for the interment of, in any national cemetery with available grave space, the remains of eligible deceased servicemembers and discharged veterans, together with their spouses and certain dependents, and to permanently maintain their graves; to provide headstones for, and to mark graves of eligible persons in national, State and tribal, and private

cemeteries; to administer the grant program for aid to States and tribal governments in establishing, expanding, or improving State and tribal government veterans' cemeteries; and to administer the Presidential Memorial Certificate Program. This appropriation will provide for the operation and maintenance of 131 operational national cemeteries and 33 other cemeterial installations.

The Committee recommends an appropriation of $258,284,000 for the National Cemetery Administration, an increase of $7,350,000 above the fiscal year 2012 enacted level and the same as the budget request. The bill includes language making $25,828,000 available until September 30, 2014.

Rural access.—The Committee believes the NCA is not adequately serving the nation's veterans in rural areas. While the strategy to serve rural veterans outlined in the fiscal year 2013 budget request is a partial step, it fails to offer a long-term strategy for addressing this unserved veteran population. The Committee is concerned that NCA effort and funding go primarily toward major urban areas already being served, whereas NCA effort towards rural areas appears to be a lower priority. In addition, the projects for major urban areas tend to be expensive, while serving rural veterans can be done at a lower cost.

In addition to NCA's failure to address the 10 percent of veterans who are unserved, it has come to the Committee's attention that the NCA projection that 90 percent of all veterans are currently being served because they reside within a 75-mile radius with a veteran population of 80,000 is significantly overstated for several reasons: (1) the NCA counts all veterans as served if the 75-mile radius circle includes a "major population center"; by using this criterion, the NCA counts as served veterans who are in fact outside the 75-mile radius; (2) the NCA's 75-mile radius fails to include driving distance, so while veterans may be within the 75-mile radius, actual driving distance is in fact far greater than 75 miles; (3) the NCA includes 18 national cemeteries that are open for cremation only, which limits veterans to one burial option; (4) the NCA counts as served all veterans in a county, if the majority of the county land is within the 75-mile radius; and (5) the NCA counts veterans who reside within 75 miles of a State cemetery as served; however, some veterans may not qualify for burial in that cemetery because of State residency restrictions.

As a result, the Committee includes bill language requiring the Secretary of Veterans Affairs to provide a report to the Committee within six months of enactment of this Act. This report shall outline a strategy addressing the shortcomings identified above, with proposed policies and an implementation timeframe. However, prior to the submission of this report, the bill requires the GAO to confirm that the criteria listed in the bill language have been satisfied. After the GAO makes this certification, the report shall be submitted to the Committees on Appropriations of the House of Representative and Senate for final approval.

Right of privacy in VA cemeteries.—The Committee reaffirms the inviolable individual zone of privacy and individual liberty that each American possesses, including the deeply private act of choosing the content and creed of an individual's funeral, memorial service, or ceremony. In light of such an inviolable individual zone of privacy, the Committee believes that no official of the Federal gov-

ernment, including the Secretary of Veterans Affairs, can believe they have the authority to interfere with the content and creed of the funeral, memorial service, or ceremony of a deceased individual, as expressed by the last will and testament of the individual or as determined by the family or agent of the individual. When family members of deceased veterans are struggling with their grief and sorrow at the cemetery, the VA's responsibility is only to provide a setting of contemplation and respect so that family and friends can honor the veteran with a ceremony chosen only by them, without intervention or restriction from the VA. The Committee directs the NCA to put forward guidance to ensure that this policy is adhered to without exception at every NCA national cemetery in this country.

DEPARTMENTAL ADMINISTRATION

GENERAL ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2012 enacted level	$416,737,000
Fiscal year 2013 budget request	416,737,000
Committee recommendation in the bill	416,737,000
Comparison with:	
Fiscal year 2012 enacted level	– – –
Fiscal year 2013 budget request	– – –

The general administration account provides funds for the Office of the Secretary, six Assistant Secretaries, and three independent staff offices. The Committee recommends $416,737,000, the same as the fiscal year 2012 enacted level and the budget request. The Committee has included bill language to make available through September 30, 2014, up to $20,837,000 of these funds and to permit the transfer of funds in this account to the General operating expenses, Veterans Benefits Administration account.

VA budget office communication.—The Committee has traditionally channeled most of its inquiries and requests for information and assistance through the VA budget office. The Committee reiterates its longstanding position that while the Committee reserves the right to call upon all VA offices, the primary communication between the Committee and the VA should normally be through the budget office. Responses to Committee inquiries, regardless of whether they concern funding or policy, are to be transmitted without delay by other offices within the VA, unless otherwise requested by the Committee. In addition, to facilitate the work of the Committee, it expects that the Department will make available to all personal and committee staff of Members of the Committee the same direct contact with the budget office. The Committee also expects that a staff member of the VA budget office will be present at every meeting held between the Chairman of the Subcommittee and the Secretary or other senior VA officials. Resources have been provided to the budget office for these communication purposes.

Quarterly full-time equivalents (FTE) reports.—The Committee continues to request that the VA provide, on a quarterly basis, the total current FTE by appropriation account and, in the case of General operating expenses, Veterans Benefits Administration, by program. The Committee feels it needs to have current staffing infor-

mation throughout the year in order to monitor the use of salaries and expenses resources.

Additional budgetary information.—The Committee appreciates the changes the VA has made to its budget justifications in response to Committee requests for fiscal year 2012, but believes that the budget justifications submitted each year with the Administration's budget should be further expanded to include the following information which would help inform Congressional decisions:

- a brief explanation of any proposed change in each account's appropriation bill language;
- a consolidated administrative expenses chart for the entire Department;
- a section identifying each piece of directive report language from the previous year's House, Senate and conference reports and the VA response/action taken for each item;
- a table breaking out the funding within the "administration" object classification for Medical Services by headquarters, VISN, and medical center categories;
- the number of FTE financed in the "administration" object classification for Medical Services, broken out by the three categories above;
- a table breaking out the funding within the "administrative contract services" object classification for Medical Services into headquarters, VISN, and medical center categories;
- a table breaking out the number of FTE in the "all other" category in the 'FTE by Type' Medical Services chart in the Program Resource Data section of the Congressional Submission, by headquarters, VISN, and medical center categories; a listing of the major occupational series supported in the "all other" category with the number of FTE in these major categories;
- a table identifying the number and percentage of total FTE by occupational series listed in the 'FTE by Type' chart who spend 50 percent of more of their time on medical care; and
- a detailed summary of the VA marketing campaign budget, including the amounts expended on VA advertising campaigns and a detailed list of outreach methods.

Transparency of agency contacts.—The Committee is concerned that the public has no way to identify staff contacts within the Department, either through telephone or e-mail. Other major executive branch agencies make available on their web sites a directory of staff e-mail addresses and phone numbers. While the Committee understands that it is not practical to produce a hard copy version of such a directory for VA, given the Department's size and mobility, it does not understand why an electronic version of a directory is not posted on the VA web site. The Committee requests a report not later than 60 days following enactment of this Act describing how the VA could adapt its internal intranet staff directory to a web directory appropriate for the public.

VA contracting issues.—The Committee continues to be concerned about the contracting practices of the Department of Veteran Affairs. The Committee believes that the VA should work to ensure it is contracting with reputable contractors that fulfill their contracts on time, within scope and with full payment to sub-

contractors. The Committee requests a report not later than 30 days after enactment of this Act that describes the number of active, ongoing contracts with contractors who are currently involved in litigation or legal disputes regarding nonpayment of their obligations related to VA contracts.

GENERAL OPERATING EXPENSES, VETERANS BENEFITS ADMINISTRATION

Fiscal year 2012 enacted level	$2,018,764,000
Fiscal year 2013 budget request	2,164,074,000
Committee recommendation in the bill	2,164,074,000
Comparison with:	
Fiscal year 2012 enacted level	145,310,000
Fiscal year 2013 budget request	– – –

The General Operating Expenses, Veterans Benefits Administration account provides funding for the Veterans Benefits Administration to administer entitlement programs such as service-connected disability compensation, education benefits, and vocational rehabilitation services.

The Committee recommends $2,164,074,000 for General operating expenses, Veterans Benefits Administration, which is $145,310,000 above the fiscal year 2012 enacted level and the same as the budget request. The Committee has included bill language to make available through September 30, 2014, up to $113,000,000 of these funds. Language relating to a limitation on purchase of vehicles for the Manila, Philippines regional office is no longer necessary and is not included in the bill.

Claims processing delays.—The Committee believes VA should have no higher priority than to reach its ultimate goal by 2015 of no disability claim being more than 125 days old. However, given that the number of claims is increasing each year, that 60 percent of claims are currently more than 125 days old, and that the VA goal for 2013 is to lower that rate to 40 percent in 2013, the Committee is somewhat skeptical that the 2015 goal will be accomplished. Since the VA believes that the Veterans Benefits Management System and improved business processes are the keys to overcoming the claims backlog, the Committee requests that the VA provide quarterly reports indicating the number and location of regional offices that have adopted the new paperless claims processing system, as well as the periodic enhancement of the paperless system and the rollout of the individual improved business processes.

Backlog at the Oakland, CA and other VA regional offices.—The Committee remains very concerned about the backlog of claims and accuracy of processing at Veterans Affairs Regional Offices (VAROs). For example, in May, 2012, the Office of Inspector General (OIG) submitted a report on the Oakland, CA VARO and found that it lacked effective controls and accuracy in processing some disability claims. In addition, the OIG report found that the Oakland VARO management did not certify that the staff completed all elements of the Systematic Technical Accuracy Review (STAR), which is the VBA's multi-faceted quality assurance program to ensure that veterans and other beneficiaries receive accurate and consistent compensation and pension benefits. The Committee encourages the VA to follow the recommendations outlined in the May, 2012, OIG report for the Oakland VARO. The Committee also en-

courages the VA to direct necessary resources to address the backlog and provide a report to the Committee, within 30 days following enactment of this Act, detailing the efforts to eliminate the backlog and improve the accuracy of claims processing within six months.

Furthermore, the Committee is concerned that these problems are not limited to the Oakland VARO. The Committee is also aware of long delays in claims processing at the Houston and Waco, TX and Seattle, WA VAROs. Recognizing that the paperless claims system is designed to address the severe backlogs in regional offices like these, the Committee directs the VA OIG to conduct an analysis of the VA paperless initiative, including whether the paperless system has been tested with enough claims (original and supplemental) for the VA to be confident it is accurate and whether the VA's goals of eliminating the disability claims backlog and increasing the accuracy rate of processing claims to 98 percent by 2015 are still attainable. This report shall be submitted no later than 90 days after enactment of this Act.

Claims transformation initiatives.—The Committee is also concerned that several regional offices with the highest levels of backlogs failed to be included in the initial rollout of the "Claims Transformation Initiatives" and directs the VA to ensure that consideration of the size of each regional office's backlog is a primary factor in deciding which regional offices are slated for a "Claims Transformation Initiative".

Education transition programs.—The Committee is encouraged by the budget request's expansion of the VetSuccess on Campus initiative that provides outreach and transition services to veterans during their transition from the military to college. The program provides on-campus vocational rehabilitation counselors and Vet Center outreach coordinators to ensure the coordinated delivery of health, education and benefit services to veteran-students.

