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Senate Hearings

Before the Committee on Appropriations

Department of Defense Appropriations

H.R. 16593

92*d* CONGRESS, SECOND SESSION

Fiscal Year 1973

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Part 5: JUNE 30, 1972, BUDGET AMENDMENTS
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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1973

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-SECOND CONGRESS

SECOND SESSION

ON

H.R. 16593

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING JUNE 30, 1973, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations

Part 5

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[1] Deceased, July 27, 1972.
[2] Appointed, Aug. 10, 1972.

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1973

TUESDAY, JUNE 13, 1972

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2:10 p.m. in room S–126, the Capitol, Hon. Allen J. Ellender (chairman) presiding.

Present: Senators Ellender, Pastore, Young, Smith, Allott, Hruska, Cotton, Symington, Jackson, and Thurmond.

DEPARTMENT OF DEFENSE

IMPACT ON BUDGET OF SALT AGREEMENTS

STATEMENT OF HON. MELVIN R. LAIRD, SECRETARY OF DEFENSE

ACCOMPANIED BY:

ADM. THOMAS H. MOORER, U.S. NAVY, CHAIRMAN, JOINT CHIEFS OF STAFF

HON. ROBERT C. MOOT, ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

FRED P. WACKER, DEPUTY COMPTROLLER (PROGRAM/BUDGET)

COL. G. L. J. DALFERES, U.S. AIR FORCE, DEPUTY ASSISTANT TO THE SECRETARY OF DEFENSE (LEGISLATIVE AFFAIRS)

COL. ROBERT M. LUCY, U.S. MARINE CORPS, LEGAL ADVISER AND LEGISLATIVE ASSISTANT TO THE CHAIRMAN, JOINT CHIEFS OF STAFF

TIMELY REPORTING OF APPROPRIATION BILLS

Chairman ELLENDER. The subcommittee will please come to order. Mr. Secretary, we are glad to have you with us.

On May 30, 1972, Secretary Laird by letter advised me that he was available to discuss with the subcommittee the impact of the SALT agreements on the pending fiscal year 1973 Defense budget. He also advised me of his desire to discuss other prospective changes in Defense programs, including Southeast Asia.

It is now obvious that we will not be able to have the Department of Defense appropriation bill for fiscal year 1973 enacted by June 30. This is a great disappointment to me, because I had set as one of my personal goals for this session the enactment of the Defense appropriation bill before the beginning of the fiscal year. The subcommittee

started its hearings on February 24 in an effort to accomplish this goal. I am confident that, if the required authorizations had been enacted by June 1, we could have completed work on the appropriation bill by June 30. Unfortunately, this has not been the case.

Off the record.

(Discussion off the record.)

Chairman ELLENDER. Mr. Secretary, you may proceed as you wish.

PROCESS AND REQUIREMENTS OF PEACE AS RELATED AGREEMENTS AND SOUTHEAST ASIA

Secretary LAIRD. Mr. Chairman and members of the committee, I have come here today at your request to talk about the process of peace and its requirements, both as they relate to the agreements reached in Moscow and to the current situation in Southeast Asia.

PRESIDENT'S MESSAGE TO CONGRESS

Today the President of the United States has provided to the Congress the interim agreements on strategic offensive arms and submitted to the U.S. Senate the treaty of defensive weapons.

I will be referring to the statements made in the messages sent to the Congress today by the President of the United States, and perhaps, Mr. Chairman, you would like to put in the record at this point the statement which was transmitted to both Houses today.

Chairman ELLENDER. Without objection, that will be done.

(The statement follows:)

[From the Weekly Compilation of Presidential Documents, June 19, 1972]

THE WHITE HOUSE, *June 13, 1972.*

STRATEGIC ARMS LIMITATION

(The President's Message to the Senate Transmitting the ABM Treaty and the Interim Agreement on Strategic Offensive Arms. June 13, 1972)

TO THE SENATE OF THE UNITED STATES: I transmit herewith the Treaty on the Limitation of Anti-Ballistic Missile Systems and the Interim Agreement on Certain Measures with respect to the Limitation of Strategic Offensive Arms signed in Moscow on May 26, 1972. Copies of these agreements are also being forwarded to the Speaker of the House of Representatives. I ask the Senate's advice and consent to ratification of the Treaty, and an expression of support from both Houses of the Congress for the Interim Agreement on Strategic Offensive Arms.

