

## 13. NATIONAL DEFENSE

**Table 13-1. FEDERAL RESOURCES IN SUPPORT OF NATIONAL DEFENSE**

(In millions of dollars)

Function 050	1998 Actual	Estimate					
		1999	2000	2001	2002	2003	2004
<b>Spending:</b>							
Discretionary Budget Authority ....	272,370	276,982	281,588	301,321	303,208	313,581	322,343
Mandatory Outlays:							
Existing law .....	-1,792	-815	-766	-614	-743	-710	-660
<b>Credit Activity:</b>							
Direct loan disbursements .....	.....	172	249	N/A	N/A	N/A	N/A
Guaranteed loans .....	25	32	37	N/A	N/A	N/A	N/A
<b>Tax Expenditures:</b>							
Existing law .....	2,095	2,120	2,140	2,160	2,180	2,200	2,220

N/A = Not available

The Federal Government will allocate \$281.6 billion in discretionary resources in 2000 to defend the United States, its citizens, its allies, and to protect and advance American interests around the world. National defense programs and activities ensure that the United States maintains strong, ready, and modern military forces to promote U.S. objectives in peacetime, deter conflict, and if necessary, successfully defend our Nation and its interests in wartime.

Over the past half-century, our defense program has deterred both conventional and nuclear attack on U.S. soil and brought a successful end to the Cold War. Today, the United States is the sole remaining superpower in the world, with military capabilities unsurpassed by any Nation. As the world's best trained and best equipped fighting force, the U.S. military continues to provide the strength and leadership that serve as the foundation upon which to promote peace, freedom, and prosperity around the globe.

### Department of Defense (DOD)

The DOD budget provides for the pay, training, operation, basing, and support of

U.S. military forces, and for the development and acquisition of modern equipment to:

Shape the international environment by maintaining U.S. defense forces at levels sufficient to undertake our strategy of engagement, and conducting programs to reduce weapons of mass destruction, prevent their proliferation, and combat terrorism;

Respond to the full spectrum of crises by deploying forces overseas and maintaining capabilities to mobilize forces stationed on U.S. soil;

Prepare for an uncertain future by giving U.S. forces the military hardware that employs the best available technologies; and

Ensure that the U.S. military remains the world's most prepared and capable force by sustaining force readiness levels and re-engineering business practices to improve operations.

To achieve these objectives, the defense program supports the following forces and activities.

**Conventional Forces:** Conventional forces include ground forces such as infantry and tank units; air forces such as tactical aircraft;

naval forces such as aircraft carriers, destroyers, and attack submarines; and Marine Corps expeditionary forces. The Nation needs conventional forces to deter aggression and, when that fails, to defeat it. Funds to support these forces cover pay and benefits for military personnel; the purchase, operation, and maintenance of conventional systems such as tanks, aircraft, and ships; the purchase of ammunition and spare parts; and training.

**Mobility Forces:** Mobility forces provide the airlift and sealift that transport military personnel and materiel throughout the world. They play a critical role in U.S. defense strategy and are a vital part of America's response to contingencies that range from humanitarian relief efforts to major theater wars. Airlift aircraft provide a flexible, rapid way to deploy forces and supplies quickly to distant regions, while sealift ships allow the deployment of large numbers of heavy forces together with their fuel and supplies. The mobility program also includes prepositioning equipment and supplies at sea or on land near the location of a potential crisis, allowing U.S. forces that must respond rapidly to crises overseas to quickly draw upon these prepositioned items.

**Strategic Nuclear Forces:** Strategic nuclear forces are also important to our military capability. They include land-based intercontinental ballistic missiles, submarine launched ballistic missiles, and long-range strategic bombers. Within treaty-imposed limits, the primary mission of strategic forces is to deter nuclear attack against the United States and its allies, and to convince potential adversaries that they will never gain a nuclear advantage against our Nation.

**Supporting Activities:** Supporting activities include research and development, communications, intelligence, training and medical services, central supply and maintenance, and other logistics activities. For example, the Defense Health Program provides health care through DOD facilities, as well as through the CHAMPUS medical insurance program and TRICARE, its companion program.

## DOD Performance

DOD's corporate goals derive from the key tenets of the U.S. national security strategy and form the basis of the performance

goals and measures presented here. Each performance goal reflects one aspect of DOD's corporate goals and together contribute to the overall assessment of the Department's performance.