Access in remote areas.—The Committee encourages the Veteran Benefits Administration to work to increase the presence of staff in remote or underserved areas such as the Commonwealth of the Northern Mariana Islands. Making sure that veterans in remote and underserved areas receive access to veterans services is essential to honoring their sacrifices.

Crowdsourcing.—The Committee is pleased with VA's efforts through the Veterans Relationship Management Program to expand its automated tools to communicate with veterans and to create user-centric access to VA information. The Committee urges the VA to move to the next level with this user-centric approach by testing the crowdsourcing method of obtaining customer opinions on quality of care or benefits determinations. With the use of customer kiosks or applications on hand-held devices, VA could obtain nearly real-time feedback from veterans on the timeliness and quality of their medical visits or disability reviews. A pilot program designed around a specific aspect of the service would provide VA with the opportunity to test the concept, gauge the level of customer interest, and assess the quality of the data. The data could then be aggregated to produce trend analysis to support decision-making around operational improvements resulting in cost efficiencies and/or increased quality of service. An important component to the overall success of the pilot would be managing and effectively moderating the site and data collected. The Committee re-

quests a report not later than 60 days after enactment of this Act describing how such a crowdsourcing demonstration project would be conducted.

INFORMATION TECHNOLOGY SYSTEMS

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 2012 enacted level	$3,111,376,000
Fiscal year 2013 budget request	3,327,444,000
Committee recommendation in the bill	3,327,444,000
Comparison with:	
Fiscal year 2012 enacted level	216,068,000
Fiscal year 2013 budget request	– – –

The Information Technology Systems account supports information technology (IT) services such as systems development and performance, operations and maintenance, information protection, and customer support. The program permits the effective and efficient delivery of veterans' healthcare services and benefits programs.

The Committee recommends an appropriation of $3,327,444,000 for Information Technology Systems, which is $216,068,000 above the fiscal year 2012 appropriation and the same as the budget request. Within the account total, the Committee allocates in bill language $1,021,000,000 for pay and associated costs; $1,812,045,000 for operations and maintenance; and $494,399,000 for development, modernization, and enhancement. Three percent of pay and associated costs funds and seven percent of operations and maintenance funds are available until September 30, 2014. All development, modernization, and enhancement funds are available until September 30, 2014.

The Committee continues to include bill language prohibiting obligation or expenditure of funds for information technology systems development, modernization and enhancement until the VA submits to the Committee a certification of the amounts. In addition, the Committee continues bill language permitting the transfer of funding among the three subaccounts upon approval of the Committees. The bill contains language in this account that was formerly in an administrative provision which allows for the reprogramming of funds among development, modernization and enhancement projects upon prior notification to, and approval by, the Committee. The bill continues to include language indicating that funds for development, modernization and enhancement are available only for the projects and in the amounts specified in the report accompanying the bill.

The chart below reflects the Administration's budget request for development projects and includes the Committee recommendation for each. This chart will serve as the Department's approved list of development projects, and all requested changes are subject to the reprogramming guidelines as outlined in the accompanying Act.

Information Technology Development Projects
($ in 000s)

Project	Budget Estimate	Committee Recommendation
Access to Healthcare IT Development	40,313	40,313
Surgical Quality and Workflow Management Development	27,503	27,503
Healthcare Efficiency IT Devlopment	4,659	4,659
Homelessness IT Development	3,075	3,075
Integrated Electronic Health Record (iEHR)	104,000	104,000
Mental Health IT Development	8,818	8,818
New Models of Care IT Development	35,724	35,724
Veterans Benefits Management System (VBMS)	38,525	38,525
Virtual Lifetime Electronic Record (VLER)	49,939	49,939
Veterans Relationship Management (VRM)	96,218	96,218
Health Management Platform Development	7,500	7,500
International Classification of Diseases-10 Development	11,500	11,500
VHA Research IT Support Development	18,521	18,521
Human Capital Development	9,100	9,100
Integrated Operating Model	14,100	14,100
VA Learning Management Systems Development	5,540	5,540
Other IT Development	19,364	19,364
Total All Development	494,399	494,399

Lastly, the bill includes language that restricts the availability of more than 25 percent of the funds provided to develop an integrated DOD–VA electronic health record until the DOD–VA Interagency Program Office submits a fiscal year 2013 execution and spending plan, as well as a long-term roadmap for the life of the project that includes elements such as annual and total spending for each Department and a quarterly schedule and milestones for each Department. The House DOD appropriations bill includes comparable language. The Committee is encouraged by the long-awaited agreement by both Departments to commit to one integrated electronic health record, but wants to be certain that the agreement is accompanied by a strategic plan that directs the development plans of both agencies.

Obligations report.—The Committee expects the Office of Information Technology to continue to provide an IT expenditure report to the Committees on Appropriations on a monthly basis. This report shall include a comparison to the project costs included in the development, modernization, and enhancement project funding chart included in the House report, and provide an explanation for any differences in excess of $1,000,000.

Integrated electronic health records.—For years, the Committee has been encouraging and funding efforts by VA and DOD to develop interoperable technology to facilitate the rapid exchange of patient and beneficiary information that will yield consolidated, coherent and consistent access to electronic records between VA and DOD. Integrated electronic health records would significantly improve the delivery of care to servicemembers transitioning from military to civilian life. The Committee is encouraged by recent agreements between the Secretaries of VA and DOD to develop an integrated electronic health record, which will require both departments to integrate business requirements, acquisitions and technical approaches. The Committee provides a total of $169,000,000—$104,000,000 for development and $65,000,000 for operations and maintenance—as requested in the budget for the continued implementation of an integrated electronic health record.

Project monitoring.—The Committee is concerned by the findings of an August 2011 report by the VA Office of Inspector General (OIG) that raised questions about the lack of management controls over self-reported data in the Project Management Accountability System (PMAS). The VA uses PMAS to track its IT projects on cost and schedule milestones. The OIG found that revised data simply replaced existing data so that PMAS cannot be used to provide reliable project status. The Committee urges the VA to adopt stricter controls in the future for the PMAS system.

OFFICE OF INSPECTOR GENERAL

Fiscal year 2012 enacted level	$112,391,000
Fiscal year 2013 budget request	113,000,000
Committee recommendation in the bill	113,000,000
Comparison with:	
Fiscal year 2012 enacted level	609,000
Fiscal year 2013 budget request	– – –

The Office of Inspector General (OIG) was established by the Inspector General Act of 1978 and is responsible for the audit, investigation, and inspection of all Department of Veterans Affairs programs and operations. The overall operational objective is to focus

available resources on areas which would help improve services to veterans and their beneficiaries, assist managers of Department programs to operate economically in accomplishing program goals, and to prevent and deter recurring and potential fraud, waste, and inefficiencies.

The Committee recommends an appropriation of $113,000,000 for the Office of Inspector General, an increase of $609,000 above the fiscal year 2012 enacted level and the same as the budget request. The bill makes $6,000,000 of the total funding available until September 30, 2014.

Conference costs.—The Committee is concerned by recent reports of inappropriate, lavish spending by an executive branch agency on off-site conferences. The Committee requests that the OIG conduct a review of the policies and controls instituted by the Department to manage costs associated with conference-related activities and identify any vulnerabilities in such policies. The review should describe any independent examination of the size, location, and criticality of proposed meetings. The report from the OIG should also include descriptions of any recent OIG findings about questionable VA expenses for conferences and conference-associated travel. This report is requested no later than 180 days after enactment of this Act.

CONSTRUCTION, MAJOR PROJECTS

Fiscal year 2012 enacted level	$589,604,000
Fiscal year 2013 budget request	532,470,000
Committee recommendation in the bill	532,470,000
Comparison with:	
Fiscal year 2012 enacted level	(57,134,000)
Fiscal year 2013 budget request	– – –

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

The Committee recommends an appropriation of $532,470,000 for Construction, Major Projects, a decrease of $57,134,000 from the fiscal year 2012 enacted level and the same as the budget request. The Committee recommendation makes these funds available for a five-year period rather than until expended, reflecting concern about the lengthy period that VA has taken to design and build major construction projects. The Committee hopes that limiting the time period during which these funds may be used will motivate the VA to better plan and design projects before funding is requested.

The Committee recommendation provides funding for 4 continuing major construction projects, which would require an additional $630,430,000 to complete in future years. This is in addition to an unfunded obligation of $5,287,709,000 for 17 projects that were started in previous years, but not supported in the fiscal year 2013 budget request.

The Committee recommendation includes language in administrative provisions which requires the Department to notify the Committee of all bid savings on contracts for construction projects that total at least $5,000,000 or 5 percent of the programmed

amount of the project and prohibits any changes from the original scope of work identified in the justification material submitted with the budget for each project.

The Committee requests that the VA submit a report no later than 90 days after enactment of this Act describing the contract audit program that VA uses to review the progress and budgeting on-site of major construction projects, the number of times and at what stages of construction the teams conduct the reviews, the critical path method used to track the components of each project, and the periodic reporting done by the building contractors.

The specific amounts recommended by the Committee are as follows:

[In thousands of dollars]

Location	Description	2013 request	Committee recommendation
Veterans Health Administration (VHA):			
St. Louis, MO	Med Facility Improvements	$130,300,000	$130,300,000
Palo Alto, CA	Polytrauma/Ambulatory Care	177,823,000	177,823,000
Seattle, WA	Mental Health Bldg	55,000,000	55,000,000
Dallas, TX	Spinal Cord Injury	33,500,000	33,500,000
Advance Planning Fund		70,000,000	70,000,000
Asbestos		8,000,000	8,000,000
Major Construction Staff		24,000,000	24,000,000
Claims Analysis		2,000,000	2,000,000
Facility Security		7,200,000	7,200,000
Hazardous Waste		5,000,000	5,000,000
Judgment Fund		5,000,000	5,000,000
Total VHA		517,823,000	517,823,000
National Cemetery Administration (NCA):			
Advance Planning Fund		2,647,000	2,647,000
NCA Land Acquisition Fund		7,000,000	7,000,000
Total NCA		9,647,000	9,647,000
General Administration—Staff Offices Advance Planning Fund.		5,000,000	5,000,000
Major construction total		532,470,000	532,470,000

CONSTRUCTION, MINOR PROJECTS

Fiscal year 2012 enacted level	$482,386,000
Fiscal year 2013 budget request	607,530,000
Committee recommendation in the bill	607,530,000
Comparison with:	
Fiscal year 2012 enacted level	125,144,000
Fiscal year 2013 budget request	– – –

The Construction, Minor Projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department, including planning, assessment of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than $10,000,000.

The Committee recommends an appropriation of $607,530,000 for Construction, Minor Projects, an increase of $125,144,000 above the fiscal year 2012 enacted level and the same as the budget request. As with the major construction account, the Committee recommendation makes these funds available for a five-year period rather than until expended, reflecting concern about the long period that VA has taken to design and build construction projects.

Inadequate controls on projects.—The Committee was disturbed to learn of rogue spending on a minor construction project at the Miami, FL medical center. Apparently, local and headquarters controls were either inadequate or ignored to permit the consolidation of two minor construction projects into one major construction project, along with the supplementation of that budget with substantial funding from the medical facilities account. These actions were taken completely without legislative authorization. Work on the project was 85 percent complete when headquarters finally issued a stop work order. VA is now in the process of investigating this disturbing breach. But the Committee has lost confidence in the ability of VA to manage its facility construction and directs the VA OIG to conduct its own investigation. The Committee requests the OIG to provide a report by September 30, 2012, describing the procedures, financial controls and the chain of command used by VA to: allocate appropriations for individual minor construction projects; determine the use of medical facilities funding at the VISN and medical center level; periodically review the obligations and construction progress on individual projects; provide independent verification and review of project budgeting, quality, and timeliness; and report to regional and headquarter offices on individual project design, construction and spending. The Committee is particularly concerned that VA may be inappropriately using medical facilities funding to supplement construction projects rather than incorporating those elements into the projects themselves and requests the OIG to investigate whether this has occurred in other construction projects. The Committee looks forward to recommendations from the OIG regarding any necessary internal VA procedural changes and/or Congressional action.