These agreements, the product of a major effort of this administration, are a significant step into a new era of mutually agreed restraint and arms limitation between the two principal nuclear powers.

The provisions of the agreements are explained in detail in the Report of the Secretary of State, which I attach. Their main effect is this: The ABM Treaty limits the deployment of anti-ballistic missile systems to two designated areas, and at a low level. The Interim Agreement limits the overall level of strategic offensive missile forces. Together the two agreements provide for a more stable strategic balance in the next several years than would be possible if strategic arms competition continued unchecked. This benefits not only the United States and the Soviet Union, but all the nations of the world.

The agreements are an important first step in checking the arms race, but only a first step; they do not close off all avenues of strategic competition. Just as the maintenance of a strong strategic posture was an essential element in the success of these negotiations, it is now equally essential that we carry for-

ward a sound strategic modernization program to maintain our security and to ensure that more permanent and comprehensive arms limitation agreements can be reached.

The defense capabilities of the United States are second to none in the world today. I am determined that they shall remain so. The terms of the ABM Treaty and Interim Agreement will permit the United States to take the steps we deem necessary to maintain a strategic posture which protects our vital interests and guarantees our continued security.

Besides enhancing our national security, these agreements open the opportunity for a new and more constructive U.S.-Soviet relationship, characterized by negotiated settlement of differences, rather than by the hostility and confrontation of decades past.

These accords offer tangible evidence that mankind need not live forever in the dark shadow of nuclear war. They provide renewed hope that men and nations working together can succeed in building a lasting peace.

Because these agreements effectively serve one of this Nation's most cherished purposes, a more secure and peaceful world in which America's security is fully protected—I strongly recommend that the Senate support them, and that its deliberations be conducted without delay.

RICHARD NIXON.

MILITARY STRENGTH

Secretary LAIRD. The security of the United States depends on both military strength and resolve. These are the two basic essentials of a successful quest for global peace.

President Nixon's historic journey for peace to Peking and Moscow has achieved the first steps—but only the first steps—in what must be a continuing journey toward lasting peace.

These trips and the movement from an era of confrontation to an era of negotiation could not have been successful without the resolute support of this committee and a majority of the Members of Congress and, of course, the American people, which is reflected through the Congress. Lasting peace requires adequate strength founded on a true sense of partnership between the executive branch and the legislative branch—coequals under our system of government.

NATIONAL DEFENSE REQUIREMENTS AND MOST IMPORTANT ELEMENTS OF PRESIDENT'S STRATEGY FOR PEACE

I am not here to suggest that peace can be bought cheaply. On the contrary, I am here today—in fulfillment of my responsibilities as Secretary of Defense—to share with you candidly and fully the requirements of national defense.

I believe it is most appropriate that I appear before you during these final stages of your deliberations on the fiscal year 1973 Defense budget to present my current assessment of where we are and where we are going in areas which represent two of the most important elements of President Nixon's strategy for peace: (1) Strategic arms limitations, and (2) Southeast Asia.

I will first summarize these two areas, and then discuss each in more detail. I will make this statement as brief as possible to permit ample opportunity for your questions and those of other members of your committee.

STRATEGIC ARMS LIMITATIONS

We were determined to approach the strategic arms limitation talks from a position of strength. We have done so. The ABM treaty and the interim agreement on offensive weapons reached at SALT will

permit us to maintain needed strength, and to remain confident in the effectiveness and realism of our strategic deterrent.

We enter these agreements with the following interdependent strong convictions:

Our security will be enhanced.

We have applied brakes to the momentum of Soviet strategic missile deployments.

We have adequate means of verification.

Congress will support the strategic programs we have proposed in the 1973 budget message of the President and those that we will propose during the lifetime of this interim offensive freeze.

We have taken the initial steps and have laid a solid foundation for further arms limitation and potential arms reductions in the future.

I urge your support of these agreements and the programs necessary for the future to continue the sufficiency of our forces, as we implement the pledge to continue negotiations for more comprehensive accords on strategic armaments.

