

9. SUPPORTING THE WORLD'S STRONGEST MILITARY FORCE

The more we ask of our Armed Forces, the greater our obligation to give them the support, training, and equipment they need. We have a responsibility to give them the tools to take on new missions while maintaining their readiness to defend our country and defeat any adversary; to make sure they can deploy away from home, knowing their families have the quality of life they deserve; to attract talented young Americans to serve; and, to make certain their service is not only rewarding, but well rewarded from recruitment to retirement.

President Clinton
October 1999

At the dawn of this new century, our Nation is in many ways safer and more secure than ever before. The Cold War is over and the once-constant threat of global warfare continues to recede. In this time of relative stability, the United States is strengthening its partnerships with countries that only a decade ago were our sworn adversaries. Yet, despite these remarkable events, the United States still faces enemies who would strike against this Nation using traditional military force or with emerging and increasingly complex weapons of terrorism.

The U.S. military remains the foundation of the Nation's security and defense strategy. As the global leader of the international community, the United States must keep its military ready and modernize its forces to maintain technological advantage. As a Nation, we must provide our military with the necessary support to carry out each mission.

In the past year, President Clinton took significant steps to ensure that our Nation's military is fully prepared to meet the challenges of this new century. He initiated

a long-term, sustained increase in defense spending by providing additional resources of \$112 billion over six years to protect our high level of military readiness and to procure modern and effective weapons systems.

Recently, the U.S. military demonstrated its superior readiness and capability by successfully completing operation Allied Force/Noble Anvil in Kosovo. Our triumph in Kosovo put an end to the vicious ethnic cleansing in Kosovo, forced the withdrawal of all Serbian military, paramilitary, and police forces from the province, permitted the safe and free return of all refugees, and established an international presence to secure freedom and peace within the province.

The 2001 Budget will ensure that military capability remains first rate for years to come. It also provides significant resources to ensure that we keep pace with the latest advances to protect against and prepare for new and emerging threats, including the potential use of chemical and biological weapons, other weapons of mass destruction, and efforts to weaken the critical infrastructure of the Nation.

The Quadrennial Defense Review

The military's responsibilities have become more complex and diverse in the post-Cold War era. In 1997, the Department of Defense's Quadrennial Defense Review (QDR) embraced a defense strategy designed to respond to the following threats:

- regional dangers, such as coercion and large-scale cross border aggression, as well as military challenges created by failed states, as in the case of Yugoslavia;
- the proliferation of advanced conventional weapons and nuclear, biological, and chemical weapons technologies and their delivery systems, which can be used by the military forces of other nations or by terrorists;
- transnational dangers, such as the spread of illegal drugs, organized crime, terrorism, uncontrolled refugee migration, and threats to the environment; and,
- direct attacks on the U.S. homeland from weapons of mass destruction, including nuclear, chemical, and biological weapons, terrorism, and information warfare.

The Department's next QDR in 2001 is an opportunity to develop long-term national security planning in this more complex and diverse threat environment. Planners must think broadly about how to maintain and advance our capabilities and take full advantage of rapid technological advances. The next QDR offers a vehicle for updating doctrine, force structure, and weapons systems by investing in quantum-leap capabilities and technologies.

This budget sustains the current high levels of military readiness; increases procurement of modern, effective weapons systems; and, provides pay, benefits, and quality of life improvements for our servicemen and women, including a major initiative to reduce servicemembers out-of-pocket housing costs. In doing so, it also fully supports the goals set forth in the Department of Defense's (DOD) most recent Quadrennial Defense Review (see Table 9-1). In particular, it provides significant resources for four critical areas:

- enhancing the military's ability to respond to crises with robust funding for training, spare parts, and weapons maintenance activities critical to unit readiness;
- building for the future by acquiring advanced weapons such as the F-22 fighter aircraft;
- investing in research, equipment and training to prepare the military to deter and respond to emerging threats such as weapons of mass destruction; and,
- supporting military personnel and their families by enhancing their quality of life, thereby strengthening recruitment and retention.

As the Nation's Armed Forces prepare to meet the many challenges of tomorrow, it is equally vital to ensure that resources enable our military forces to meet the missions of today. For this reason, the President has determined that additional resources are necessary to cover the costs of contingency operations in Bosnia, Kosovo, and Southwest Asia. In addition, the Administration is proposing additional resources to mitigate the impact of higher fuel costs.