BURR Initiative.—The Committee continues to be concerned that every effort be made to address housing needs of veterans, including the homeless and other special needs populations. The Building Utilization Review and Repurposing (BURR) Initiative, through its use of the Enhanced Use Lease authorities, was implemented to provide a vehicle for expanding the number of units available to the veteran community through the leverage of private sector funding. The Committee requests VA to provide not later than 90 days after the enactment of this Act an update on the current status of the program, including in its analysis current veteran participation and recommendations to advance its implementation.

Health care center expansions.—Recognizing the lack of accessible VA services in many regions of the country, the Committee requested in the fiscal year 2012 report that VA include in the VA Strategic Capital Improvement Plan (SCIP) the expansion of existing VA health care centers to include inpatient accommodations, urgent care services, and the full range of services required by women veterans when the absence of such services locally requires veterans to make round trips of more than five hours to access such services at a VA facility. The Committee directs the VA to report whether any health care center facilities currently in the SCIP include inpatient accommodations and urgent care. If such facilities are not currently included in the SCIP, the report should provide an explanation of why this is not VA's preferred mechanism to address veterans' access problems. Such a report shall be due February 1, 2013.

Joint facilities.—The Committee continues to support the development of "joint" DOD/VA medical facilities, where feasible. Where either DOD or VA plans to construct new medical facilities, such as the hospitals at Fort Benning and Fort Bliss, the clinic at Fort Ord, etc., the Committee urges the Departments to consider a joint medical facility that can serve both active duty servicemembers and veterans. Additionally, House Report 112–94 directed the GAO to conduct a review of the effectiveness and cost-efficiency of joint facilities. The Committee looks forward to learning the results of this review and urges both the DOD and the VA to consider incorporating GAO recommendations in future budget requests.

Historical artifacts.—The VA maintains historic buildings nationwide which house documents, photographs, and artifacts that are not stored at the National Archives and which are stored under conditions that do not meet Federal curation requirements. The Committee supports efforts by the Veterans Health Administration to take steps to improve storage and access by scholars and the public to historic artifacts that demonstrate the proud tradition of health care for veterans. The Committee also encourages VA to establish training for its personnel for the maintenance of these artifacts.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Fiscal year 2012 enacted level	$85,000,000
Fiscal year 2013 budget request	85,000,000
Committee recommendation in the bill	85,000,000
Comparison with:	
Fiscal year 2012 enacted level	– – –
Fiscal year 2013 budget request	– – –

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

The Committee recommends an appropriation of $85,000,000 for Grants for Construction of State Extended Care Facilities, available until expended, which is the same as the fiscal year 2012 enacted level and the budget request.

GRANTS FOR CONSTRUCTION OF VETERANS CEMETERIES

Fiscal year 2012 enacted level	$46,000,000
Fiscal year 2013 budget request	46,000,000
Committee recommendation in the bill	46,000,000
Comparison with:	
Fiscal year 2012 enacted level	– – –
Fiscal year 2013 budget request	– – –

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

State cemeteries, including the costs for subsequent equipment purchases.

The Committee recommends an appropriation of $46,000,000 for Grants for Construction of Veterans Cemeteries to be available until expended, which is the same as the fiscal year 2012 enacted level and the budget request.

ADMINISTRATIVE PROVISIONS

The bill includes 28 provisions that were in effect in fiscal year 2012 and 4 new provisions. The administrative provisions included in the bill are as follows:

(INCLUDING TRANSFER OF FUNDS)

Section 201 allows for the transfer of funds among three mandatory appropriations. The Administration proposal to modify this provision is not adopted.

(INCLUDING TRANSFER OF FUNDS)

Section 202 allows the Department to transfer funding among the three medical appropriations accounts in fiscal year 2013. The Administration proposal to modify this provision is not adopted.

Section 203 allows for salaries and expenses funds to be used for hire of passenger vehicles, lease of facilities or land, and purchase of uniforms.

Section 204 provides that only funding in the "Construction, major projects" and "Construction, minor projects" accounts can be used for the purchase of any site for any new hospital or home or to construct any new hospital or home.

Section 205 requires the Department to be reimbursed for medical services it provides to any person not defined as a beneficiary to ensure the Department is receiving payment for all medical services provided.

Section 206 allows for the use of funds appropriated in fiscal year 2013 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" for payment of accrued obligations recorded in the last quarter of fiscal year 2012.

Section 207 allows for the use of fiscal year 2013 funds to pay prior year obligations resulting from implementation of sections 3328(a), 3334, and 3712(a) of title 31, United States Code.

(INCLUDING TRANSFER OF FUNDS)

Section 208 allows the Department to use surplus earnings from the national service life insurance, U.S. Government life insurance, and veterans special life insurance program to administer these programs.

Section 209 allows the Department to cover the administrative expenses of enhanced-use lease services and provides authority to obligate these reimbursements in the year funds are received.

(INCLUDING TRANSFER OF FUNDS)

Section 210 limits the amount of reimbursement the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication can charge other offices and accounts of the Department for services provided.

Section 211 requires the Secretary to submit a report to the Committees on Appropriations to approve new leases of real property if the estimated annual rental cost is more than $1,000,000. The Administration proposal to modify this provision is not adopted.

Section 212 requires the Department to collect current and accurate third-party reimbursement information for the purposes of third-party insurance collections. If persons receiving care or medical services do not disclose this information, the Department is allowed to bill them reasonable charges for services provided.

(INCLUDING TRANSFER OF FUNDS)

Section 213 allows the Department to use enhanced-use lease funds for construction and alteration of medical facilities.

Section 214 allows the Department to use the "Medical services" appropriation for expenses related to the broader mission of medical care to veterans.

(INCLUDING TRANSFER OF FUNDS)

Section 215 allows the Department to transfer Medical Care Collections to the "Medical services" appropriation to be used for veterans medical care and makes those funds available until expended.

Section 216 allows veterans who reside in Alaska to obtain medical services from medical facilities supported by the Indian Health Service or tribal organizations, and provides for reimbursement for those services from the Department of Veterans Affairs.

(INCLUDING TRANSFER OF FUNDS)

Section 217 allows the Department to transfer the proceeds received from the transfer of real property deposited into the Department of Veterans Affairs Capital Asset Fund to the major and minor construction appropriations and makes those funds available until expended.

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

Section 219 requires the Secretary to submit quarterly reports to the Committees on Appropriations of the House and Senate on the financial status of the Veterans Health Administration. The Administration proposed to delete this provision.

(INCLUDING TRANSFER OF FUNDS)

Section 220 requires the Department to notify and receive approval from the Committees on Appropriations of any proposed transfer of funding to or from the "Information technology systems" account. The Administration proposal to modify this provision is not adopted.

Section 221 limits the amount of funding made available under the "Medical facilities" account for non-recurring maintenance that may be obligated during the last two months of the fiscal year. The Administration proposal to delete this provision is not adopted.

(INCLUDING TRANSFER OF FUNDS)

Section 222 permits the transfer of $247,356,000 appropriated for medical accounts, minor construction, and information technology systems to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund for the operation of facilities designated as combined Federal medical facilities.

(INCLUDING TRANSFER OF FUNDS)

Section 223 permits the transfer of funds deposited in the Medical Care Collections Fund to the Joint Medical Facility Demonstration Fund for facilities designated as combined Federal medical facilities.

(INCLUDING TRANSFER OF FUNDS)

Section 224 directs that a minimum of $15,000,000 shall be transferred from three medical appropriations to the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund, to be available until expended.

(INCLUDING RESCISSIONS OF FUNDS)

Section 225 rescinds fiscal year 2013 funds from three medical accounts and re-appropriates them for fiscal year 2013 with two-year availability. The amounts provided with two-year availability are $650,000,000 higher than in the fiscal year 2012 appropriation.

Section 226 requires the Secretary to notify the Committees on Appropriations of both Houses of Congress of all bid savings in Major Construction projects that total at least $5,000,000, or five percent of the programmed amount, whichever is less. Such notification must occur within 14 days of a contract. The Secretary is required to notify the Committees 14 days prior to the obligation of such bid savings and shall describe the anticipated use of such savings. The budget request proposed to delete this provision.

Section 227 prohibits the original scope of work for a Major Construction project from being increased above the scope specified for that project in the original justification data provided to the Congress as part of the request for appropriations. The budget request proposed to delete this provision.

Section 228 requires the VA to provide a quarterly report on any single national outreach and awareness marketing campaign exceeding $2,000,000. The budget request proposed to delete this provision.

Section 229 requires Congressional notification of significant funding requirements identified in updates to the enrollee projection model.

Section 230 requires reprogramming if the Department wishes to change the spending on Health Services initiatives identified in the budget by ten percent or more.

(INCLUDING RESCISSIONS OF FUNDS)

Section 231 rescinds funding already appropriated in Medical Care advance appropriations for the 0.5 percent cost of living adjustment for Federal employees that is proposed in the budget request.

Section 232 reduces fiscal year 2013 current year funded accounts by the amount of the 0.5 percent cost of living adjustment for Federal employees that is proposed in the budget request.

TITLE III

RELATED AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Fiscal year 2012 enacted level	$61,100,000
Fiscal year 2013 budget request	58,400,000
Committee recommendation in the bill	59,290,000
Comparison with:	
Fiscal year 2012 enacted level	(1,810,000)
Fiscal year 2013 budget request	890,000

The American Battle Monuments Commission is responsible for the administration, operation and maintenance of cemetery and war memorials to commemorate the achievements and sacrifices of the American Armed Forces where they have served since April 6, 1917. In performing these functions, the Commission maintains 24 permanent American military cemetery memorials and 25 monuments, memorials, and markers.

The Committee recommends an appropriation of $59,290,000 for the American Battle Monuments Commission's salaries and expenses account, which is $890,000 more than the budget request. The Committee recommendation includes $5,000,000 for the interpretation program and does not include the requested pay raise.

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

Manila American Cemetery.—The Committee strongly supports the American Battle Monuments Commission's (ABMC) commitment to the promise made by the first ABMC Chairman, General Pershing—that "time will not dim the glory of their deeds". The Committee believes that the ABMC is doing an outstanding job of telling the stories of service and sacrifice in the European theater through interpretive center projects at the Cambridge American Cemetery in England, Sicily-Rome American Cemetery in Italy, and at the Pointe du Hoc Ranger Monument in Normandy, France. The Committee believes that the story of the Pacific Theater is just as significant and is pleased to see that the ABMC recognizes this as well. The Committee has included funding, as proposed in the budget request, for a perimeter wall and building improvements at the Manila American Cemetery. The Committee also understands that the ABMC is in the process of developing a master plan for the Manila American Cemetery that will improve the infrastructure of the cemetery and establish an enhanced interpretation program. The Committee is committed to telling the story of the Pacific theater and looks forward to the completion of the Manila master plan.

