

11. NATIONAL DEFENSE

Table 11-1. Federal Resources in Support of National Defense

(In millions of dollars)

Function 050	1999 Actual	Estimate					
		2000	2001	2002	2003	2004	2005
Spending:							
Discretionary Budget Authority ...	288,117	294,068	306,287	310,069	316,438	324,051	332,364
Mandatory Outlays:							
Existing law	-590	-519	-884	-839	-792	-665	-672
Credit Activity:							
Direct loan disbursements		11		N/A	N/A	N/A	N/A
Guaranteed loans	5	37		N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	2,120	2,140	2,160	2,180	2,200	2,220	2,240

N/A = Not available.

The Federal Government will allocate more than \$306 billion in 2001 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, brought a successful end to the Cold War, and successfully executed numerous contingency operations. 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 sustaining 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 stationing well-trained and equipped forces overseas and maintaining capabilities to mobilize and rapidly deploy 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 by recruiting, training and retaining quality personnel;

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, DOD sustains the following capabilities.

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. Within treaty-imposed limits, they include land-based intercontinental ballistic missiles, submarine launched ballistic missiles, and long-range strategic bombers. The primary missions of our strategic forces are 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. In particular, the Defense Health Program provides health care through DOD facilities as well as through TRICARE—its contracted, civilian network 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.

Shaping the International Environment and Responding to the Full Spectrum of Crises: DOD's first corporate 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 capability, 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 2001, DOD will conduct 204 joint and combined overseas military exercises.

DOD's current force structure (which was derived from the Quadrennial Defense Review (QDR)) 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. Thus, it has set goals for limiting operational tempo to levels which do not adversely impact overall quality of life for service members and their families. DOD will closely monitor the pace of peacetime operations across the forces using these goals as a guide.

- 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 minimize the number of units deploying more than 120 days per year.
- The Navy will maintain 11 aircraft wings, 12 amphibious ready groups, 12 aircraft carriers, 55 attack submarines, and 116

surface combatants. Compared to 1999, the number of aircraft carriers and amphibious ready groups remain at 12, surface combatant ships (active and reserve) remain at 116, and there are 2 fewer attack submarines. In addition, the Navy will minimize 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 around 190 bombers. The Air Force will hold unit deployments in excess of 120 days to a minimum.
- 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. This keeps the Marine Corps forces at the same level as recent years. The Marine Corps will minimize the number of units deploying more than 180 days per year over a 36-month scheduling period.
- The Air Force will continue maintaining two fighter wing equivalents in the Pacific, 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 100 percent of the time, Europe eighty percent of the time, and Southwest Asia 50 percent of the time. Amphibious Ready Groups will continue to shift, as necessary, from these notional assignments to respond to cover real world events. In 1999, for example, Marine Expeditionary Units covered Europe 100 percent of the time, and total coverage in all three regions was 30 percent greater than planned.

Remaining the world's most ready and capable force depends on six elements: ensuring the readiness of military units; maintaining a robust research and development program; procuring appropriate military equipment; recruiting and retaining high-quality personnel; strengthening and enhancing quality of life programs for military members and their families; and, providing equal opportunity throughout the armed services.

Overseas presence, mobility, and the sustaining of a capable force structure are also key to DOD's ability to respond effectively to crises. DOD thus maintains forces "forward deployed" (that is, on-site around the world and at U.S. bases) that are capable of rapidly converging 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, as it did in 1999, one mechanized division in the Pacific region and two divisions with substantial 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. Carrier battle groups will continue to shift, as necessary, from these notional assignments to respond to real world events. In 1999, carrier battle groups were on station for a lesser percentage of time in the Pacific and Europe than planned, while Southwest Asia deployments increased to 100 percent coverage. Coverage in 1999 for all three regions exceeded that achieved in 1998.
- DOD has identified specific milestones to measure progress and to monitor readiness levels across the forces, 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, quantity and condition of equipment, and the number and experience of personnel. In 2000 and 2001, DOD will ensure that all of its units meet their specified readiness goals.
- On average for active forces, the Army will strive to attain 800 tank miles a year; the Air Force will strive to maintain its 2000 program of 17.2 active fighter/attack flying hours per crew a month; the Marine Corps plans to execute its mission training syllabus fully; and, the Navy plans to execute 50.5 deployed and 28.0 non-deployed ship steaming days per quarter.

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 2001, DOD will maintain its 1999 organic strategic airlift capability of 26 million ton miles a day and will attain a surge sealift capacity of 9.2 million square feet. In 1999, the surge sealift capability was 7.7 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, and by recruiting, training, and retaining quality personnel. DOD must transform the force by exploiting the revolution in military affairs, and reengineering the Department to achieve a 21st century infrastructure. Achieving this goal depends on ensuring that:

- DOD will acquire modern and capable weapon systems and will deliver them to U.S. forces in 97 months or 25 percent less time than the 132 months it previously took, while (1) ensuring that costs do not grow more than one percent a year in the years 2000 and 2001, and (2) meeting required performance specifications.
- DOD will recruit more than 200,000 new members for the active armed services in 2001. At least 90 percent of these recruits will have a high school diploma and 60 percent will be in AFQT mental categories I-III A. Recruitment funding will be increased in 2000 and 2001 to ensure that the Services are successful in achieving their recruiting goals and meet the challenges of a booming economy and lower youth unemployment rates. The 2001 recruitment goal for new recruits is slightly above the average number of enlisted recruits during the 1997-9 period.

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 exploit emerging communication, information and associated technologies to reshape the way it fights and prepares for war.