Providing the Necessary Funding

The Administration has carefully calibrated the defense budget to respond to evolving military needs. In fact, since 1993, the President has consistently increased the defense budget to meet these needs. Last year's defense budget request included an increase of \$112 billion for the 2000-2005 period to enhance these capabilities.

For DOD this year, the budget proposes discretionary funding of \$292.2 billion in budget authority and \$278.6 billion in outlays for 2001. This represents an increase of \$11.3 billion over the proposed 2000 level (see Table 9-2), and \$4.8 billion over the 2001 level assumed in the 2000 Budget. During the 2001-2005 period, funding for DOD will total \$1,516.6 billion, an increase

Table 9-1. Military Force Trends

	1990	2001	QDR Target
Army:			
Divisions (active/National Guard)	18/10	10 ¹ /8 ²	10 ¹ /8 ²
Air Force:			
Fighter wings (active/reserve)	24/12	12+/7+	12+/8
Navy:			
Aircraft carriers (active/reserve)	15/1	12/0 ³	11/1
Air wings (active/reserve)	13/2	10/1	10/1
Total battle force ships ⁴	546	316	306
Marine Corps:			
Divisions (active/reserve)	3/1	3/1	3/1
Wings (active/reserve)	3/1	3/1	3/1
Strategic nuclear forces:			
Intercontinental ballistic missiles/warheads	1,000/2,450	550/2,000	500/500 ⁵
Ballistic missile submarines	31	Not over 18	14 ⁵
Sea-launched ballistic missiles/warheads	568/4,864	432/3,456	336/not over 1,750 ⁵
Heavy bombers	324	96 ⁶	92 ^{6,7}
Military personnel:			
Active	2,069,000	1,381,600	1,367,600
Selected reserve	1,128,000 ⁸	865,700	837,200

¹ Plus two armored cavalry regiments.

² Plus 18 separate brigades (15 of which are at enhanced readiness levels).

³ The JFK was redesignated as an active duty carrier to meet forward presence commitments and to stabilize rotation plans to meet active duty OPTEMPO and PERSTEMPO requirements.

⁴ Includes active and reserve ships of the following types: aircraft carriers, surface combatants, submarines, amphibious warfare ships, mine warfare ships, combat logistics force, and other support ships.

⁵ Upon entry-into-force of START II.

⁶ Does not include 95 B-1 bombers dedicated to conventional missions.

⁷ Does not include five additional attrition reserve B-52s added by the Air Force in 1999.

⁸ Does not include 25,652 Selected Reserve personnel called to active duty under Title 10 U.S.C. Section 6736 for Operation Desert Shield/Storm.

of \$11.8 billion above the levels assumed for these years in the 2000 Budget. These additional resources allow DOD to meet its critical readiness, personnel, and modernization needs. The budget also proposes emergency supplemental appropriations totaling \$2.3 billion to cover 2000 Kosovo operations, purchase a support aircraft for the Foreign Emergency Support Team, fund DOD's portion of increased assistance to Colombia, support U.S. operations in East Timor, and repair buildings damaged by Hurricane Floyd.

Enhancing Military Readiness and Operations

Ensuring Adequate Resources: Maintaining the current high levels of readiness is our

top defense priority. Building on the major increases contained in the President's defense funding plan of last year, the budget provides a \$5.4 billion increase in 2001 and an \$11.0 billion increase over five years, as compared to 2000 Budget funding levels for the same time period. These resources will enable the Services to support unit operations and joint exercises, meet their required training standards, maintain their equipment in top condition, recruit and retain quality personnel, and procure sufficient spare parts and other equipment.

DOD continues to monitor its current and future military readiness through the Senior Readiness Oversight Council and the Joint Monthly Readiness Review process, which

Table 9-2. Department of Defense Funding Levels

(Budget authority, in billions of dollars)

	1993 Actual	1999 Actual	2000 Estimate	2001 Proposed	Change: 1993 to 2001	Change: 2000 to 2001
Defense Discretionary Program Level	262.4	274.6	280.9	292.2	+29.8	+11.3

ensure that the senior DOD leadership remains well informed about force preparedness issues.

Ensuring Successful Contingency Operations: The budget proposes \$4.4 billion in 2001 for ongoing contingency operations—limited military operations in conjunction with our allies—in Southwest Asia, Bosnia, and Kosovo. Congressional approval for this funding is essential to preserve DOD's core operation and maintenance programs. In the absence of congressional approval, DOD would have to redirect funds from core programs, running the risk of undermining the readiness of our fighting forces.