**Shaping the International Environment and Responding to the Full Spectrum of Crises:** DOD's first performance goal is to shape the international environment by participating in international security organizations, such as NATO, and improving our ability to work cooperatively with our friends and allies. Such efforts are designed to promote regional stability and security, and reduce the threat of war. Their failure could lead to a major conflict affecting U.S. interests.

Also, DOD must be able to respond to the full spectrum of crises, from small-scale contingencies to two nearly simultaneous major theater wars.

Evaluating DOD's performance in this area includes an assessment of:

- The ability of U.S. forces to enhance and sustain security relationships with friends and allies, enhance coalition warfighting, promote regional stability and support U.S. regional security objectives, deter aggression, and prevent or reduce the threat of conflict. One measure of this is DOD's ability to conduct joint exercises. In 2000, DOD will conduct 146 combined military exercises.

The budget will support DOD's continued success in implementing programs that reduce the threat posed by weapons of mass destruction (WMD). To that end DOD's Cooperative Threat Reduction (CTR) activities, in concert with enhanced threat reduction programs in the Departments of Energy and State, will continue to assist the successor states of the former Soviet Union secure, dismantle and destroy weapons; and help these states prevent the proliferation of WMD-related material and expertise.

Overseas presence, mobility, and the sustaining of a capable force structure are also key to DOD's ability to respond effectively to crises. DOD's effectiveness will be determined, in part, by the ability of U.S. forces "forward deployed" (that is, on site around the world) and those deploying from U.S.

bases to rapidly converge at the scene of a potential conflict to deter hostilities and protect U.S. citizens and interests in times of crisis.

- The Army will maintain one mechanized division in the Pacific region and two divisions with elements in Europe.
- The Navy will maintain an overseas presence, defined by the percentage of time regions are covered by an aircraft carrier battle group, at 100 percent in the Pacific, 75 percent in Europe and 75 percent in Southwest Asia.
- The Air Force will maintain two fighter wing equivalents in the Pacific, one in Alaska, two in Europe and one in Southwest Asia.
- The Marine corps will cover the Pacific region with a Marine expeditionary unit or amphibious ready group one hundred percent of the time, Europe eighty percent of the time, and Southwest Asia 50 percent of the time.

DOD's current force structure was derived from the Quadrennial Defense Review (QDR) which was designed to respond to the full spectrum of crises, up to and including two major-theater wars. DOD acknowledges the impact of a high rate of operation on unit readiness. Therefore, DOD will closely monitor the pace of peacetime operations across the forces. In 2000, these measures include:

- The Army will maintain four active corps headquarters, 18 active and National Guard divisions, two active armored cavalry regiments, and 15 National Guard enhanced readiness brigades. The Army will lower the number of units deploying more than 120 days per year to zero.
- The Navy will maintain 11 aircraft wings, 12 amphibious ready groups, 12 aircraft carriers, 56 attack submarines, and 114 surface combatants. In addition, the Navy will reduce to zero the number of units not meeting its personnel tempo goal.
- The Air Force will maintain 20.2 Air Force Fighter wing equivalents, four air defense squadrons, and 187 bombers. The Air Force will lower the number of units de-

ploying more than 120 days per year to zero.

- The Marine Corps will maintain three marine expeditionary forces, three active and one reserve divisions, three active and one reserve air wings, and three active and one reserve force service support groups. The Marine Corps will lower to zero the number of units deploying more than 180 days per year over a 36-month scheduling period.

Remaining the world's most ready and capable force depends on four elements: ensuring the readiness of military units; retaining and recruiting high-quality personnel; strengthening and enhancing quality of life programs for military members and their families; and providing equal opportunity throughout the armed services.

DOD has identified specific milestones to measure progress and to monitor readiness levels in each area, such as the amount of training that individual units accomplish, the availability and operability of equipment, and the achievement of recruiting and retention goals.

- Several factors determine overall unit readiness, such as training, quality and availability of equipment, and number of personnel and, in 2000, DOD will ensure that all of its units meet their specified readiness goals.
- In 2000, on average, the Army will attain 800 tank miles per tank a year; active Air Force fighter crews will achieve 19.1 flying hours per crew a month; the Marine Corps will fully execute its mission training syllabus; and Navy ships will steam 50.5 days per quarter for deployed vessels and 28 days for non-deployed vessels.

Finally, the amount of sealift and airlift capacity must be sufficient to meet deployment time lines for deterring and defeating large-scale, cross-border aggression in two distant theaters in overlapping time frames, and to sustain U.S. forces engaged in two major theater wars.

