

July 14, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H.R. 12438 - Department of Defense Appropriation Authorization Act, 1977. This bill authorizes appropriations of \$32,522,202,000 for fiscal year 1977 for Defense activities relating to procurement of weapons systems and research, development, test and evaluation (RDT&E); prescribes military reserve, active duty, student training and Defense civilian personnel strength levels for 1977.

H.R. 12438 authorizes a fiscal year 1976 supplemental appropriation of \$8 million for RDT&E for repairs to the U. S. S. Belknap damaged in a Mediterranean collision. An additional \$213 million in repair and modernization funds is authorized for fiscal year 1977.

Manpower Strengths

The bill authorizes an end strength of 2,092,600 in active duty military personnel. This bill authorizes an average strength of not less than 96,500.

The Secretary of Defense is required to report to the Congress within sixty days on the allocation of the reduction to the military services.

Authorization of manpower strengths will:

- permit the President to allocate military pay increases among the various components of military pay on an other than equal percentage basis.
- limit to 60 days the amount of unused annual leave for which a member of the uniformed services may be reimbursed over the period of his career; and,
- extend to June 30, 1977, the authority to pay special bonuses to military and Public Health Service physicians who execute agreements to remain on active duty.

Some general provisions in the bill will:

- eliminate the 1 percent "kicker" from cost-of-living increases in annuities paid to uniformed services and CIA retirees.
- require the Secretary of Defense to consider "the cost, functions, quality, and availability of equipment to be procured" for U.S. forces in NATO in carrying out standardization of equipment with other NATO countries.
- require certain contracts for development or procurement of major defense systems to include deferred ordering clauses giving Defense the option to purchase related technical data and computer software packages from the contractor.
- increase from 1,200 to 1,600 the limit on the number of Junior ROTC units and allow more than one unit at any military institute; and
- express the sense of Congress that no action be taken to close any naval reserve training centers or facilities active as of March 1, 1976, until fiscal year 1977 appropriations for the Selected Reserve of the Naval Reserve are enacted into law.