FOREIGN CURRENCY FLUCTUATIONS ACCOUNT

Fiscal year 2012 enacted level	$16,000,000
Fiscal year 2013 budget request est.	15,200,000
Committee recommendation in the bill est.	15,200,000
Comparison with:	
Fiscal year 2012 enacted level	(800,000)
Fiscal year 2013 budget request	– – –

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

The Committee recommendation includes bill language as proposed which makes "such sums as may be necessary" available to the Commission to cover unanticipated foreign currency fluctuations, currently estimated at $15,2000,000.

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SALARIES AND EXPENSES

Fiscal year 2012 enacted level	$30,770,000
Fiscal year 2013 budget request	32,481,000
Committee recommendation in the bill	31,187,000
Comparison with:	
Fiscal year 2012 enacted level	417,000
Fiscal year 2013 budget request	(1,294,000)

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

The Committee recommends an appropriation of $31,187,000 for the U.S. Court of Appeals for Veterans Claims, an increase of $417,000 above the fiscal year 2012 enacted level and $1,294,000 below the budget request. The recommendation does not include the requested pay raise and reduces the amount available for rent. Of the amount provided, $2,726,000 is to be used for the pro bono representation program.

DEPARTMENT OF DEFENSE—CIVIL CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Fiscal year 2012 enacted level	$45,800,000
Fiscal year 2013 budget request	45,800,000
Committee recommendation in the bill	173,733,000
Comparison with:	
Fiscal year 2012 enacted level	127,933,000
Fiscal year 2012 budget request	127,933,000

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

The Committee does not support the budget request proposal to fund Arlington National Cemetery through three separate accounts contained in two different appropriations bills. The budget request proposed $25,000,000 to be provided through Operation and Maintenance, Army, $103,000,000 to be provided through Military Construction, Army, and $45,800,000 to be provided through Cemeterial Expenses, Army for a total of $173,800,000. The Committee recommends an appropriation of $173,733,000 for Cemeterial Expenses, Army. The Committee recommendation does not include funds requested for a pay increase.

The Committee directs future budget requests for Cemeterial Expenses, Army to include additional programmatic information on information technology (IT) beginning in fiscal year 2014. The budget request shall include a description of the IT activities funded, the total cost and FTEs for these activities, and the activities, cost, and FTEs included in the budget request. Further, the Committee directs that the budget request indicate whether the activities are for IT development or operations and maintenance.

The Committee recommendation includes bill language that designates not less than $84,000,000 for the Millennium Project.

ARMED FORCES RETIREMENT HOME

OPERATION AND MAINTENANCE

Fiscal year 2012 enacted level	$65,700,000
Fiscal year 2013 budget request	65,590,000
Committee recommendation in the bill	65,590,000
Comparison with:	
Fiscal year 2012 enacted level	(110,000)
Fiscal year 2013 budget request	– – –

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

The Committee recommendation provides authority to expend $65,590,000 from the Armed Forces Retirement Home Trust Fund to operate and maintain the Armed Forces Retirement Home—Washington, District of Columbia, and the Armed Forces Retirement Home—Gulfport, Mississippi. The amount recommended is $110,000 below the fiscal year 2012 enacted level and equal to the budget request.

CAPITAL PROGRAM

Fiscal year 2012 enacted level	$2,000,000
Fiscal year 2013 budget request	2,000,000
Committee recommendation in the bill	2,000,000
Comparison with:	
Fiscal year 2012 enacted level	– – –
Fiscal year 2013 budget request	– – –

The Committee recommendation provides authority to expend $2,000,000 from the Armed Forces Retirement Home Trust Fund for construction and renovations. The amount recommended is the

same as the fiscal year 2012 enacted level and equal to the budget request.

GENERAL FUND PAYMENT, ARMED FORCES RETIREMENT HOME

Fiscal year 2012 enacted level	$14,630,000
Fiscal year 2013 budget request	– – –
Committee recommendation in the bill	– – –
Comparison with:	
Fiscal year 2012 enacted level	($14,630,000)
Fiscal year 2013 budget request	– – –

The Committee recommendation does not include a general funds payment for the Armed Forces Retirement Home. Funds were provided in fiscal year 2012 to mitigate structural damage sustained to buildings as a result of the earthquake in Washington, D.C. The budget request did not propose any additional funds for this purpose for fiscal year 2013, and the Committee anticipates that funding provided in fiscal year 2012 will be sufficient to accomplish necessary repairs.

TITLE IV

OVERSEAS CONTINGENCY OPERATIONS

DEPARTMENT OF DEFENSE

Fiscal year 2012 enacted level (title IV)	$269,703,000
Fiscal year 2013 budget request (title IV)	– – –
Committee recommendation in the bill (title IV)	150,768,000
Comparison with:	
Fiscal year 2012 enacted level (title IV)	(118,935,000)
Fiscal year 2013 budget request (title IV)	150,768,000

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

The Committee recommendation includes a new title IV, Overseas Contingency Operations. Title IV provides $150,768,000 for Navy and Marine Corps military construction projects in the Central Command and Africa Command Areas of Responsibility that were requested in title I, Military Construction, in the budget submission for fiscal year 2013. The Committee agrees that the projects transferred to title IV are necessary to support the war on terrorism and should be designated as overseas contingency operations functions.

ADMINISTRATIVE PROVISIONS

(INCLUDING RESCISSION OF FUNDS)

The bill includes section 401 rescinding unobligated balances from section 2005 in title X, of Public Law 112–10 and division H in title IV, of Public Law 112–74 in the specific amount of $150,768,000.

The bill includes section 402 that amounts designated in this Act by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be available (or rescinded, if applicable) only if the President subsequently so designates all such amounts and transmits such designations to the Congress.

TITLE V

GENERAL PROVISIONS

The bill includes 13 provisions that are effective in fiscal year 2012 and five new provisions as follows:

Section 501 prohibits the obligation of funds beyond the current fiscal year unless expressly so provided.

Section 502 prohibits the use of funds for programs, projects or activities not in compliance with Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

Section 503 prohibits the use of funds to support or defeat legislation pending before Congress.

Section 504 encourages all departments and agencies funded in this Act to expand the use of "E-Commerce" technologies and procedures.

Section 505 specifies the Congressional committees that are to receive all reports and notifications.

Section 506 is made permanent and prohibits the transfer of funds to any instrumentality of the United States Government without authority from an appropriations Act.

Section 507 prohibits any funds in this Act to be used for a project or program named for an individual serving as a Member, Delegate, or Resident Commissioner of the United States House of Representatives.

Section 508 requires all reports submitted to the Congress to be posted on official websites of the submitting agency.

Section 509 prohibits the use of funds to establish or maintain a computer network unless such network blocks the viewing, downloading, and exchanging of pornography, except for law enforcement investigation, prosecution or adjudication activities.

Section 510 prohibits funds in this Act for the Association of Community Organizations for Reform Now.

Section 511 prohibits the use of funds made available in this Act to exercise the power of eminent domain without just compensation.

Section 512 prohibits the use of funds in this Act for the renovation, expansion, or construction of any facility in the continental United States for the purpose of housing any individual who has been detained at the United States Naval Station, Guantanamo Bay, Cuba.

Section 513 prohibits the use of funds for payment of first-class travel by an employee of the executive branch.

Section 514 prohibits the use of funds in this Act for any contract where the contractor has not complied with E-Verify requirements.

Section 515 prohibits the use of funds in this Act for any contract, memorandum of understanding, or cooperative agreement with any corporation convicted of a felony criminal violation within the preceding 24 months.

Section 516 prohibits the use of funds in this Act for any contract, memorandum of understanding, or cooperative agreement with any corporation with an unpaid tax liability.

Section 517 prohibits the use of funds for construction bid solicitations that require or prohibit project labor agreements.

Section 518 establishes a "Spending Reduction Account" in the bill.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

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

CHANGES IN APPLICATION OF EXISTING LAW

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

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

Language is included in various parts of the bill to place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law.

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

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

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

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

Language is included under Title I to prohibit payments for cost-plus-a-fixed-fee contracts under certain circumstances.

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

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

Language is included under Title I to prohibit the use of funds to begin construction of new bases without specific appropriations.

Language is included under Title I to prohibit the use of funds for purchase of land or land easements under certain circumstances.

Language is included under Title I to prohibit the use of funds for land acquisition, site preparation, and utility installation for family housing unless funds have been made available in annual appropriations Acts.

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

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

Language is included under Title I to prohibit the use of funds to pay real property taxes in any foreign nation.

Language is included under Title I to prohibit the use of funds to initiate a new installation overseas without prior notification.

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

Language is included under Title I to limit the use of funds for awarding contracts to foreign contractors under certain circumstances.

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

Language is included under Title I to allow prior year construction funding to be available for currently authorized projects.

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

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

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

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

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

Language is included under Title I to limit funds for the operation and maintenance of family housing to those provided in this appropriation and to limit amounts expended on repairs of general and flag officer quarters under certain circumstances.

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

Language is included under Title I to limit funds for projects at closed or realigned installations under certain circumstances.

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

Language is included under Title I limiting the number of parking spaces that may be occupied at the BRAC office complex in Alexandria, Virginia.

Language is included under Title I limiting funds available for expansion of Pinon Canyon Maneuver Site, Colorado.

Language is included under Title I limiting movement of an Army unit with a testing mission.

Language is included under Title I that rescinds funds from prior year appropriations Acts.

Language is included under Title I that rescinds unobligated funds from BRAC 2005 account.

Language is included under Title I reducing the amount available for civilian pay raise.

Language is included under Title I to allow for the transfer of funds from the Family Housing Improvement Fund to the Secretary of the Navy as the request of the Navy.

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

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

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

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

Language is included under Title II to require approval of a transfer between development, modernization, and enhancement projects in the information technology systems account.

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

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

Language is included under Title II permitting transfers between mandatory and discretionary accounts, limiting and providing for the use of certain funds, funding administrative expenses associated with life insurance programs from excess program revenues, allowing reimbursement from enhanced-use leases and for certain services, requiring notification of new lease agreements, requiring disclosure of insurance and income information, allowing a recovery audit collection program, allowing veterans in the State of Alaska to use Indian Health Service facilities under certain conditions, allowing medical services funds for recreational and funeral expenses, limiting the obligation of non-recurring maintenance funds during the last two months of the fiscal year, requiring notification of changed funding needs because of enrollee health projection model changes, and requiring approval of a reprogramming prior to any major reallocation of medical services initiatives funding.

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

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

Language is included under Cemeterial Expenses, Army, Salaries and Expenses, to permit the use of funds to relocate a water main.

Language is included under Title IV that rescinds funds from overseas contingency operations in prior year appropriations Acts.

Language is included under Title IV to designate funds for overseas contingency operations.

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

Language is included under Title V to limit the use of funds for publicity or propaganda designed to support or defeat legislation pending before Congress.

Language is included under Title V to prohibit the use of funds for a project or program named for a serving Member of the United States Congress.

Language is included under Title V prohibiting funds from being used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.

Language is included under Title V to prohibit funding being distributed to the Association of Community Organizations for Reform Now or its subsidiaries.

Language is included under Title V prohibiting funds from being used to exercise the power of eminent domain without just compensation.

Language is included under Title V prohibiting funds from being used to pay for first class travel in violation of federal regulations.

Language is included under Title V prohibiting funds from being used to execute a contract for goods or services where a contractor has not complied with Executive Order 12989.