- In 2000, DOD will attain an organic strategic airlift capability of 26 million ton

miles a day and will attain a surge sealift capacity of 8.7 million square feet.

***Preparing Now for an Uncertain Future:***

To achieve DOD's second corporate goal, U.S. forces must maintain a qualitative superiority over potential adversaries by pursuing a focused procurement and research and development program. DOD must transform the force by exploiting the Revolution in Military Affairs, and reengineer the Department to achieve a 21st Century infrastructure. (Chapter 11, "Supporting the World's Strongest Military Force," contains a description of major DOD acquisition deliverables.) Achieving this goal depends on ensuring that:

- DOD will recruit 203,000 new members of the armed services, and will obtain 60 percent of recruits from the top half of those tested for service.

As part of meeting this goal, DOD will follow the strategy of Joint Vision 2010, developed by the Chairman of the Joint Chiefs of Staff, to transform U.S. forces for the future, and it will exploit emerging communication, information and associated technologies to reshape the way it fights and prepares for war.

- DOD will acquire modern and capable weapon systems and will deliver them to U.S. forces in 25 percent less time, from 132 months in 1992 to 99 months in 2000, and will meet required performance specifications.
- Defense Technology Objectives (DTOs) guide both basic research and focused investment. In 2000, DOD will maintain 70 percent of DTOs on track.
- Joint experimentation is an aggressive new program designed to give insights into new operational concepts and validate their ability to meet future battlefield requirements. In 2000, DOD will conduct 14 joint experiments.

DOD must develop new, innovative approaches to manage infrastructure costs, improve the quality of health care, and capitalize on the revolution in business affairs. Following the end of the Cold War, the United States began a major reduction of its military forces. DOD's cuts in infrastructure costs, however,

have not kept pace. To make further cuts, DOD plans to adopt innovative management techniques and technological practices.

The Defense Health Program will work to improve the quality of health care provided to beneficiaries, expand their access to care, and contain the cost of that care to the Federal government. These goals will be achieved through continued measurement of health outcomes and customer satisfaction, partnerships with other Federal agencies as well as the private sector, and sizing the system to reflect the wartime and peacetime requirements more accurately.

As part of this goal, DOD must also transform its support functions. Therefore, DOD has identified specific measures around which to focus the reform of acquisition and business affairs.

By 2000, DOD will:

- Ensure that U.S. forces can achieve visibility of 90 percent of DOD materiel assets, while resupplying military peacekeepers and warfighters and reducing the 1997 average order-to-receipt time from 36 days to 18 days in 2000.
- Dispose of \$500 million in excess National Defense Stockpile inventories and reduce other supply inventories by \$53 billion.
- Dispose of 41 million cumulative square feet of excess real property.
- Award contracts for the construction of 41,000 privatized family housing units.
- Compete 50,000 positions under the OMB A-76 public-private sector competitions process.
- Limit the cost growth of major acquisition programs to less than one percent.
- Simplify purchasing and payment by using purchase card transactions for 90 percent of all DOD micropurchases, while re-engineering the requisitioning, funding, and ordering processes.
- Cut paper acquisition transactions by half from 1997 levels through electronic commerce and electronic data interchange.
- Eliminate layers of management by streamlining processes, while cutting

DOD's acquisition-related work force by 15 percent.

### **Department of Energy (DOE) Performance**

DOE contributes to our national security mainly by reducing the global danger from nuclear weapons and other weapons of mass destruction. DOE is committed to maintaining confidence in the nuclear weapons stockpile without testing, as required under the Comprehensive Test Ban Treaty; to strengthen the nuclear nonproliferation regime; to work with states of the former Soviet Union to improve control of nuclear materials; to develop improved technologies to detect, identify, and respond to the proliferation of weapons of mass destruction and illicit materials trafficking; and to clean up aggressively the environmental legacy of nuclear weapons programs.

The budget proposes \$12.3 billion to meet DOE's national security objectives, of which \$6.3 billion is for ongoing national security missions and \$6.0 billion addresses environmental cleanup activities.