Improving Military Recruitment: Sustained effective recruiting is essential for the U.S. military to maintain a force with the appropriate distribution of skills and experience. Funding for active duty recruiting and advertising has been increased to all-time highs to ensure that the Armed Forces achieve their recruiting goals in 2000 and 2001. These increases are necessary to attract qualified applicants at a time when the economy is growing, unemployment is low, and the number of high school graduates attending college is on the rise.

Shaping the Strategic Landscape Through Arms Control and Cooperative Threat Reduction: The President remains firmly committed to reducing the threat from weapons of mass destruction (WMD) through arms control and cooperative threat reduction efforts. To that end, the Strategic Arms Reduction Treaty (START) process remains a high priority of U.S. foreign, security, and non-proliferation policy. While implementing START I, the Administration continues its work to bring the START II treaty into force and to

begin negotiation of further strategic arms reductions following Russian ratification of START II.

Furthermore, the Administration is discussing with Russia modifications to the Anti-Ballistic Missile Treaty that would support the possible deployment of a limited national missile defense system to counter threats from hostile rogue nations without undermining strategic stability or deterrence. In addition, the Administration will work with members of the Senate to gain ratification of the Comprehensive Test Ban Treaty and maintain its leadership in international arms control issues. The Administration also is committed to seeking a Protocol that will enhance transparency and help strengthen compliance with the Biological Weapons and Toxins Convention.

In addition, the Administration continues its substantial threat reduction assistance programs in Russia and other states of the former Soviet Union to mitigate the danger posed by WMD, the proliferation of their fissile material components, and the scientific expertise behind them. The budget proposes nearly \$1.0 billion for programs managed by DOD and the Departments of Energy (DOE) and State for this comprehensive and aggressive program. The DOD portion of this effort totals \$469 million.

Countering Asymmetric Threats: The budget increases funding to enhance the Department's capability to counter asymmetric threats such as terrorism, proliferation and use of WMD, and threats to our critical infrastructure. Adversaries are expected to rely increasingly on these unconventional strategies to offset U.S. military superiority. The budget provides over \$5 billion for programs to combat

terrorism. Enhancements include improved awareness and training programs, worldwide vulnerability assessments, parallel standards for force protection, and increased resources for offensive means to deter, defeat, and respond to terrorist attacks wherever they may occur. Funding of nearly \$1 billion for counterproliferation and defense against WMD programs improves our ability to locate and destroy chemical and biological weapons before they can be used and to defend against and manage the consequences of a WMD attack. The budget also proposes increased resources to protect critical infrastructures that support national security requirements, bringing this funding to almost \$1.5 billion.

Executing Counter-drug Programs: DOD participates in the National Drug Control Strategy to stem the flow of illegal drugs into the country and to reduce demand. DOD's primary missions are: assisting domestic and foreign law enforcement in eliminating drug supply sources, detecting and monitoring aerial and maritime transit of illegal drugs, collecting and analyzing foreign intelligence, and supporting the activities of the National Guard under State counter-drug programs. Also, DOD continues to fight illegal drug use in the military through prevention, education, and testing. The budget proposes \$1.1 billion for DOD's counter-drug efforts. In particular, DOD is actively contributing to a program to help the Colombian government combat the growing threat of drug production and trafficking. DOD's assistance will significantly reinforce President Andres Pastrana's democratically elected government's efforts to eliminate the narco-traffickers' threats to local and regional stability.

Providing Humanitarian and Disaster Assistance: The budget increases funding for DOD to respond to international humanitarian crises and disasters. U.S. military forces' global presence and unique capabilities enable it to provide needed assistance at the request of the President, the Secretary of State or regional commanders, and in coordination with other Federal agencies and non-governmental organizations. DOD's quick response in Central and South America to Hurricane Mitch saved thousands of lives and helped our neighbors to the South recover their livelihoods, ultimately contributing to the stability of the re-

gion. The proposed \$64.9 million for the Overseas Humanitarian, Disaster, and Civic Aid account will fund humanitarian activities carried out by military personnel; transportation and distribution of relief supplies and equipment; and, humanitarian demining and mine awareness training programs in 26 countries.