Reduction of 12-Site ABM Program to Two Sites

Through these agreements we avoid the need for several otherwise urgent offsetting measures for deployment of strategic armaments.

Chairman Ellender. What do you mean by that sentence?

Secretary Laird. We are able to make changes from the 12-site ABM program to the two-site program that is provided for in the treaty which has been submitted to the Senate.

Chairman Ellender. Instead of a 12-site Safeguard deployment we will have two-site deployment—Grand Forks and Washington, D.C.

Secretary Laird. Yes; that is a major example of what I am talking about. We will be able to cut 10 sites out of the program.

Concise Statement of Proposed Treaty

Chairman Ellender. I wish you would provide for the record a concise statement on the provisions of the ABM treaty and the interim agreement on offensive strategic weapons.

Secretary Laird. I have a single sheet of paper which I used before the Senate Armed Services Committee which I would like to refer to at this time. I have made copies available to your committee and I think that that single sheet of paper was one place where, if I could use that as a basis——

Chairman Ellender. Without objection, this description will be placed in the record at this point.

(The statement follows:)

Department of Defense Summary of Principal Impacts of the Strategic Arms Limitation Agreements

A. ABM Treaty

1. Neither side is permitted to deploy a nationwide ABM defense or a base for such a defense.

2. Each side is permitted to deploy a limited defense of two areas—the national capital and one area containing ICBMs. In each defense area, out to a 150 km

radius, each side is permitted up to 100 ABM launchers and interceptors and a limited radar base for these interceptors.

3. Neither side is permitted to give ABM capability to non ABM systems, e.g., air defense systems.

4. Verification will be by national means. The parties have agreed not to interfere with these means.

5. The treaty will be of unlimited duration. Withdrawal is permitted for supreme interest.

B. Interim offensive agreement

1. Each side is permitted to keep any fixed land based ICBM launchers currently operational or under construction. No new fixed land based ICBM launchers may be built.

2. The Soviets may complete the 313 modern large ballistic missile launchers, e.g. for SS–9 class missiles, currently operational and under construction. No new ones may be built.

3. Neither side may convert to modern large ballistic missile launchers any other ICBM launchers.

4. Each side may keep any SLBM launchers operational or under construction. Also, newer SLBM launchers may be built as replacements for older SLBM launchers or for older heavy ICBM launchers.

5. Verification will be by national means. The parties have agreed not to interfere with these means.

6. The duration of the Agreement is five years. Withdrawal is permitted for supreme interest. The parties have agreed in the ABM Treaty to continue active negotiations for limitations on strategic offensive arms.

C. OFFENSIVE FORCES SUMMARY

	U.S.S.R.	United States
Modern large ballistic missile launchers, (for example, for SS–9 class missiles)	313	0
Other ICBM launchers not replaceable with SLBM launchers (for example, for Minuteman and SS–11 class missiles)	1,096	1,000
SLBM launchers and older ICBM launchers replaceable with SLBM launchers	950	710
Missile total	2,359	1,710
Heavy bombers (1972) (not limited by the agreement)	140	457
Total delivery vehicles	2,499	2,167

LIMITATION ON OFFENSIVE WEAPONS FOR UNITED STATES AND RUSSIA

Chairman ELLENDER. You have always contended that we must be in the position to deal with the Russians from a position of strength. According to this document, on the page we are referring to, the total offensive weapons for the U.S.S.R. will be 2,499 and for the United States, 2,167.

Secretary LAIRD. That is correct. That is if we include the bombers. If we include only those items which are limited in the offensive agreement, the Soviet Union has 2,359 delivery vehicles and the maximum number for the United States is 1,710.

I believe that this interim offensive agreement does give us an adequate deterrent because we have a 2-year lead on the Soviet Union in the technology field. It is important during this period of time to maintain that technological leadership, but the agreement, itself, deals only with numbers.

There was an attempt made to get limitations in the area of technology, but in this particular agreement [deleted] there are no limitations on modernization, improvement, or changes brought about by technological breakthroughs.

RUSSIAN SUPERIORITY IN MISSILES SIZE AND MEMBERS AND U.S. SUPERIORITY IN TECHNOLOGY

Chairman ELLENDER. Do you feel that we will have offensive capability equal to that of the Soviet Union despite the fact that they will have a greater number of missiles and of a larger size?