DOE will achieve the following performance goals:

#### ***National Security***

- Meet all scheduled nuclear weapons alterations and modifications and certify to the President that standards for safety, reliability, and performance of the nuclear weapons stockpile are met.
- Demonstrate a computer code to perform 3-D analysis of the behavior of a nuclear weapons primary, including the prediction of total explosive yield.
- Dismantle about 375 nuclear warheads that have been removed from the U.S. nuclear weapons stockpile.
- Begin to implement a bilateral agreement with Russia for disposing of surplus weapons plutonium.
- Continue upgrades to protect fissile materials at over 50 sites in Russia including five uranium and plutonium processing sites, three nuclear weapons complex sites, and 10 Russian Navy projects; and create civilian ventures in Russia's formerly

closed nuclear cities to block nuclear smuggling.

### ***Environmental Quality***

- Complete 200 release site assessments. A release site is a specific location where hazardous, radioactive, or mixed waste has or is suspected to have occurred.
- Clean up 200 release sites, bringing the number completed to more than 4,500 of a total inventory of approximately 9,300 release sites.
- Complete 400 facility decommissioning assessments.
- Decommission 110 facilities, increasing the number completed to 730 of approximately 2,850 facilities.

### ***Other Defense-Related Activities***

Other activities that support national defense and that are implementing performance measurement include programs involving the:

- Coast Guard, which supports the defense mission through overseas deployments for engagements with friends and allies, port security teams, boarding and inspection teams for enforcing U.N. sanctions, training, aids to navigation, international icebreaking, equipment maintenance, and support of the Coast Guard Reserve;
- Federal Bureau of Investigation, which conducts counterintelligence and surveillance activities;
- Maritime Administration, which helps maintain a fleet of active, military useful, privately owned U.S. vessels that would be available in times of national emergency;
- Arlington National Cemetery, which is developing an expansion plan for using contiguous land sites that will be vacated by the Army, Navy, and Marine Corps; and
- Selective Service System, which is modernizing its registration process to promote military recruiting among registrants. This spirit of volunteerism will be achieved in partnership with the America's Promise group, private corporations, and the armed services.

### Accurately Recognizing and Reporting Veterans Benefits

The Nation has long viewed veterans programs as a key way to attract the high-quality people needed for our volunteer armed forces. Americans recognize veterans benefits as an appropriate part of the compensation provided for service in the military. Veterans programs are inextricably linked with national defense; without defense, veterans programs would not exist.

Because the Veterans Affairs Department funds and administers these benefits, however, the Federal Government has accounted for them differently than other defense-related budget costs. They appear in the budget's Veterans Benefits and Services function, not the National Defense function. Also, the budget does not report the full size of these obligations. Rather than recognize the benefits and future Federal obligations that military members earn through their service, the budget reports only the amounts paid in a single year to veterans. Thus, neither the Defense Department (DOD) nor Congress gets a full picture of defense personnel costs when making decisions about the size and scope of our military, making it far harder to consider which package of benefits might best attract and retain quality military personnel. Finally, the 1993 Government Performance and Results Act encourages policy makers to align missions and related Government programs in the budget.

The Administration, which plans to work with Congress this year to address this problem, believes that any of the following four options would improve the current budgetary treatment of veterans programs, enabling the Government to more accurately measure the true cost of our national defense: (1) move the veterans-related discretionary accounts into the Defense function; (2) fund veterans entitlements on an accrual basis in DOD's budget and fund discretionary veterans programs in the Defense function; (3) fund veterans entitlements on an accrual basis in DOD's budget and display veterans spending in related functions (e.g., Education); or (4) fund veterans entitlements on an accrual basis in DOD's budget and continue to reflect veterans spending in its current function.

Table 13-2 below shows the estimated annual charges to DOD's military personnel account from pre-funding veterans benefits.

**Table 13-2. ACCRUING VA BENEFITS FOR CURRENT MILITARY PERSONNEL**

(Notional Costs of Accruing and Actuarially Funding VA Benefits in DOD Budget)

Program	Percentage of DOD Basic Pay <sup>2</sup>	2000 DOD Notional Cost (in millions of dollars)
VA Compensation .....	11.6%	4,482
Active Duty Education .....	2.0%	773
VA Loans .....	0.2%	77
Vocational Rehabilitation and Counseling .....	0.9%	348
VA Pensions .....	2.5%	966
VA Burial .....	0.1%	39
<b>Total VA Benefits .....</b>	<b>17.3%</b>	<b>6,684</b>

<sup>1</sup> For a more detailed discussion of veterans programs, see Chapter 27, "Veterans Benefits and Services."

<sup>2</sup> Basic pay for military personnel does not include benefits, special and incentive pay or bonuses, or housing and subsistence allowances.