Language is included under Title V prohibiting funds from being provided to any corporation that was convicted of a felony criminal violation.

Language is included under Title V prohibiting funds from being provided to a corporation with an unpaid Federal tax liability.

APPROPRIATIONS NOT AUTHORIZED BY LAW

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

[dollars in thousands]

Agency/program	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Military Construction, Army	2012	3,013,491	3,006,491	1,820,323
Military Construction, Navy	2012	2,242,332	2,112,823	1,551,217
Military Construction, Air Force	2012	1,134,058	1,227,058	388,200
Military Construction, Defense-Wide	2012	3,396,839	3,431,957	3,569,623
Military Construction, Army National Guard	2012	773,592	773,592	613,799
Military Construction, Air National Guard	2012	116,246	116,246	42,386
Military Construction, Army Reserve	2012	280,549	280,549	305,846
Military Construction, Navy Reserve	2012	26,299	26,299	49,532
Military Construction, Air Force Reserve	2012	33,620	33,620	10,979
North Atlantic Treaty Organization Security Investment Program	2012	257,611	247,611	254,163
Family Housing Construction, Army	2012	176,897	176,897	4,641
Family Housing Operation and Maintenance, Army	2012	494,858	493,458	530,051
Family Housing Construction, Navy and Marine Corps	2012	100,972	100,972	102,182
Family Housing Operation and Maintenance, Navy and Marine Corps	2012 2012	367,863	367,863	378,230
Family Housing Construction, Air Force	2012	84,804	60,042	83,824
Family Housing Operation and Maintenance, Air Force	2012	404,761	429,523	497,829
Family Housing Construction, Defense-Wide	2012	-	-	-
Family Housing Operation and Maintenance, Defense-Wide	2012	50,723	50,723	52,238
Department of Defense Family Housing Improvement Fund	2012 2012	2,184	2,184	1,786
Homeowners Assistance Program	2012	1,284	1,284	-
Chemical Demilitarization Construction, Defense-Wide	2012	75,312	75,312	151,000
Base Realignment and Closure, 1990	2012	323,543	323,543	349,396
Base Realignment and Closure, 2005	2012	258,776	258,776	126,697
Department of Veteran Affairs, Construction, Major Projects	---	----	----	88,500

TRANSFER OF FUNDS

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

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

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

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

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

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

Language is included to allow the transfer of Family Housing Improvement Funds to the Secretary of the Navy for execution as the request of the Navy.

Language is included to transfer not to exceed $9,204,000 from Compensation and Pensions to General Operating Expenses, Veterans Benefits Administration, Medical Support and Compliance, and Information Technology Systems. These funds are for the administrative costs of implementing cost-savings proposals required by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992. Language is also included transferring funds to the medical care collections fund to augment funding of medical facilities for nursing home care provided to pensioners.

Language is included to permit the transfer of funds from General Administration to General Operating Expenses, Veterans Benefits Administration.

Language is included to provide authority for the Department of Veterans Affairs for any funds appropriated in 2013 for Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities to be transferred among those three accounts.

Language is included to transfer funds among the Medical Services, Medical Support and Compliance, and Medical Facilities accounts.

Language is included to permit the funds from three life insurance funds to be transferred to General Operating Expenses, Veterans Benefits Administration and Information Technology Systems for the costs of administering such programs.

Language is included to permit up to $46,264,000 to be transferred to General Administration and Information Technology Systems from any funds appropriated in fiscal year 2012 to reimburse the Office of Resolution Management and the Office of Employment and Discrimination Complaint Adjudication for services provided.

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

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

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

Language is included to allow the transfer of funds from various accounts to the Information Technology Systems account subject to approval by the Committee.

Language is included to allow the transfer of development, modernization, and enhancement funds within Information Technology Systems between projects subject to approval by the Committee.

Language is included to allow the transfer of funds provided for the Department of Veterans Affairs to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund.

Language is included permitting funds deposited to the Medical Care Collections Fund for health care provided at a combined Federal medical facility to be transferred to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund.

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

RESCISSIONS

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

DEPARTMENT/ACTIVITY	AMOUNTS RECOMMENDED FOR RESCISSION
Department of Defense, Military Construction, Defense-Wide	$20,000,000
Department of Defense, BRAC 2005	212,291,000
Department of Defense, Overseas Contingency Operations	150,768,000
Department of Veterans Affairs, Medical services	62,924,000
Department of Veterans Affairs, Medical support and compliance	12,737,000
Department of Veterans Affairs, Medical facilities	5,593,000

CONSTITUTIONAL AUTHORITY

Pursuant to section 6(e) of the Committee Rules, the following statement is submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution.

The principal constitutional authority for this legislation is clause 7 of section 9 of article I of the Constitution of the United States (the appropriation power), which states: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . . ." In addition, clause 1 of section 8 of article I of the Constitution (the spending power) provides: "The Congress shall have the Power . . . to pay the Debts and provide for the common Defence and general Welfare of the United States . . . ." Together, these specific constitutional provisions establish the congressional power of the purse, granting Congress the authority to

appropriate funds, to determine their purpose, amount, and period of availability, and to set forth terms and conditions governing their use.

COMPARISON WITH THE BUDGET RESOLUTION

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

[In millions of dollars]

	302(b) Allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Mandatory	71,576	71,331	71,576	[1] 71,331
Discretionary	71,747	79,071	71,747	79,071
General Purpose	71,747	79,069	71,747	79,069
Overseas Contingency	0	2	0	2

[1] Includes outlays from prior-year budget authority.

FIVE-YEAR PROJECTION OF OUTLAYS

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1)(B) of the Congressional Budget Act of 1974, the following table contains five-year projections prepared by the Congressional Budget Office of outlays associated with the budget authority provided in the accompanying bill:

Outlays:	
2013	[2] 79,281
2014	6,001
2015	4,582
2016	1,746
2017 and future years	1,354

[2] Excludes outlays from prior-year budget authority.

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1)(C) of the Congressional Budget Act of 1974, the amount of financial assistance to State and local governments is as follows:

	Millions
Budget Authority	$142
Fiscal Year 2013 outlays resulting therefrom	2

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

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

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

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

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

FULL COMMITTEE VOTES

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

There were no roll call votes.

DISCLOSURE OF EARMARKS AND CONGRESSIONALLY DIRECTED SPENDING ITEMS

Neither the bill nor the report contains any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

STATE LIST

The following is a complete listing, by title, State and country, of the Committee's recommendations for military construction and family housing projects:

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
ALABAMA		
ARMY NATIONAL GUARD		
FORT MC CLELLAN		
LIVE FIRE SHOOT HOUSE	5,400	5,400
ALASKA		
ARMY		
FORT WAINWRIGHT		
MODIFIED RECORD FIRE RANGE	10,400	10,400
JOINT BASE ELMENDORF-RICHARDSON		
MODIFIED RECORD FIRE RANGE	7,900	7,900
ARIZONA		
NAVY		
YUMA		
COMBAT AIRCRAFT LOADING APRON	15,985	15,985
SECURITY OPERATIONS COMPLEX	13,300	13,300
DEFENSE-WIDE		
MARANA		
SOF PARACHUTE TRAINING FACILITY	6,477	6,477
YUMA		
TRUCK UNLOAD FACILITY	1,300	1,300
NAVY RESERVE		
YUMA		
RESERVE TRAINING FACILITY - YUMA AZ	5,379	5,379
ARKANSAS		
AIR FORCE		
LITTLE ROCK AFB		
C-130J FLIGHT SIMULATOR ADDITION	4,178	4,178
C-130J FUEL SYSTEMS MAINTENANCE HANGAR	26,000	26,000
ARMY NATIONAL GUARD		
SEARCY		
FIELD MAINTENANCE SHOP	6,800	6,800
CALIFORNIA		
ARMY		
CONCORD		
ENGINEERING/HOUSING MAINTENANCE SHOP	3,100	3,100
LIGHTNING PROTECTION SYSTEM	5,800	5,800
NAVY		
CAMP PENDLETON		
COMM. INFORMATION SYSTEMS OPS COMPLEX	78,897	78,897
MV22 AVIATION SIMULATOR BUILDING	4,139	4,139
SAN JACINTO ROAD EXTENSION	5,074	5,074
CORONADO		
BACHELOR QUARTERS	76,063	76,063
H-60S SIMULATOR TRAINING FACILITY	2,478	2,478
LEMOORE		
BAMS MAINTENANCE TRAINING FACILITY	14,843	14,843
MIRAMAR		
HANGAR 5 RENOVATIONS & ADDITION	27,897	27,897
SAN DIEGO		
ENTRY CONTROL POINT (GATE FIVE)	11,752	11,752
LCS TRAINING FACILITY	59,436	59,436
SEAL BEACH		
STRATEGIC SYSTEMS WEAPONS EVAL. TEST LAB	30,594	30,594
TWENTYNINE PALMS		
LAND EXPANSION PHASE 2	47,270	47,270
DEFENSE-WIDE		
CORONADO		
SOF CLOSE QUARTERS COMBAT/DYNAMIC SHOOT FAC	13,969	13,969
SOF INDOOR DYNAMIC SHOOTING FACILITY	31,170	31,170
SOF MOBILE COMM DETACHMENT SUPPORT FACILITY	10,120	10,120

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
DEF FUEL SUPPORT POINT - SAN DIEGO		
REPLACE FUEL PIER	91,563	91,563
EDWARDS AIR FORCE BASE		
REPLACE FUEL STORAGE	27,500	27,500
TWENTYNINE PALMS		
MEDICAL CLINIC REPLACEMENT	27,400	27,400
ARMY NATIONAL GUARD		
FORT IRWIN		
MANEUVER AREA TRAINING & EQUIPMENT SITE PH3	25,000	25,000
AIR NATIONAL GUARD		
FRESNO YOSEMITE IAP ANG		
F-15 CONVERSION	11,000	11,000
ARMY RESERVE		
FORT HUNTER LIGGETT		
ORTC	64,000	64,000
UPH BARRACKS	4,300	4,300
TUSTIN		
ARMY RESERVE CENTER	27,000	27,000
COLORADO		
ARMY		
FORT CARSON		
DIGITAL MULTIPURPOSE TRAINING RANGE	18,000	18,000
DEFENSE-WIDE		
BUCKLEY AIR FORCE BASE		
DENVER POWER HOUSE	30,000	30,000
FORT CARSON		
SOF BATTALION OPERATIONS COMPLEX	56,673	56,673
PIKES PEAK		
HIGH ALTITUDE MEDICAL RESEARCH LAB	3,600	3,600
PUEBLO DEPOT		
AMMUNITION DEMILITARIZATION FACILITY, PH XIV	36,000	36,000
CONNECTICUT		
ARMY NATIONAL GUARD		
CAMP HARTELL		
COMBINED SUPPORT MAINTENANCE SHOP	32,000	32,000
DELAWARE		
DEFENSE-WIDE		
DOVER AFB		
REPLACE TRUCK OFF-LOAD FACILITY	2,000	2,000
ARMY NATIONAL GUARD		
BETHANY BEACH		
REGIONAL TRAINING INSTITUTE PH1	5,500	5,500
DISTRICT OF COLUMBIA		
ARMY		
FORT MCNAIR		
VEHICLE STORAGE BUILDING, INSTALLATION	7,200	7,200
FLORIDA		
NAVY		
JACKSONVILLE		
BAMS MISSION CONTROL COMPLEX	21,980	21,980
AIR FORCE		
TYNDALL AFB		
F-22 ADAL HANGAR FOR LOW OBSERVABLE/COMPOSITE	14,750	14,750
DEFENSE-WIDE		
EGLIN AFB		
SOF AVFID OPS AND MAINTENANCE FACILITIES	41,695	41,695
HURLBURT FIELD		
CONSTRUCT FUEL STORAGE FACILITY	16,000	16,000
MACDILL AFB		
SOF JOINT SPECIAL OPS UNIVERSITY FAC (JSOU)	34,409	34,409