Secretary LAIRD. Yes; I do, because of the superiority which the United States does possess in technology and in our various MIRV programs. I believe the superiority which the Soviet Union has in numbers is more than offset by the technology which we currently possess.

NECESSARY DEVELOPMENT OF B–1 AND TRIDENT: RUSSIAN MIRV TECHNOLOGY

Senator YOUNG. I think this is an important phase of the subject. We are committed to improve and modernize our missiles, unless we develop the B–1 and the Trident they will be superior to us.

Secretary LAIRD. There is no question in my mind, Senator Young, that they are moving forward with this technology. They are moving forward with MIRV technology. They are doing some testing as far as MIRV technology is concerned at the present time, but actual missile flight testing has not yet been observed.

I believe that within the next 6 months they will flight-test their new MIRV technology. They are going forward, as you know, with preparation for deployment of multiple RV's at the present time. They are going forward with test programs, actual tests with improved guidance systems, as far as their sea-based missile systems are concerned.

I do believe that they have the capability to move forward with this technology. I do not believe, however, that they will deploy the MIRV any earlier than I predicted to this committee, in the defense report, and I believe that will be within the next 18 to 24 months. They are now going forward with the deployment of multiple reentry vehicles although these do not have independently targetable warheads that the U.S. MIRV systems currently possess. They can, however, change the impact patterns on the systems that they are presently deploying in their missile fields, but they are deploying those systems with [deleted] warheads on them.

TREATY PROVISION RESPECTING ABM SITE CONSTRUCTION

Chairman ELLENDER. The treaty that we are being asked to ratify limits the construction of the ABM to Moscow and Washington, and one additional site in the United States and another in Russia.

Secretary LAIRD. That is correct.

Chairman ELLENDER. Has the site in Russia been designated? Do you know where it is?

Secretary LAIRD. They have informally told us that they will go forward with their ABM site at an ICBM field outside of the European U.S.S.R.

[Deleted] that site of theirs is limited by the number of kilometers from Moscow, as is specified in the Treaty. It will be at an ICBM field

[deleted]. The treaty specifies a separation of 1,300 kilometers from Moscow.

Chairman ELLENDER. As I understand, we have selected the site we will protect, and that is——

Secretary LAIRD. Construction work has gone forward on that site at Grand Forks, N. Dak.

Chairman ELLENDER. Does that mean that all planned construction on the other remaining sites that we planned to build will be immediately stopped?

Secretary LAIRD. Yes. We only have construction going forward on one contract at sites to be stopped, and that is in Montana. That one contract is with the Peter Kiewit construction firm, and there is a suspension on that contract at the present time. I did not feel that I had sufficient authority to cancel the contract until the treaty was actually ratified by the Senate, but there is a suspension on construction on the Peter Kiewit contract.

RUSSIAN MISSILE HOLES

Senator SMITH. Mr. Chairman, may I ask a question? Are you finished?

Chairman ELLENDER. No, but go ahead.

Senator SMITH. Mr. Secretary, I listened to you when you appeared before the Armed Services Committee. I have also heard considerable talk about the missile holes. It was discovered that some larger missile holes had been coming into existence in Russia. Have you determined yet whether that means they are building larger missiles or what they are for?

Secretary LAIRD. We have not determined the exact missile that will go in those particular holes. [Deleted.]

I would like to have the chairman comment on that, too, if he would.

Admiral MOORER. Mrs. Smith, regarding 25 of these holes to which you refer, [deleted].

There is another possibility that we are looking into and that is a missile somewhat larger than the SS–9, and in the treaty dealing with this, saying that the missile will not be significantly larger. "Significantly," I think is specified as a 10 to 15 percent increase in silo dimensions.

[Deleted.]

Secretary LAIRD. Mrs. Smith, I want you to know we are watching those holes very carefully [deleted].

Senator SMITH. Mr. Chairman, I ask the question because I notice references often made to the diameter of the holes that we know about, and I wondered if the larger holes were covered in this agreement or if they were outside the agreement.

Secretary LAIRD. The agreement will permit the enlargement of the SS–9 holes within the limitation that we are currently measuring these new 25 silos.

Senator SMITH. Thank you.

Chairman ELLENDER. That does not relate directly to the ABM at all.