Maintaining the Nation's Nuclear Deterrent: Nuclear weapons serve as a bulwark against an uncertain future, a guarantee of our security commitments to allies, and a disincentive to those who would contemplate developing or otherwise acquiring their own nuclear weapons.

The budget proposes \$4.7 billion for DOE to maintain the safety and reliability of the nuclear weapons stockpile without nuclear testing. As part of this program, DOE is building non-nuclear test facilities and developing computer codes to simulate nuclear explosions to predict the performance of the weapons and help assure their safety and reliability.

In October 1999, Congress reorganized DOE, creating the National Nuclear Security Administration (NNSA) to administer the Department's national security functions. The budget adopts a new account structure to reflect this reorganization. However, much work remains to transfer specific projects, programs, and assets to the new NNSA, and the Administration will continue to work on this implementation and will inform the public and Congress of progress in this area in accordance with the 2000 National Defense Authorization Act.

Modernizing the Force to Win Future Wars and Successfully Execute Contingency Missions

Preparing Our Armed Forces Through Modernization: Maintaining the military forces that are necessary to deter and win wars and to successfully execute all contingency missions that may arise requires a healthy modernization program combined with a concerted effort to take advantage of the emerging Revolution in Military Affairs (RMA). In the 1970s and 1980s, the Nation invested heavily in a wide range of equipment, including fighter aircraft, attack submarines, surface ships, helicopters, and armored vehi-

cles. This investment enabled us to reduce weapons purchases and total defense spending in the early 1990s as the Cold War ended. But the equipment bought in those prior two decades—the backbone of today's forces—is approaching the end of its anticipated service life and must be replaced. As these systems age, keeping them combat-ready becomes more difficult and costly, while their ability to dominate the battlespace with ease has decreased. Therefore, weapons system modernization—both in the form of upgrades to existing systems and in research, development, and procurement of completely new systems—continues to be a high Administration priority.

An integral part of our modernization program is a long term effort to transform the military. This transformation will capitalize on the emerging RMA made possible by rapid advancements in technology. The RMA's goal is to effectively exploit technological advances through innovative operational concepts and new organizational arrangements, thereby allowing U.S. forces to be smaller, faster, more agile, more precise, more lethal, and better protected.

The last QDR determined that the Department needs roughly \$60 billion per year in weapons procurement funding, beginning in 2001, to modernize U.S. forces and maintain the decisive advantage manifested by equipment already in the force. The budget achieves that goal by providing \$60.3 billion for the 2001 procurement program, \$6.1 billion more than the 2000 level.

In addition, the budget provides \$7.5 billion (as part of a total Research, Development, Test and Evaluation, or RDT&E, funding level of \$37.8 billion) to fund basic and applied research and development of advanced technologies. The Science and Technology (S&T) program will lay the groundwork for fielding next-generation systems and will help U.S. forces avoid technological surprise from future adversaries. S&T funding supports several interagency initiatives, including Critical Infrastructure Protection, support to civil authorities for preparedness against WMD,

Nanotechnology, and Information Technology. The Administration has supported these S&T programs strongly in the past seven years, providing funding comparable to that during the Cold War. S&T activities—and the educational activities that they support directly and indirectly—also are vital to the Nation's strength in engineering, mathematics, and computer science.

Modernizing Ground Forces: Army modernization efforts will address the need to maintain a force capable of accomplishing a wide range of missions from contingencies, such as operations in Kosovo and Bosnia, to its primary mission of defeating adversaries in a major theater war. To that end, the budget supports the initial year of a plan to implement a fundamental transformation of units so that they can deploy more easily than heavy tank and mechanized infantry divisions, yet possess greater lethality than light infantry divisions. Lessons learned from experiments in the next year will dictate the scope and pace of the transformation. During 2001, the Army plans to award the initial contract for the Medium Armored Vehicle (MAV), the cornerstone of the transformed units. The budget proposes \$542 million in 2001 and \$4.3 billion over the 2001–2005 period for the MAV.

Another key element of this transformation includes modernization programs to incorporate digital communications equipment into weapons systems to strengthen battlefield planning and execution. This and other upgrades to existing combat equipment will allow our ground forces to maintain a clear advantage over potential opponents. Furthermore, the Army will extend the useful life and improve battlefield performance of primary combat systems by integrating new navigation and data transfer technology, improving weapons and targeting systems, and augmenting vehicle protection systems. For example, the budget proposes \$513 million to upgrade the Abrams tank, \$381 million to improve the Bradley Fighting Vehicle, and \$744 million to procure Apache Longbow helicopters.

