

THE WHITE HOUSE

WASHINGTON

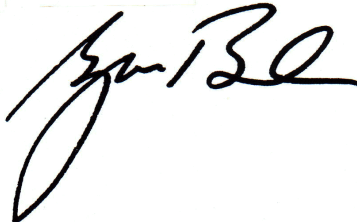
May 29, 2002

Dear Mr. Speaker:

I ask the Congress to consider the enclosed request for an FY 2003 budget amendment for the Department of Defense reflecting my decision to cancel the Army's Crusader artillery system. The budget totals proposed in my FY 2003 Budget would not be affected by this amendment.

The details of this request are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Hastert", with a large, stylized flourish at the end.

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C. 20515

Enclosure



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 17, 2002

The President

The White House

Submitted for your consideration is a request for an FY 2003 budget amendment for the Department of Defense (DOD). The budget totals proposed in your FY 2003 Budget would not be affected by this amendment. The amendment reflects your decision to terminate the Army's Crusader artillery development program in favor of more transformational investments to make the Army's indirect fire support systems relevant to 21st Century warfare.

Your FY 2003 Budget included \$475.6 million for research and development of the Crusader. As described in more detail in the enclosure, the current proposal would reallocate this funding from the Army's Crusader artillery program to support transformation of the Army by accelerating development of the Army's Future Combat System - Indirect Fires program, the Excalibur 155mm precision projectile, the Guided Multiple Launch Rocket System, the High Mobility Artillery Rocket System, and Tactical Unmanned Aerial Vehicle improvements, among other purposes.

This proposal will produce a substantial boost to the long-term capabilities of the Army, reflecting lessons learned from recent military operations where the accuracy and responsiveness of precision weapons have been critical. The proposed reallocation of funds will support the development of the Army's Objective Force and will increase its ability to provide indirect fire support with greater precision in the future.

I have carefully reviewed this proposal and am satisfied that it is necessary at this time. Therefore, I join the Secretary of Defense in recommending that you transmit the proposal to the Congress.

Sincerely,

A handwritten signature in dark ink, appearing to read "ME Daniels Jr", written in a cursive style.

Mitchell E. Daniels, Jr.
Director

Enclosure

Agency: DEPARTMENT OF DEFENSE

Bureau: RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Heading: Research, Development, Test and Evaluation, Army

FY 2003 Budget
Appendix Page: 295

FY 2003
Pending Request: \$6,918,494,000

Proposed Amendment: -----

Revised Request: \$6,918,494,000

This proposal reflects the President's decision to terminate the Army's Crusader artillery system in favor of more transformational technologies. The proposal would reallocate \$475.6 million requested for the Crusader program in the Research, Development, Test and Evaluation (RDT&E), Army account to the following efforts (all within the RDT&E, Army account):

- \$310.0 million to accelerate the Army's Future Combat System (FCS) - Indirect Fires program. The FCS is an ensemble of fighting capabilities that will make the Army more mobile and will provide capabilities to meet the Army's Objective Force needs. They include the following indirect fire programs for the transformational force:
 - \$57.0 million for Netfires Systems Technology to develop early prototypes of the netfire precision attack missile;
 - \$57.5 million to develop Netfires command and control technology infrastructure that is required to support Netfires; and
 - \$195.5 million to conduct modeling and simulation activities and develop prototypes in support of Objective Force Indirect Fires.
- \$48.3 million to accelerate development of the Excalibur precision artillery projectile and the fuze setter for three ongoing or existing artillery systems -- the Light Weight 155mm towed howitzer, the Paladin M109 self-propelled howitzer, and the M198 towed howitzer;
- \$11.4 million to accelerate the development of targeting capabilities for the Army's Tactical Unmanned Aerial Vehicle;
- \$10.8 million to accelerate the development of the targeting capabilities for a new Precision Guided Mortar Munition;

- \$45.0 million to start development of a new variant of the Guided Multiple Launch Rocket System;
- \$10.0 million to accelerate testing and evaluation of the High Mobility Artillery Rocket System, a lighter, more mobile long-range rocket system;
- \$28.6 million to complete development of a new engine for the existing Abrams tank, formerly a joint program with the Crusader;
- \$7.5 million to accelerate the development of electronic upgrades to enhance the effectiveness and supportability of existing M109 Paladin self-propelled 155mm howitzers; and
- \$4.0 million to complete development of the Advanced Field Artillery Tactical Data System, a program to improve command and control of indirect fire support systems.

This amendment would not affect the proposed budget totals.