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
ARMY NATIONAL GUARD		
CAMP BLANDING		
COMBINED ARMS COLLECTIVE TRAINING FAC	9,000	9,000
MIRAMAR		
READINESS CENTER	20,000	20,000
GEORGIA		
ARMY		
FORT BENNING		
GROUND SOURCE HEAT TRANSFER SYSTEM	16,000	16,000
FORT GORDON		
GROUND SOURCE HEAT TRANSFER SYSTEM	12,200	12,200
MODIFIED RECORD FIRE RANGE	4,000	4,000
MULTIPURPOSE MACHINE GUN RANGE	7,100	7,100
FORT STEWART		
AUTOMATED COMBAT PISTOL QUAL CRSE	3,650	3,650
DIGITAL MULTIPURPOSE TRAINING RANGE	22,000	22,000
UNMANNED AERIAL VEHICLE COMPLEX	24,000	24,000
AIR FORCE		
FORT STEWART		
AIR SUPPORT OPERATIONS CENTER (ASOC)	7,250	7,250
MOODY AFB		
HC-130J SIMULATOR FACILITY	8,500	8,500
HAWAII		
ARMY		
POHAKULOA TRAINING AREA		
AUTOMATED INFANTRY PLATOON BATTLE COURSE	29,000	29,000
SCHOFIELD BARRACKS		
BARRACKS	41,000	41,000
BARRACKS	55,000	55,000
WHEELER ARMY AIR FIELD		
COMBAT AVIATION BRIGADE BARRACKS	85,000	85,000
NAVY		
KANEOHE BAY		
AIRCRAFT STAGING AREA	14,680	14,680
MV-22 HANGAR AND INFRASTRUCTURE	82,630	82,630
DEFENSE-WIDE		
JOINT BASE PEARL HARBOR-HICKAM		
SOF SDVT-1 WATERFRONT OPERATIONS FACILITY	24,289	24,289
ARMY NATIONAL GUARD		
KAPOLEI		
ARMY AVIATION SUPPORT FACILITY PH1	28,000	28,000
AIR NATIONAL GUARD		
JOINT BASE PEARL HARBOR-HICKAM		
TFI - F-22 COMBAT APRON ADDITION	6,500	6,500
IDAHO		
ARMY NATIONAL GUARD		
ORCHARD TRAINIG AREA		
ORTC(BARRACKS)PH2	40,000	40,000
ILLINOIS		
DEFENSE-WIDE		
GREAT LAKES		
DRUG LABORATORY REPLACEMENT	28,700	28,700
SCOTT AFB		
DISA FACILITY UPGRADES	84,111	84,111
MEDICAL LOGISTICS WAREHOUSE	2,600	2,600
ARMY RESERVE		
FORT SHERIDAN		
ARMY RESERVE CENTER	28,000	28,000

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
INDIANA		
DEFENSE-WIDE		
GRISSOM ARB		
REPLACE HYDRANT FUEL SYSTEM	26,800	26,800
ARMY NATIONAL GUARD		
SOUTH BEND		
ARMED FORCES RESERVE CENTER ADD/ALT	21,000	21,000
TERRE HAUTE		
FIELD MAINTENANCE SHOP	9,000	9,000
IOWA		
ARMY NATIONAL GUARD		
CAMP DODGE		
URBAN ASSAULT COURSE	3,000	3,000
NAVY RESERVE		
FORT DES MOINES		
JOINT RESERVE CENTER - DES MOINES IA	19,162	19,162
KANSAS		
ARMY		
FORT RILEY		
UNMANNED AERIAL VEHICLE COMPLEX	12,200	12,200
ARMY NATIONAL GUARD		
TOPEKA		
TAXIWAY, RAMP & HANGAR ALTERATIONS	9,500	9,500
KENTUCKY		
ARMY		
FORT CAMPBELL		
BATTALION HEADQUARTERS COMPLEX	55,000	55,000
LIVE FIRE EXERCISE SHOOTHOUSE	3,800	3,800
UNMANNED AERIAL VEHICLE COMPLEX	23,000	23,000
FORT KNOX		
AUTOMATED INFANTRY SQUAD BATTLE COURSE	6,000	6,000
DEFENSE-WIDE		
BLUE GRASS ARMY DEPOT		
AMMUNITION DEMILITARIZATION PH XIII	115,000	115,000
FORT CAMPBELL		
REPLACE BARKLEY ELEMENTARY SCHOOL	41,767	41,767
SOF GROUND SUPPORT BATTALION	26,313	26,313
SOF LANDGRAF HANGAR EXTENSION	3,559	3,559
ARMY NATIONAL GUARD		
FRANKFORT		
ARMY AVIATION SUPPORT FACILITY	32,000	32,000
LOUISIANA		
DEFENSE-WIDE		
BARKSDALE AFB		
UPGRADE PUMPHOUSE	11,700	11,700
NAVY RESERVE		
NEW ORLEANS		
TRANSIENT QUARTERS	7,187	7,187
MARYLAND		
DEFENSE-WIDE		
ANNAPOLIS		
HEALTH CLINIC REPLACEMENT	66,500	66,500
BETHESDA NAVAL HOSPITAL		
BASE INSTALLATION ACCESS./APPEARANCE PLAN	7,000	7,000
ELECTRICAL CAPACITY AND COOLING TOWERS	35,600	35,600
TEMPORARY MEDICAL FACILITIES	26,600	26,600
FORT DETRICK		
USAMRIID STAGE I, INCR 7	19,000	19,000
FORT MEADE		
HIGH PERFORMANCE COMPUTING CENTER INC 2	300,521	300,521
NSAW RECAPITALIZE BUILDING #1/SITE M INC 1	25,000	25,000

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
ARMY RESERVE		
ABERDEEN PROVING GROUND		
ARMY RESERVE CENTER	21,000	21,000
BALTIMORE		
ADD/ALT ARMY RESERVE CENTER	10,000	10,000
MASSACHUSETTS		
ARMY NATIONAL GUARD		
CAMP EDWARDS		
UNIT TRAINING EQUIPMENT SITE	22,000	22,000
ARMY RESERVE		
DEVENS RESERVE FORCES TRAINING AREA		
AUTOMATIC RECORD FIRE RANGE	4,800	4,800
COMBAT PISTOL/MP FIREARMS QUALIFICATION	3,700	3,700
MINNESOTA		
ARMY NATIONAL GUARD		
CAMP RIPLEY		
SCOUT RECONNAISANCE RANGE	17,000	17,000
ST PAUL		
READINESS CENTER	17,000	17,000
MISSISSIPPI		
NAVY		
MERIDIAN		
DINING FACILITY	10,926	10,926
MISSOURI		
ARMY		
FORT LEONARD WOOD		
BATTALION COMPLEX FACILITIES	26,000	26,000
TRAINEE BARRACKS COMPLEX 3, PH 2	58,000	58,000
VEHICLE MAINTENANCE SHOP	39,000	39,000
DEFENSE-WIDE		
FORT LEONARD WOOD		
DENTAL CLINIC	18,100	18,100
ARMY NATIONAL GUARD		
FORT LEONARD WOOD		
REGIONAL TRAINING INSTITUTE	18,000	18,000
KANSAS CITY		
READINESS CENTER ADD/ALT	1,900	1,900
MONETT		
READINESS CENTER ADD/ALT	820	820
PERRYVILLE		
READINESS CENTER ADD/ALT	700	700
MONTANA		
ARMY NATIONAL GUARD		
MILES CITY		
READINESS CENTER	11,000	11,000
NEBRASKA		
AIR FORCE		
OFFUTT AFB		
US STRATCOM REPLACEMENT FACILITY, INCR 2	161,000	161,000
NEVADA		
ARMY RESERVE		
LAS VEGAS		
ARMY RESERVE CENTER/AMSA	21,000	21,000
NEW JERSEY		
ARMY		
JOINT BASE MCGUIRE-DIX-LAKEHURST		
FLIGHT EQUIPMENT COMPLEX	47,000	47,000

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
PICATINNY ARSENAL		
BALLISTIC EVALUATION CENTER	10,200	10,200
NAVY		
EARLE		
COMBAT SYSTEM ENGINEERING BUILDING ADDITION	33,498	33,498
ARMY NATIONAL GUARD		
SEA GIRT		
REGIONAL TRAINING INSTITUTE	34,000	34,000
ARMY RESERVE		
JOINT BASE MCGUIRE-DIX-LAKEHURST		
AUTOMATED INFANTRY SQUAD BATTLE COURSE	7,400	7,400
NEW MEXICO		
AIR FORCE		
HOLLOMAN AFB		
MQ-9 MAINTENANCE HANGAR	25,000	25,000
DEFENSE-WIDE		
CANNON AFB		
MEDICAL/DENTAL CLINIC REPALCEMENT	71,023	71,023
SOF AC-130J COMBAT PARKING APRON	22,062	22,062
AIR NATIONAL GUARD		
KIRTLAND AFB		
ALTER TARGET INTELLIGENCE FACILITY	8,500	8,500
NEW YORK		
ARMY		
FORT DRUM		
AIRCRAFT MAINTENANCE HANGAR	95,000	95,000
U.S. MILITARY ACADEMY		
CADET BARRACKS	192,000	192,000
DEFENSE-WIDE		
FORT DRUM		
IDT COMPLEX	25,900	25,900
SOLDIER SPECIALTY CARE CLINIC	17,300	17,300
ARMY NATIONAL GUARD		
STORMVILLE		
COMBINED SUPPORT MAINT SHOP PH1	24,000	24,000
NAVY RESERVE		
BROOKLYN		
VEHICLE MAINT. FAC. - BROOKLYN NY	4,430	4,430
AIR FORCE RESERVE		
NIAGARA FALLS IAP		
FLIGHT SIMULATOR FACILITY	6,100	6,100
NORTH CAROLINA		
ARMY		
FORT BRAGG		
AERIAL GUNNERY RANGE	42,000	42,000
INFRASTRUCTURE	30,000	30,000
UNMANNED AERIAL VEHICLE COMPLEX	26,000	26,000
NAVY		
CAMP LEJEUNE		
BASE ACCESS AND ROAD - PHASE 3	40,904	40,904
STAFF NCO ACADEMY FACILITIES	28,986	28,986
CHERRY POINT MARINE CORPS AIR STATION		
ARMORY	11,581	11,581
MARINE AIR SUPPORT SQUADRON COMPOUND	34,310	34,310
NEW RIVER		
PERSONNEL ADMINISTRATION CENTER	8,525	8,525
DEFENSE-WIDE		
CAMP LEJEUNE		
MEDICAL CLINIC REPLACEMENT	21,200	21,200
SOF MARINE BATTALION COMPANY/TEAM FACILITIES	53,399	53,399
SOF SURVIVAL EVASION RESIST. ESCAPE TNG FAC	5,465	5,465
FORT BRAGG		
SOF BATTALION OPERATIONS FACILITY	40,481	40,481