Secretary LAIRD. These are offensive systems.

DEFENSIVE AGREEMENT LIMITATION ON MISSILES AND SUBMARINES

Chairman ELLENDER. As I understand it, the Russians may improve what they now have.

Secretary LAIRD. [Deleted.]

Chairman ELLENDER. Now, is there any limitation in the agreement as to the extent to which offensive missiles may be improved?

Secretary LAIRD. There are no limitations on modernization and replacement beyond those specified in the agreements. The principal limitation in the offensive agreement is on numbers of missile launchers and the numbers of modern ballistic missile submarines. Although there are important provisions prohibiting the conversion of light missile launchers to heavy missile launchers. Both sides also agreed not to increase the dimensions of ICBM silos by more than 10 to 15 percent.

Chairman ELLENDER. If the agreement merely limits the number of offensive missiles, they may still exercise the option to MIRV them.

Secretary LAIRD. They can.

Chairman ELLENDER. All right. And there is nothing to prevent us from improving our missiles and sites.

Secretary LAIRD. That is correct.

There is a quantitative limitation but no offensive qualitative limitation other than the one I just mentioned.

FIFTEEN-PERCENT HOLE INCREASE

Chairman ELLENDER. Is there a limitation as to the extent to which our offensive missiles may be made more powerful or of greater range than they now are?

Secretary LAIRD. The size of ICBM silos is limited to an increase of 10 to 15 percent in the present dimensions, as is stated in one of the common understandings. But there is no limitation on the range of the missiles themselves.

Chairman ELLENDER. As to the 5-year agreement, there is nothing to prevent us from going ahead with the B–1, ULMS, and any other defensive of offensive weapon we desire.

Secretary LAIRD. No; there is not, as for the defensive systems, there is nothing that would stop such research and development in the defensive area as the site defense program, but as far as Trident is concerned, which we used to call the ULMS program—I have never liked the name ULMS, undersea launch ballistic missile system.

Chairman ELLENDER. When you speak of Trident you are referring to ULMs?

Secretary LAIRD. Trident is a very important term for seapower and I believe it fits in very well with Polaris and Poseidon. I just think it is a better name for a submarine than ULMS.

Chairman ELLENDER. In the field of undersea warfare, and relating to the construction of more powerful submarines, there is nothing to prevent Russia from improving what they have or even doing what we propose to do.

Secretary LAIRD. They are doing it.

Chairman ELLENDER. There is nothing in the agreement to stop them?

Secretary LAIRD. No. They are going forward now on their Y-class submarine with missile systems that have a longer range than any of our present submarine systems.

FIVE-YEAR REVIEW VALUE

Chairman ELLENDER. What is the value to the United States of that 5-year agreement, in this repect?

Secretary LAIRD. The agreement slows down the momentum of the Soviet Union in the offensive area. Without this offensive agreement and with the momentum to continue on its present construction rate, for example in the submarine field, the Soviet Union in 5 years could have up to 90 of the Y-class submarines. We could not have a single addition to our 41-boat fleet during that period of time.

Chairman ELLENDER. In other words, it is our fear that they might surpass us that has given impetus to this agreement that you speak of?

Secretary LAIRD. In numbers, they have already surpassed us.

Chairman ELLENDER. I understand, but it is our fear that they will continue to construct more submarines and thus be a greater threat that led the United States to seek that kind of agreement.

Secretary LAIRD. Yes; I agree, Mr. Chairman. I think we have applied the brakes to the momentum of the Soviet strategic buildup.

Chairman ELLENDER. I gathered that from what I have been reading.

B–1 TRIDENT AND SITE DEFENSE RESEARCH PROGRAM

Senator THURMOND. Mr. Chairman, could I ask a question?

Chairman ELLENDER. Anybody who desires to ask questions may.

Senator THURMOND. The chairman brought out the point that the U.S.S.R. would have 2,499 total delivered vehicles and the United States would have 2,167. The Secretary answered that by saying that our technology is ahead of the Soviets and felt that that would balance it. I don't know whether he quite completed his sentence.

I believe before the Armed Services Committee, Mr. Secretary, you also said that that was true, but that we must go forward with B–1 and Trident programs and some of these other programs with more research and development if our country is to be secure. Would you elaborate just a little on that?

