



COMMITTEE *on* APPROPRIATIONS

CHAIRMAN PATRICK LEAHY

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SUMMARY
SUBCOMMITTEE ON DEFENSE
FISCAL YEAR 2023 APPROPRIATIONS BILL
Chairman's Mark: July 28, 2022

Washington, D.C. – The bill provides \$792.1 billion for the Department of Defense and related activities. This amount is \$63.6 billion above the fiscal year 2022 enacted level, excluding emergency spending.

U.S. Senator Jon Tester (D-Montana), Chair of the Subcommittee on Defense, said:

“Over the past year, I’m proud to have taken extensive input from military leaders and worked with my colleagues to craft the Department of Defense Appropriations Act of 2023, which makes responsible and targeted investments to meet the urgent needs of our armed forces and national defense. This legislation will keep America safe by giving our troops a well-earned pay raise, ensuring our servicemen and women are well-trained and well-equipped with the most up-to-date technology, and shifting resources toward programs that’ll maintain our fighting edge over adversaries like China and Russia. Passing a budget on time is one of our best tools to fight inflation, so it’s critical that Congress gets this done quickly and avoids a continuing resolution, which would undermine our military and national security at a time when the world is looking to America for steadfast leadership.”

U.S. Senator Patrick Leahy (D-Vt.), Chair of the Senate Appropriations Committee, said:

“This bill modernizes our armed forces to address the evolving threats of the 21st Century, ensuring the Defense Department is able to compete with China and other adversaries across the globe. It includes additional funds to help address the consequences of inflation, which has impacted government programs at every level – both defense and non-defense. It supports the women and men in uniform by providing a well-earned pay raise and investing \$373 million in military family support programs. And it makes needed investments in the National Guard. This is a strong bill for our national security.

Key Points & Highlights: The bill prepares our military for strategic competition with near-peer adversaries, and ensures that the Department is able to compete with China. The bill recommends hundreds of adjustments to the budget request due to contract savings, program delays, duplicative efforts, under-execution, changes to acquisition or contracting strategies, or

requests for lower-priority efforts. The resultant savings, along with the Subcommittee's increased allocation, are re-invested to accelerate military capabilities and address urgent shortfalls in face of near-peer competition, with priorities placed in the following areas:

1. Increase the troops' and the Department's purchasing power in the face of rising inflation
2. Space
3. Defense Industrial Base, Supply Chain, and acquisition management
4. Infrastructure

Inflation: The bill includes \$53 billion to address higher inflation for acquisition programs, goods and services, and higher compensation costs, as well as an additional \$10.05 billion to address price escalation caused by higher-than-budgeted inflation, including:

- \$5 billion for fuel;
- \$2.1 billion for utilities, supplies and provisions for deployed forces, and materials;
- \$1.5 billion for acquisition programs;
- \$921 million for Basic Allowance for Housing;
- \$300 million for special and incentive pays; and
- \$228 million for Basic Allowance for Subsistence.

Space: The bill includes \$2.2 billion to accelerate the development and fielding of resilient space capabilities, by investing in a distributed space architecture and increased capability to track emerging threats such as hypersonic vehicles. These investments include:

- \$400 million to accelerate the U.S. Indo-Pacific Command low-earth orbit missile warning and missile tracking space vehicle acquisition;
- \$300 million to enhance the medium-earth orbit missile warning and missile tracking constellation to increase the number of orbital medium field of view planes that space vehicles will be operating on, thus increasing coverage in the polar regions;
- \$250 million for operational test and training infrastructure to fill a critical gap in training capabilities within the Space Force;
- \$250 million for on-board defensive measures for high-value space assets;
- \$216 million to procure two additional launches to accelerate the distribution of low-earth orbit satellites for the missile warning and missile tracking mission; and
- \$100 million for Tactically Responsive Launch efforts to continue a multi-year effort to field a rapid and dynamic launch capability.

Defense Industrial Base, Supply Chain, and Acquisition Management: The bill includes \$1.4 billion to expand industrial base capacity and support the supply chain across multiple munitions programs in the face of increased requirements. This includes:

- \$450 million to expand industrial capacity across missile procurement programs;
- \$250 million to modernize government-owned ammunition facilities;
- \$50 million to conduct vertical data integration pilots for munitions and fuel;
- \$45 million for diversification of the munitions supply chain;

- \$240 million for Department of Defense acquisition management initiatives to enable the workforce to improve oversight capabilities and achieve more effective and efficient outcomes for the warfighter and taxpayer; and
- Additional funding for Tomahawks, AARGM-ER, Small Diameter Bomb II, and Offensive Anti-Surface Warfare Inc II, to increase stockpiles in critical areas for potential future contingencies.

Infrastructure: The bill includes \$4.7 billion to upgrade degrading and outdated infrastructure, including:

- \$2.1 billion for facilities modernization and sustainment initiatives across the services;
- \$1.8 billion to modernize our nation’s critical test and evaluation infrastructure for emerging technologies, such as: hypersonics, the electromagnetic spectrum, directed energy, space, targets, data management, and artificial intelligence;
- \$380 million to enhance shipyard infrastructure for ongoing and future large surface combatant shipbuilding programs;
- \$300 million for the Navy’s public shipyards.

Other Initiatives: Additionally, the bill invests in our troops and our readiness by providing increases to the following important programs:

- The bill fully funds the 4.6 percent pay raise for our troops, and adds \$248 million for military family support programs, including: \$85 million for the National Guard Youth Challenge, \$50 million for Impact Aid, \$25 million for the Beyond Yellow Ribbon program, and \$20 million for Impact Aid for children with disabilities
- \$3 billion to improve readiness, including providing for increased training and maintenance activities;
- \$1.7 billion for 16 additional C-130J aircraft, to modernize 2 Air National Guard operational units;
- \$1.5 billion for the National Guard and Reserve Equipment Account;
- \$1.2 billion for medical research, including \$130 million for peer-reviewed cancer research, and \$130 million for peer-reviewed breast cancer research,
- \$805 million in special and incentive pays to help with recruitment and retention, as well as advertising and marketing;
- \$800 million for basic research, including \$400 million for the Defense University Research Instrumentation Program;
- \$741 million for the Missile Defense Agency, for a total of \$10.3 billion, including \$292.5 million to accelerate the development of hypersonic defenses;
- \$500 million to expand cooperative activities with allies and partners in the U.S. Southern Command and U.S. Africa Command area of operations;
- \$277 million for various cyber and artificial intelligence initiatives to continue implementing recommendations from the National Security Commission on Artificial Intelligence;
- \$245.9 million to address PFAS contamination on military bases and in neighboring communities, as well as \$81 million for aqueous film forming foam removal and disposal; and

- \$100 million for the Baltic Security Initiative which funds U.S. security cooperation programs with Estonia, Latvia, and Lithuania.

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