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
SOF CIVIL AFFAIRS BATTALION COMPLEX	31,373	31,373
SOF SUPPORT ADDITION	3,875	3,875
SOF SUSTAINMENT BRIGADE COMPLEX	24,693	24,693
SEYMOUR JOHNSON AFB		
MEDICAL CLINIC REPLACEMENT	53,600	53,600
REPLACE PIPELINE	1,850	1,850
NORTH DAKOTA		
AIR FORCE		
MINOT AFB		
B-52 ADD/ALTER MUNITIONS AGE FACILITY	4,600	4,600
OHIO		
ARMY NATIONAL GUARD		
CHILLICOTHE		
FIELD MAINTENANCE SHOP ADD/ALT	3,100	3,100
DELAWARE		
READINESS CENTER	12,000	12,000
OKLAHOMA		
ARMY		
FORT SILL		
MODIFIED RECORD FIRE RANGE	4,900	4,900
ARMY NATIONAL GUARD		
CAMP GRUBER		
OPERATIONS READINESS TRAINING COMPLEX	25,000	25,000
PENNSYLVANIA		
DEFENSE-WIDE		
DEF DISTRIBUTION DEPOT NEW CUMBERLAND		
REPLACE COMMUNICATIONS BUILDING	6,800	6,800
REPLACE RESERVOIR	4,300	4,300
REPLACE SEWAGE TREATMENT PLANT	6,300	6,300
SOUTH CAROLINA		
ARMY		
FORT JACKSON		
TRAINEE BARRACKS COMPLEX 2, PH 2	24,000	24,000
NAVY		
BEAUFORT		
AIRCRAFT MAINTENANCE HANGAR	42,010	42,010
AIRFIELD SECURITY UPGRADES	13,675	13,675
GROUND SUPPORT EQUIPMENT SHOP	9,465	9,465
RECYCLING/HAZARDOUS WASTE FACILITY	3,743	3,743
SIMULATED LHD FLIGHT DECK	12,887	12,887
PARRIS ISLAND		
FRONT GATE ATFP IMPROVEMENTS	10,135	10,135
DEFENSE-WIDE		
SHAW AFB		
MEDICAL CLINIC REPLACEMENT	57,200	57,200
TEXAS		
ARMY		
CORPUS CHRISTI		
AIRCRAFT COMPONENT MAINTENANCE SHOP	13,200	13,200
AIRCRAFT PAINT SHOP	24,000	24,000
FORT BLISS		
MULTIPURPOSE MACHINE GUN RANGE	7,200	7,200
FORT HOOD		
MODIFIED RECORD FIRE RANGE	4,200	4,200
TRAINING AIDS CENTER	25,000	25,000
UNMANNED AERIAL VEHICLE COMPLEX	22,000	22,000
JOINT BASE SAN ANTONIO		
BARRACKS	21,000	21,000

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
AIR FORCE		
JOINT BASE SAN ANTONIO		
DORMITORY (144 RM)	18,000	18,000
DEFENSE-WIDE		
FORT BLISS		
HOSPITAL REPLACEMENT INCR 4	207,400	207,400
JOINT BASE SAN ANTONIO		
AMBULATORY CARE CENTER PHASE 3 INCR	80,700	80,700
RED RIVER ARMY DEPOT		
DFAS FACILITY	16,715	16,715
NAVY RESERVE		
FORT WORTH		
COMMERCIAL VEHICLE INSPECTION SITE	11,256	11,256
UTAH		
AIR FORCE		
HILL AFB		
F-35 ADAL BUILDING 118 FOR FLIGHT SIMULATOR	4,000	4,000
F-35 ADAL HANGAR 45W/AMU	7,250	7,250
F-35 MODULAR STORAGE MAGAZINES	2,280	2,280
DEFENSE-WIDE		
CAMP WILLIAMS		
IC CNCI DATA CENTER 1 INC 4	191,414	191,414
ARMY NATIONAL GUARD		
CAMP WILLIAMS		
BEQ FACILITY (REGIONAL TRAINING INSTITUTE)	15,000	15,000
REGIONAL TRAINING INSTITUTE PH2	21,000	21,000
VIRGINIA		
ARMY		
ARLINGTON		
CEMETERY EXPANSION MILLENNIUM SITE	84,000	---
FORT BELVOIR		
SECURE ADMIN/OPERATIONS FACILITY	94,000	94,000
FORT LEE		
ADV INDIVIDUAL TRAINING BARRACKS CPLX, PH2	81,000	81,000
NAVY		
DAHLGREN		
CRUISER/DESTROYER UPGRADE TRAINING FACILITY	16,494	16,494
PHYSICAL FITNESS CENTER	11,734	11,734
OCEANA NAVAL AIR STATION		
A SCHOOL BARRACKS	39,086	39,086
PORTSMOUTH		
DRYDOCK 8 ELECTRICAL DISTRIBUTION UPGRADE	32,706	32,706
QUANTICO		
INFRASTRUTURE - WIDEN RUSSELL ROAD	14,826	14,826
THE BASIC SCHOOL STUDENT QUARTERS - PHASE 7	31,012	31,012
WEAPONS TRAINING BATTALION MESS HALL	12,876	12,876
YORKTOWN		
ARMORY	4,259	4,259
BACHELOR ENLISTED QUARTERS	18,422	18,422
MOTOR TRANSPORTATION FACILITY	6,188	6,188
REGIMENTAL HEADQUARTERS	11,015	11,015
SUPPLY WAREHOUSE FACILITY	8,939	8,939
DEFENSE-WIDE		
JOINT EXPEDITIONARY BASE LITTLE CREEK - STORY		
SOF COMBAT SERVICES SUPPORT FACILITY - EAST	11,132	11,132
NORFOLK		
VETERINARY FACILITY REPLACEMENT	8,500	8,500
WASHINGTON		
ARMY		
JOINT BASE LEWIS-MCCHORD		
BATTALION COMPLEX	73,000	73,000
WASTE WATER TREATMENT PLANT	91,000	91,000

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
YAKIMA		
CONVOY LIVE FIRE RANGE	5,100	5,100
NAVY		
KITSAP		
EXPLOSIVES HANDLING WHARF #2 (INC)	280,041	280,041
WHIDBEY ISLAND		
EA-18G FLIGHT SIMULATOR FACILITY	6,272	6,272
DEFENSE-WIDE		
FORT LEWIS		
SOF BATTALION OPERATIONS FACILITY	46,553	46,553
SOF MILITARY WORKING DOG KENNEL	3,967	3,967
ARMY NATIONAL GUARD		
FORT LEWIS		
READINESS CENTER	35,000	35,000
ARMY RESERVE		
JOINT BASE LEWIS-MCCHORD		
ARMY RESERVE CENTER	40,000	40,000
WEST VIRGINIA		
ARMY NATIONAL GUARD		
LOGAN		
READINESS CENTER	14,200	14,200
WISCONSIN		
ARMY NATIONAL GUARD		
WAUSAU		
FIELD MAINTENANCE SHOP	10,000	10,000
ARMY RESERVE		
FORT MCCOY		
CENTRAL ISSUE FACILITY	12,200	12,200
DINING FACILITY	8,600	8,600
ECS TACTICAL EQUIP. MAINT. FACILTY (TEMF)	27,000	27,000
WYOMING		
AIR NATIONAL GUARD		
CHEYENNE MAP		
C-130 FLIGHT SIMULATOR TRAINING FACILITY	6,486	6,486
BAHRAIN ISLAND		
NAVY		
SW ASIA		
COMBINED DINING FACILITY	9,819	---
TRANSIENT QUARTERS	41,529	---
BELGIUM		
DEFENSE-WIDE		
BRUSSELS		
NATO HEADQUARTERS FACILITY	26,969	26,969
DIEGO GARCIA		
NAVY		
DIEGO GARCIA		
COMMUNICATIONS INFRASTRUCTURE	1,691	1,691
DJIBOUTI		
NAVY		
CAMP LEMONIER		
CONTAINERIZED LIVING AND WORK UNITS	7,510	---
FITNESS CENTER	26,960	---
GALLEY ADDITION AND WAREHOUSE	22,220	---
JOINT HQ/JOINT OPERATIONS CENTER FACILITY	42,730	---
GERMANY		
DEFENSE-WIDE		
RHINE ORDNANCE BARRACKS		
MEDICAL CENTER REPLACEMENT INCR 2	127,000	127,000

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
STUTTGART-PATCH BARRACKS		
DISA EUROPE FACILITY UPGRADES	2,413	2,413
VOGELWEH		
REPLACE VOGELWEH ELEMENTARY SCHOOL	61,415	61,415
WEISBADEN		
WEISBADEN HIGH SCHOOL ADDITION	52,178	52,178
GREECE		
NAVY		
SOUDA BAY		
AIRCRAFT PARKING APRON EXPANSION	20,493	20,493
INTERMODAL ACCESS ROAD	4,630	4,630
GREENLAND		
AIR FORCE		
THULE AB		
DORMITORY (48 PN)	24,500	24,500
GUAM		
NAVY		
JOINT REGION MARIANAS		
NORTH RAMP PARKING (ANDERSEN AFB) - INC 2	25,904	25,904
DEFENSE-WIDE		
ANDERSEN AFB		
UPGRADE FUEL PIPELINE	67,500	67,500
ARMY NATIONAL GUARD		
BARRIGADA		
JFHQ PH4	8,500	8,500
GUANTANAMO BAY, CUBA		
DEFENSE-WIDE		
GUANTANAMO BAY		
REPLACE FUEL PIER	37,600	37,600
REPLACE TRUCK LOAD FACILITY	2,600	2,600
ITALY		
ARMY		
CAMP EDERLE		
BARRACKS	36,000	36,000
VICENZA		
SIMULATIONS CENTER	32,000	32,000
AIR FORCE		
AVIANO AB		
F-16 MISSION TRAINING CENTER	9,400	9,400
JAPAN		
ARMY		
OKINAWA		
SATELLITE COMMUNICATIONS FACILITY	78,000	78,000
SAGAMI		
VEHICLE MAINTENANCE SHOP	18,000	18,000
NAVY		
IWAKUNI		
MAINTENANCE HANGAR IMPROVEMENTS	5,722	5,722
VERTICAL TAKE-OFF AND LANDING PAD NORTH	7,416	7,416
OKINAWA		
BACHELOR QUARTERS	8,206	8,206
DEFENSE-WIDE		
CAMP ZAMA		
RENOVATE ZAMA HIGH SCHOOL	13,273	13,273
KADENA AB		
REPLACE ELEMENTARY SCHOOL	71,772	71,772
REPLACE STEARLEY HEIGHTS ELEMENTARY SCHOOL	71,773	71,773
SASEBO		
REPLACE SASEBO ELEMENTARY SCHOOL	35,733	35,733