Secretary LAIRD. I had just finished the one sentence and had not gotten to that sentence in my statement, but I do believe—and I would like to emphasize this—that under the agreements we can and we must continue prudent developments such as the Trident program, the B–1 program, and the site defense research and development program.

PRESIDENT'S STATEMENT TO CONGRESS

I would like to quote from the President's statement to the Congress today in which he states, and I quote:

> . . . it is now equally essential that we carry forward a sound strategic modernization program to maintain our security and to ensure that more comprehensive arms limitation agreements can be reached.

The President goes on to emphasize the importance of going forward with these programs which have been recommended to this committee and to the Congress.

Senator THURMOND. In other words, as I understand it, it is more or less of a package that the President had in mind that we reach these agreements since we are ahead of the Soviets in technology, and if we go forward with these programs then the security of our country would be safe?

MAINTENANCE OF U.S. TECHNOLOGICAL SUPERIORITY IMPERATIVE

Secretary LAIRD. I think the President feels very strongly—he stated that in his message today, and I am supporting the President's position—that it is absolutely essential that we maintain the technological superiority that we have, and that during this freeze period we not take unilateral action to cut back on the programs that he has proposed to the Congress.

Chairman ELLENDER. Mr. Laird, you are reported as having stated that unless Congress went along with the construction of the B–1 and the ULMS——

Secretary LAIRD. I feel very strongly that we should not give up our ABM program if we are not going forward with these other programs that are included in the budget request. I have supported the 12-site Safeguard program since I have been Secretary of Defense. I have testified before all the committees of Congress. I am supporting the treaty agreement but it is an essential part of my support that these other programs go forward. I just don't believe there is otherwise any chance for an agreement on offensive weapon reductions or limitations in the future.

We have taken but one small step toward offensive limitations by this interim agreement that has been arrived at. If we want to make that big step, the giant step, which I think is so important in the limitation and reduction of strategic weapons, for the latter part of the 1970's and on into the 1980's, it is essential that we not take unilateral action to give up the position that we currently possess in the offensive field.

This is particularly true when we back away from the ABM program which this Congress has been supporting and which I believe has had the support of the American people.

Senator ALLOTT. Mr. Secretary, many Members of the Congress supported the three-field ABM system last year, and after your decision to change back to the two-field system, we supported that, although I have been much concerned. The new agreement now limits our ABM system at the North Dakota site to 100 interceptors.

Sercetary LAIRD. That is correct. It limits the number of launchers at both sites to 100.

LIMITATION ON RUSSIAN SITES

Senator ALLOTT. And it limits the Soviets to 100 in the site they develop.

Secretary LAIRD. That is correct.

Senator ALLOTT. Which must be 1,300 kilometers from Moscow.

Secretary LAIRD. It has to be at least 1,300 kilometers away from Moscow.

TECHNOLOGICAL CAPABILITY

I could not defend on its face that limitation on numbers but should the treaty ever be set aside—and which, as you know, there are provisions under which it could be set aside—it is important for us to have the other capabilities so that in the event that an increase in interceptors would be needed, we would have the capability to perform the other functions that are so important in the ABM system.

MINUTEMAN SURVIVABILITY

Senator ALLOTT. Well, taking the present situation, we have had testimony, I believe, by this administration that only [deleted] percent of our Minuetman force can survive an attack of [deleted] Soviet ICBM's with our hard-pressed accuracies and theirs.

Under this system, the Russians could totally destroy our entire system, including the North Dakota site, and still have missles left over; could they not?

Secretary LAIRD. There is no question that such a saturation attack could be carried out as far as any missile site is concerned, with the limitation on the number of interceptors.

Senator ALLOTT. [Deleted.]

Secretary LAIRD. [Deleted.]

DIMENSION OF SILO (LAUNCH HOLE)

Secretary ALLOTT. [Deleted.] You said that missiles were limited to a 15-percent increase. Fifteen percent of what? The size of the hole?

Secretary LAIRD. That is the size of the so-called launch hole or the dimension of the silo.

Senator ALLOTT. All right. That is not really a 15-percent increase, then, because——

Secretary LAIRD. I can give you the exact language.