- Defense Technology Objectives (DTOs) guide both basic research and focused investment. In 2000 and 2001, DOD will maintain 70 percent of DTOs on track as determined by peer review. For the past three years, well over 90 percent of the DTOs have been judged to have shown satisfactory progress.

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 2001, DOD will conduct 24 joint experiments. This program was newly established in 1999.

DOD must also develop new, innovative approaches to manage infrastructure costs and capitalize on the revolution in business affairs. Given its importance, DOD will again submit legislation this Spring for new base closure rounds in 2003 and 2005. In addition, DOD will continue to explore new ways to reduce infrastructure costs wherever possible. The budget also supports an aggressive ongoing program to adopt innovative management techniques and technological practices.

As part of this effort, 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 2001, DOD will strive to:

- Ensure that U.S. forces can achieve immediate visibility (for example, information on location and status) of 94 percent of DOD materiel assets, while resupplying military peacekeepers and warfighters and reducing the 1997 average order-to-receipt time of 35 days by more than 55 percent. Last year, DOD exceeded its interim goal, reducing delivery time to 18 days.
- Demolish and dispose of more than 57 million square feet of excess and obsolete facilities. DOD is planning to demolish and dispose of more than 80 million square feet by 2003.
- Develop a request-for-proposal to privatize appropriate DOD utility systems. Of the total 2,744 DOD utility systems, more than 200 already have been privatized or are no longer DOD systems. All eligible,

feasible systems are planned for privatization before October 2003.

- Dispose of \$427 million in excess National Defense Stockpile inventories and \$180 million in unneeded Government personal property, while reducing supply inventory by \$3 billion. In 1999, these initiatives reduced excess inventory by over \$6 billion.
- Dispose of 57.7 million cumulative square feet of excess real property. Cumulative disposals through 1998 amounted to 16 million square feet.
- Initiate competitions for more than 200,000 positions under OMB Circular A-76 (public-private sector competitions) and the new strategic sourcing processes. Savings will be around \$11 billion by 2005.
- Limit the cost growth of major acquisition programs to less than one percent.
- Simplify purchasing and payment by continuing to use purchase card transactions for at least 90 percent of all DOD micro-purchases, while reengineering the requisitioning, funding, and ordering processes. DOD reached 90 percent purchase card usage for the first time in 1999.
- Perform 90 percent of acquisition transactions through electronic commerce and electronic data interchange.
- Eliminate layers of management by streamlining processes, while cutting DOD's acquisition-related work force by 22 percent from its 1997 level.

DOD's management goals address necessary improvements to the finance, accounting, and information systems.

By 2001, DOD will strive to:

- Reduce the number of finance and accounting systems that do not comply with applicable Federal accounting standards from 17 in 1999 to three in 2001. This continues an improvement effort that has reduced the total number of finance and accounting systems from 324 in 1991. Last year alone, DOD reduced noncompliant systems from 109 to 17.

- Achieve unqualified audit opinions on two additional financial statements.

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 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 \$13.0 billion to meet DOE's national security objectives, of which \$6.7 billion is for ongoing national security missions and \$6.3 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. In 1999, DOE met all milestones for weapons alterations and certification, and DOE selected a primary tritium production technology.
- Provide scientific understanding of the nuclear package of weapon systems to sustain our ability to certify the nuclear weapon stockpile without underground nuclear testing. In 1999, DOE conducted two subcritical experiments that provided valuable scientific information about the implosion phase of a nuclear weapon and demonstrated a three trillion operations per second computer system.
- Produce and deliver three satellite nuclear explosion detection sensor systems per year to provide continuous worldwide monitoring for nuclear explosions occurring in the atmosphere or space. In 1999, DOE

demonstrated autonomous operations of the next-generation space-based radio frequency monitoring sensor.

- Continue to implement a bilateral agreement with Russia for disposing of surplus weapons plutonium. In 1999, DOE issued a Record of Decision for the U.S. surplus plutonium disposition program and initiated negotiations with Russia on the bilateral agreement.
- Begin consolidation of weapon-usable material into fewer buildings and fewer sites in Russia and eliminate 200 kilograms of weapons-grade material by converting it to non-weapons grade form, thereby improving security and reducing overall cost. In 1999, DOE integrated and improved technology practices, facilities and training for eventual material protection, control and accounting for 650 metric tons of weapons-usable material at more than 40 locations in Russia.

Environmental Quality

DOE is making significant progress in reducing contamination and decommissioning facilities no longer needed at former nuclear weapons production installations. However, the following performance measures may show slower progress as DOE addresses more difficult and long-term cleanup projects.

- Complete 90 release site assessments. A release site is a specific location where hazardous, radioactive, or mixed waste has or is suspected to have occurred. In 1999, DOE completed 288 release site assessments.
- Clean up 160 release sites, bringing the number completed to more than 4,900 of a total inventory of approximately 9,700 release sites. In 1999, DOE completed cleanup of 161 release sites.
- Complete 40 facility decommissioning assessments. Decommission 30 facilities, in-

creasing the number completed to more than 660 out of a total inventory of approximately 3,300 facilities. In 1999, DOE decommissioned 92 facilities.

Other Defense-Related Activities

Other activities that support national defense and 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 UN 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. By July 1999, 93 percent of the strategic commercial port facilities designated as necessary to meet national security requirements were ready;
- Arlington National Cemetery, which is developing a capital investment plan for using contiguous land sites that will be vacated by the Services, including the Navy Annex and portions of Fort Meyer. A review is underway of the demographics of the four million annual visitors to this national historic shrine; and,
- Selective Service System, which is modernizing its registration process to promote military recruiting among registrants, and in cooperation with the Department of Defense, is reducing active duty and reserve force officers to reflect the readiness requirements, and to fund additional automation.