Combating Emerging Threats

Emerging threats such as weapons of mass destruction (WMD) and cyberattack challenge traditional concepts of national security. Although the Department of Defense plays a key role in protecting the Nation from these asymmetric threats, a comprehensive defense demands the expertise and participation of many agencies throughout the Government. The Administration has worked to strengthen and coordinate each agency's contribution to this effort. Funding to combat terrorism overall has steadily increased over the past four years—up by 40 percent—while funding for new missions such as WMD preparedness and critical infrastructure protection has doubled in that time. The 2001 Budget proposes increases in each of these areas:

Terrorism: Both domestic and international terrorism continue to threaten the security of American citizens. The budget provides \$9 billion to combat terrorism, of which \$5 billion would support the Defense Department's terrorism-related and force protection efforts; \$1 billion would fund ongoing law enforcement activities in the Department of Justice; \$1 billion would fund security initiatives for our embassies overseas; and, \$100 million would support recommendations of the White House Commission on Aviation Safety and Security for explosives detection equipment.

Weapons of mass destruction preparedness: The budget sustains the Administration's commitment to programs to deter terrorist incidents involving chemical, biological, radiological, or nuclear weapons and to manage the consequences should such an incident occur. Of the total for combating terrorism, the budget proposes \$1.4 billion, including \$300 million for programs to train and equip first responders to manage a WMD incident; \$140 million to prepare for the health and medical consequences of an incident; and, \$145 million for specialized Federal response teams in the Departments of Defense, Health and Human Services, Energy, and others. The budget also expands research and development (R&D) efforts for tools and techniques to prevent, detect, and respond to the release of a WMD. Initiatives include \$30 million for the Department of Agriculture to protect the security of the Nation's food supply and \$127 million for expansion of laboratory infrastructure at the Centers for Disease Control and Prevention.

Critical infrastructure protection/cyber crime: The budget proposes over \$2 billion for critical infrastructure protection. These funds support a national effort to assure the security of infrastructures in both the Government and the private sector that are necessary to ensure our national security, economic security, and public health and safety. The proposed funding for 2001 represents a 15-percent increase over 2000 funding, including a 30-percent increase for R&D programs to develop the tools needed for effective infrastructure protection. Of the total, \$1.7 billion protects Federal systems and ensures our ability to provide essential Government services to the public. About \$300 million funds agency efforts to provide assistance to the private sector, where most of the Nation's critical infrastructure resides. New efforts include \$50 million to establish an R&D institute, the Institute for Information Infrastructure Protection, to work collaboratively with industry on new infrastructure protection technologies and a \$25 million program to ensure availability of highly-trained information security personnel in Federal agencies.

The centerpiece of the Marine Corps modernization program is the V-22 tilt-rotor aircraft that will replace aging helicopters now used to transport troops and equipment. The budget provides \$1.2 billion to procure 16 V-22s, which will have increased range, payload, and speed to significantly enhance Marine Corps tactical operations.

The budget also funds critical development programs which will be procured in the middle of this decade, including \$614 million

for the Army's Comanche helicopter for armed reconnaissance, and \$138 million for the Marine's Advanced Amphibious Assault Vehicle.

Modernizing Naval Forces: The budget continues procurement of several ship classes, including \$3.1 billion for three DDG-51 Aegis Destroyers, and \$1.5 billion for two LPD-17 Amphibious Transport Dock ships. The Navy budget funds modernization of the nuclear aircraft carrier fleet by providing \$4.1 billion to

procure the tenth Nimitz-class nuclear aircraft carrier and \$700 million to fund the first phase of refueling and modernization efforts for the second Nimitz-class carrier. This overhaul will enable the ship to stay in service for another 25 years. The budget also provides funds to procure the third Virginia-class nuclear attack submarine. In addition, the Navy is undertaking long-term development efforts to design the next generation of destroyers and aircraft carriers, to be procured in the middle of this decade. Both of these new ship classes will take advantage of innovative technologies and will be less expensive to operate than their predecessors.

To defend against missiles and aircraft, the budget continues procurement of the Standard Missile. The budget also supports the development of the Tactical Tomahawk, an improvement to the current Block III version of the Nation's premier sea-based land attack missile. The budget supports investments in ship self-defense to provide close anti-air defense for surface ships, and in gun and missile technologies to improve the Navy's delivery of fire support to Marines and soldiers ashore.