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
ZUKERAN		
REPLACE ZUKERAN ELEMENTARY SCHOOL	79,036	79,036
KOREA		
ARMY		
CAMP HUMPHREYS		
BATTALION HEADQUARTERS COMPLEX	45,000	45,000
DEFENSE-WIDE		
KUNSAN AIR BASE		
MEDICAL/DENTAL CLINIC ADDITION	13,000	13,000
OSAN AFB		
HOSPITAL ADDITION/ALTERATION	34,600	34,600
REPLACE OSAN ELEMENTARY SCHOOL	42,692	42,692
PORTUGAL		
AIR FORCE		
LAJES AFB		
SANITARY SEWER LIFT/PUMP STATION	2,000	2,000
PUERTO RICO		
ARMY NATIONAL GUARD		
CAMP SANTIAGO		
READINESS CENTER	3,800	3,800
CEIBA		
REFILL STATION BUILDING	2,200	2,200
GUAYNABO		
READINESS CENTER (JFHQ)	15,000	15,000
GURABO		
READINESS CENTER	14,700	14,700
ROMANIA		
NAVY		
DEVESELU, ROMANIA		
AEGIS ASHORE MISSILE DEFENSE COMPLEX	45,205	45,205
DEFENSE-WIDE		
DEVESELU, ROMANIA		
AEGIS ASHORE MISSILE DEFENSE SYSTEM COMPLEX	157,900	82,900
SPAIN		
NAVY		
ROTA		
GENERAL PURPOSE WAREHOUSE	3,378	3,378
HIGH EXPLOSIVE MAGAZINE	13,837	13,837
AIR FORCE		
ROTA		
TRANSIENT CONTINGENCY DORMITORY	17,625	17,625
TRANSIENT AIRCRAFT HANGARS	15,032	15,032
UNITED KINGDOM		
DEFENSE-WIDE		
MENWITH HILL STATION		
MHS UTILITIES AND ROADS	3,795	3,795
REPLACE MENWITH HILL ELEMENTARY/HIGH SCHOOL	46,488	46,488
RAF FELTWELL		
FELTWELL ELEMENTARY SCHOOL ADDITION	30,811	30,811
RAF MILDENHALL		
SOF CV-22 SIMULATOR FACILITY	6,490	6,490
NATO SECURITY INVESTMENT PROGRAM	254,163	254,163
WORLDWIDE UNSPECIFIED		
ARMY		
HOST NATION SUPPORT	34,000	34,000
MINOR CONSTRUCTION	25,000	25,000
PLANNING AND DESIGN	65,173	46,173

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
NAVY		
PLANNING AND DESIGN	102,619	102,619
MINOR CONSTRUCTION	16,535	16,535
BAMS OPERATIONAL FACILITIES	34,048	34,048
AIR FORCE		
PLANNING AND DESIGN	18,635	18,635
MINOR CONSTRUCTION	18,200	18,200
DEFENSE-WIDE		
CONTINGENCY CONSTRUCTION	10,000	---
RESCISSION	---	-20,000
ENERGY CONSERVATION INVESTMENT PROGRAM	150,000	150,000
PLANNING AND DESIGN		
DEFENSE LEVEL ACTIVITIES	47,978	47,978
DEPARTMENT OF DEFENSE DEPENDENT EDUCATION	105,569	105,569
NATIONAL SECURITY AGENCY	8,300	8,300
SPECIAL OPERATIONS COMMAND	27,620	27,620
TRICARE MANAGEMENT ACTIVITY	105,700	105,700
WASHINGTON HEADQUARTERS SERVICE	7,928	7,928
MISSILE DEFENSE AGENCY	4,548	4,548
DEFENSE INTELLIGENCE AGENCY	2,919	2,919
DEFENSE LOGISTICS AGENCY	5,000	5,000
SUBTOTAL, PLANNING AND DESIGN	315,562	315,562
UNSPECIFIED MINOR CONSTRUCTION		
DEFENSE LOGISTICS AGENCY	7,254	7,254
DEPARTMENT OF DEFENSE DEPENDENT EDUCATION	4,091	4,091
NATIONAL SECURITY AGENCY	3,000	3,000
JOINT CHIEFS OF STAFF	6,440	6,440
SPECIAL OPERATIONS COMMAND	10,000	10,000
TRICARE MANAGEMENT ACTIVITY	5,000	5,000
DEFENSE LEVEL ACTIVITIES	3,000	3,000
SUBTOTAL, UNSPECIFIED MINOR CONSTRUCTION	38,785	38,785
ARMY NATIONAL GUARD		
PLANNING AND DESIGN	26,622	26,622
MINOR CONSTRUCTION	15,057	15,057
AIR NATIONAL GUARD		
PLANNING AND DESIGN	4,000	4,000
MINOR CONSTRUCTION	5,900	5,900
ARMY RESERVE		
PLANNING AND DESIGN	15,951	15,951
MINOR CONSTRUCTION	10,895	10,895
NAVY RESERVE		
PLANNING AND DESIGN	2,118	2,118
AIR FORCE RESERVE		
PLANNING AND DESIGN	2,879	2,879
MINOR CONSTRUCTION	2,000	2,000
FAMILY HOUSING, ARMY		
PLANNING AND DESIGN	4,641	4,641
SUBTOTAL, CONSTRUCTION	4,641	4,641
OPERATION AND MAINTENANCE		
UTILITIES ACCOUNT	88,112	88,112
SERVICES ACCOUNT	13,487	13,487
MANAGEMENT ACCOUNT	56,970	56,970

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
MISCELLANEOUS ACCOUNT	620	620
FURNISHINGS ACCOUNT	31,785	31,785
LEASING	203,533	203,533
MAINTENANCE OF REAL PROPERTY	109,534	109,534
PRIVATIZATION SUPPORT COSTS	26,010	26,010
SUBTOTAL, OPERATION AND MAINTENANCE	530,051	530,051
FAMILY HOUSING, NAVY AND MARINE CORPS		
CONSTRUCTION IMPROVEMENTS	97,655	97,655
PLANNING AND DESIGN	4,527	4,527
SUBTOTAL, CONSTRUCTION	102,182	102,182
OPERATION AND MAINTENANCE		
UTILITIES ACCOUNT	80,860	80,860
SERVICES ACCOUNT	19,615	19,615
MANAGEMENT ACCOUNT	62,741	62,741
MISCELLANEOUS ACCOUNT	491	491
FURNISHINGS ACCOUNT	17,697	17,697
LEASING	83,774	83,774
MAINTENANCE OF REAL PROPERTY	85,254	85,254
PRIVATIZATION SUPPORT COSTS	27,798	27,798
SUBTOTAL, OPERATION AND MAINTENANCE	378,230	378,230
FAMILY HOUSING, AIR FORCE		
CONSTRUCTION IMPROVEMENTS	79,571	79,571
PLANNING AND DESIGN	4,253	4,253
SUBTOTAL, CONSTRUCTION	83,824	83,824
OPERATION AND MAINTENANCE		
UTILITIES ACCOUNT	75,662	75,662
MANAGEMENT ACCOUNT	55,002	55,002
SERVICES ACCOUNT	16,550	16,550
FURNISHINGS ACCOUNT	37,878	37,878
MISCELLANEOUS ACCOUNT	1,943	1,943
LEASING	62,730	62,730
MAINTENANCE	201,937	201,937
PRIVATIZATION SUPPORT COSTS	46,127	46,127
SUBTOTAL, OPERATION AND MAINTENANCE	497,829	497,829
FAMILY HOUSING, DEFENSE-WIDE		
OPERATION AND MAINTENANCE		
NATIONAL SECURITY AGENCY		
UTILITIES	12	12
FURNISHING	66	66
LEASING	10,822	10,822
MAINTENANCE OF REAL PROPERTY	73	73
DEFENSE INTELLIGENCE AGENCY		
FURNISHINGS	4,660	4,660
LEASING	35,333	35,333
DEFENSE LOGISTICS AGENCY		
UTILITIES	283	283
FURNISHINGS	422	422
MAINTENANCE OF REAL PROPERTY	567	567
SUBTOTAL, OPERATION AND MAINTENANCE	52,238	52,238
DOD FAMILY HOUSING IMPROVEMENT FUND	1,786	1,786

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
BASE REALIGNMENT AND CLOSURE		
BASE REALIGNMENT AND CLOSURE ACCOUNT, 1990	349,396	349,396
BASE REALIGNMENT AND CLOSURE ACCOUNT, 2005	126,697	126,697
RESCISSION BASE REALIGNMENT AND CLOSURE, 2005.....	---	-212,291
SUBTOTAL, BRAC.....	476,093	263,802
CIVILIAN PAY RAISE REDUCTION.....	---	-2,334

OVERSEAS CONTINGENCY OPERATIONS
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE
TITLE IV		
FY 2013 OVERSEAS CONTINGENCY OPERATIONS		
BAHRAIN ISLAND		
NAVY		
SW ASIA		
COMBINED DINING FACILITY	---	9,819
TRANSIENT QUARTERS	---	41,529
DJIBOUTI		
NAVY		
CAMP LEMONIER		
CONTAINERIZED LIVING AND WORK UNITS	---	7,510
FITNESS CENTER	---	26,960
GALLEY ADDITION AND WAREHOUSE	---	22,220
JOINT HQ/JOINT OPERATIONS CENTER FACILITY	---	42,730
RESCISSION FROM SECTION 2005 IN TITLE X OF P.L. 112-10 AND TITLE IV OF DIVISION H P.L. 112-74	---	-150,768
TOTAL	---	---

Note: Funding for these projects was requested and is displayed in title I, Military Construction. The recommendation provides the requested level of funding for these projects in title IV.

MINORITY VIEWS

The fiscal year 2013 Military Construction, Veterans' Administration and Related Agencies appropriations bill sufficiently funds critical military construction, family housing and quality of life improvements and enhancements for our brave men and women in uniform and their families. In addition, this bill provides adequate funding for VA programs, and it provides a satisfactory amount of funding for our heroes who have made the ultimate sacrifice and are honored in the battle monuments and cemeteries that are funded in this bill.

While the allocation for the fiscal year 2013 Military Construction, Veterans' Administration and Related Agencies appropriations bill is adequate, we are very disappointed that House Republicans walked away from the hard fought bipartisan agreement reached to establish a discretionary spending cap of $1.047 trillion for fiscal year 2013 and instead opted to create a new number, $19 billion below what we agreed to. This puts House Republicans at odds with the President, Democrats and Republicans in the Senate, and House Democrats who have all maintained that we must stick to the Budget Control Act allocation which is defined in statute. The lower allocation, if it stays in effect, will vastly slow down economic growth, impede job creation, and cause more uncertainty.

We believe that the position of House Republicans is unsustainable and that by the end of the process we will be back to the agreed upon allocation of $1.047 trillion with their breach of trust having only served to slow the process down.

During Full Committee consideration, the Committee adopted by voice vote an amendment to prohibit the use of Project Labor Agreements (PLA). The amendment nullifies the decision-making ability of the Department of Defense, Department of Veterans Affairs, American Battle Monuments Commission, Court of Appeals for Veterans Claims, and Arlington National Cemetery, to use a PLA business model. All of these agencies currently have two choices: either "yes" we want to use a PLA or "no" we don't want to use PLA. The new language does not allow them to make a "yes" or "no" choice. PLAs ensure that construction projects are built correctly the first time, on time, and as a result, on budget for the end user. In addition, PLAs prevent costly delays that usually result from an unskilled workforce's lack of knowledge regarding the use of building materials or tools as well as job site safety measures. By including the ban on PLAs, the bill will delay new construction and add to the end cost.

In conclusion, we commend the Chairman for his efforts in setting the funding levels in the bill and being receptive to Democratic Members' concerns; however, we are extremely disappointed that Republicans chose to include an ideological, divisive policy rider in a bill that is known for strong bipartisan support.

NORMAN D. DICKS.
SANFORD D. BISHOP, JR.

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