Modernizing Air Forces: For the United States to maintain its ability to dominate battles, substantial investment in new tactical combat aircraft is necessary. The budget supports three new aircraft programs. First, it provides \$3.1 billion for production of 42 F/A-18E/F Super Hornets, which will become the Navy's principal fighter/attack aircraft. Second, it funds procurement of the first production lot of 10 F-22 Raptors, the Air Force's new air superiority fighter, at a cost of \$2.5 billion. Full-rate production of the F-22 should be achieved early in this decade. Third, \$857 million is provided to start advanced development and to continue research into new materials and manufacturing processes for the Joint Strike Fighter (JSF). The JSF is DOD's largest, most ambitious tactical aircraft program and is designed to produce a family of aircraft for the Air Force, Navy, and Marine Corps. It is scheduled to start replacing about 3,000 aging aircraft (F-16s, F/A-18C/Ds and AV-8Bs) in 2005.

Joint missile procurement programs include the Advanced Medium Range Air-to-Air Mis-

sile and the Joint Standoff Weapon. Procurement continues for the Joint Direct Attack Munition—an inexpensive guidance kit which transforms unguided bombs into accurate munitions. In addition, the Navy's program to upgrade the guidance and ordnance sections of its Standoff Land Attack Missiles continues. The budget also funds RDT&E for various joint munitions programs of the future, such as the AIM-9X Sidewinder air-to-air missile and the Joint Air-to-Surface Standoff Missile.

Defending Against Strategic Ballistic Missiles: The Administration intends to determine in 2000 whether to deploy a limited National Missile Defense (NMD) against ballistic missile threats to the United States from rogue nations. This decision will be based on an assessment of four factors: (1) whether the threat is materializing; (2) the status of the technology based on an initial series of rigorous flight tests, and the proposed system's operational effectiveness; (3) whether the system is affordable; and, (4) the implications that going forward with NMD deployment would hold for the overall strategic environment and our arms control objectives, including efforts to achieve further reductions in strategic nuclear arms under START II and START III. The budget proposes \$1.9 billion in 2001 for development, procurement, and construction of a NMD system to defend all 50 States against a limited ballistic missile attack. The budget includes sufficient funding so that if the Administration decides in 2000 to proceed with deployment of a limited system, the resources will be available to quickly proceed toward a 2005 initial capability. The Administration's long-range defense plan now provides a total of about \$10.4 billion in 2001-2005 for NMD. This plan includes additional funding to expand the NMD capability to counter the expected rogue threat.

Developing Missile Defense Technologies and Defending Against Theater Ballistic Missiles: The budget proposes \$2.8 billion for other missile defense technologies and systems, including \$1.9 billion for theater systems to defend against missiles that directly threaten deployed U.S. and allied forces. While the funding is primarily for research and development of advanced systems to meet future threats, it includes \$0.4 billion in procurement,

most of which will be used to purchase an advanced version of the Patriot missile.

Modernizing Space Systems: The budget provides funding for improved space-based communications and strategic and theater missile warning and defense. It also provides funding to support positioning and navigation, weather monitoring, and launch systems that will meet the needs of both military and civilian users. For example, DOD is funding upgrades to the Global Positioning System navigation satellites to allow the United States to maintain a military advantage while providing enhanced navigation capabilities to civilian users worldwide. In addition, DOD and its industry partners are developing the Evolved Expendable Launch Vehicles to provide more efficient, economical access to space.

Establishing Information Dominance: America's preeminence in using information on the battlefield has helped us establish the world's strongest military. Commanders who can better observe and analyze the battle while disseminating highly accurate information to their forces have a powerful advantage over the adversary. Joint Vision 2010, DOD's vision for the future, focuses on the continued development of command, control, communications, computers, intelligence, surveillance, and reconnaissance capabilities. This effort will enhance the accuracy of weapons and allow more effective use of forces. The Army plans to "digitize" a corps by calendar year 2004—that is, equip it so that accurate, timely information about the battle can be transferred rapidly among U.S. forces. The budget includes funding for Navy and Air Force automated command and control systems, and land and space-based communications networks. It also includes funds for battlefield surveillance assets, such as unmanned aerial vehicles for all military departments, and national sensors to help our leaders better anticipate, monitor, and respond to crises. Finally, the budget funds initiatives that will improve the production and dissemination of information by coalescing disparate sets of data. These initiatives will play a key role in improving both military

operations and national security decision-making, and will enable commanders to direct the battle and respond to threats more effectively.

Taking Care of Military Personnel and Their Families

Enhancing Pay and Compensation: Members of our Armed Forces are called upon continually to make personal sacrifices for the Nation's security. It is essential that the Nation show support for their service by enhancing their quality of life and that of their families. Therefore, the budget proposes a 3.7 percent pay raise, effective January 2001—as authorized in law—to ensure that military compensation remains competitive with private sector pay and the military services may continue to attract and retain high-quality personnel.

Improving Other Quality of Life Programs: The budget includes substantial funding to improve the quality of health care, military housing, and dependents' programs. Enhancements to these family support programs aim to reduce the stresses associated with military life, such as frequent family separations. The budget includes a major initiative to reduce servicemembers' out-of-pocket costs for housing, making local community housing more affordable. The budget increases educational funding in order to accelerate the implementation of full-day kindergarten in DOD schools overseas and the reduction of the pupil-to-teacher ratio to 18:1 in grades one to three in all domestic and overseas DOD schools.

Supporting Our Nation's Youth: The National Guard's Youth ChalleNGe program is a civilian youth opportunity program that provides military-based training, including supervised work experience in community service and conservation projects, to young people who have left secondary school prior to graduation. This activity provides life skills and experiences that enhance the employment potential of those participating in the program. For 2001, the budget sustains funding for this program at a level of \$63 million.

Managing Our Defense Resources More Efficiently

Pursuing Competitive Sourcing: DOD is implementing an aggressive competitive sourcing program for its infrastructure and support activities, including base utility services, general base operations, family housing, logistics support, training, property maintenance, and distribution depots. These functions, if retained by the government after competition, can be performed by both civilian and military personnel. Even after DOD exempts certain functions from competition for national security purposes, competitive sourcing will produce estimated savings of \$11.6 billion from 1999 to 2005, with savings thereafter of more than \$3.4 billion annually.

Privatizing Military Family Housing: DOD has made a great deal of progress under the Military Housing Privatization Initiative, having privatized over 1,000 housing units by 1998 and nearly 2,700 units in 1999. DOD is working on privatizing an additional 21,600 units in 2000, and expects to privatize a cumulative total of more than 31,500 housing units by the end of 2001.

Eliminating Excess Infrastructure: Because infrastructure reductions have lagged behind force reductions, DOD has facilities that it no longer needs. These excess facilities drain resources that could otherwise support modernization, readiness, and quality of life. For three years in a row, DOD has submitted to Congress legislation to close additional bases in order to reduce the excess infrastructure. Unfortunately, Congress has failed to approve this legislation despite data that additional base closures will generate savings that can be applied to high priority defense programs. Nonetheless, DOD again will submit legislation this Spring for new base closure rounds in 2003 and 2005. Additionally, DOD will continue to explore new ways to reduce infrastructure costs wherever possible. For example, the budget supports an aggressive on-

going program to demolish unneeded infrastructure.

Improving Financial Management: DOD is continuing the vigorous transformation of its financial management processes and systems. Both finance and accounting systems are being consolidated and overhauled. Internal controls are being strengthened to reduce and then eliminate problems matching disbursements to obligations, reform the contractor payment process, improve computer security and fraud detection, and to implement Federal accounting standards. Such steps will provide managers with more accurate and timely financial information.

Streamlining the Civilian Work Force: Since 1993, DOD has cut its civilian work force by over 27 percent, or more than 250,000 full-time equivalent (FTE) positions, and it will continue to streamline while maintaining quality. DOD plans to implement further reductions of 35,000 civilian FTE positions. During this drawdown, DOD will provide transition assistance for affected employees.

Implementing the Information Technology Management Reform Act (ITMRA): Also known as the Clinger-Cohen Act, ITMRA is designed to help agencies improve mission performance by effectively using information technology. One example is the Global Command and Control System, which supports U.S. forces by improving their ability to process and transfer critical military information quickly and accurately. The DOD Chief Information Officer Council manages DOD's annual \$16 billion information technology budget and \$19 billion command, control, and communication budget, and provides advice on ITMRA-related issues. In addition, DOD continues to restructure its work processes while applying modern technologies to maximize the performance of information systems, achieve a significant return on investments, cut costs, and produce measurable results.