Senator ALLOTT (continuing). The area of the circle is pi R square so you have 3.1416 times the diameter circle times the 15-percent increase, which gives you an actual increase in size much over 15 percent.

Secretary LAIRD. Could I read you the exact language?

Senator ALLOTT. Do you agree with my mathematics?

Secretary LAIRD. I think that you are probably a better mathematician than I am, Senator Allott, and I will not dispute you on that.

Senator ALLOTT. You have people here with you and if they disagree with it, they can speak up.

Secretary LAIRD. Let me read this:

> The parties understand that in the process of modernization and replacement the dimensions of the land-based ICBM silo launcher will not be significantly increased.

The parties agree that the term "significantly increased" means that any increase will not be greater than 10 to 15 percent of the present dimensions of land-based ICBM silo launchers.

I think that that adequately covers the present dimensions, 10 to 15 percent. That is an exact quote. The United States has also made

clear that it will consider any ICBM, having a volume significantly greater than that of the largest light ICBM now operational on either side, which is the Soviet's SS–11, to be a heavy ICBM.

Senator ALLOTT. Well, I don't know what "dimensions" means in this context because there is a geometric factor. The area of a circle is pi R squared. Those of us who had to deal with hydrology understand this. As you increase the diameter a minimum amount, you increase the cross section by a far greater amount because of the square factor which is ground into the formula for determining the cross section of the circle.

Secretary LAIRD. We have not interpreted 10 to 15 percent in dimensions to apply to the radius at all. We interpret that to be the overall dimensions, 10 to 15 percent.

Senator ALLOTT. I think this is a most important point, because if I were a Russian, I think I could argue very persuasively that the 15 percent does not limit me in the way that you think or want it to be but, rather, in the way that I would want it, which is that if one increases the diameter from 100 to 115 he has increased the square to a much larger extent, which means that you have increased the potentiality of that vehicle a great deal.

Secretary LAIRD. But there would be no question that that would be a significant increase. This provides that there will be no significant increase and that increases in the overall dimensions will not exceed 10 to 15 percent. I do not believe that that applies to the language.

THROW WEIGHT ALLOWED BY HOLE INCREASE

Senator ALLOTT. Well, I have heard from those who have had access to what are supposed to be high intelligence sources here that the increase would permit a throw weight of as high as [deleted] pounds. If this is true, does this not provide a significantly higher megatonnage than anything we have? Since we cannot look inside, we don't know whether they are complying with their agreement or not.

Secretary LAIRD. I can only state, Senator Allott, that without this particular restraint on the Soviet Union there would be no limitation at all.

INADEQUACY OF U.S. ABM INTERCEPTORS

Senator ALLOTT. We have reduced from a three ABM system to a two, and now to a one, and this means that every missile site in the United States with the possible exception of one in North Dakota could be completely destroyed by [deleted] and perhaps fewer missiles.

Secretary LAIRD. There is no question that, with a limitation on launchers for interceptor missiles, that even though you have all the other capabilities, such as radar and computers, our 100 interceptors could be exhausted. I don't want to make the case that that cannot happen.

TREATY CONSIDERATIONS

Senator ALLOTT. I think that is all I have at the moment, Mr. Chairman.

I must say that I do have some very, very grave reservations about this treaty and agreement. I have not had an opportunity to attend any hearings or have any briefings on it, but I intend to go into it very thoroughly, and I do have some very grave reservations on it.

Chairman ELLENDER. This is our first agreement of this type, and, as far as I am personally concerned, I think we are closer to reaching future agreements. That is the way I view it and that is why I support it.

Senator YOUNG. I feel the same way except for modernizing our weapons.

Senator PASTORE. Many believe that strategic agreements and limitations on research and development will be difficult to accomplish.

I think it is a mistake for them to balance off missile against missile or subs against subs in numbers. I think you cannot analyze the effectiveness of this agreement on the basis of tit for tat, because their situation is different from our own.

U.S. DETERRENT AGAINST NUCLEAR ATTACK

This is a question I would like to ask the Chairman of the Joint Chiefs.

In your opinion, granting that we continue with the necessary research and development, have we reserved flexibility to maintain enough power at the present time to constitute an affirmative deterrent against a nuclear attack?

Admiral MOORER. First, Senator Pastore, let me point out that regarding the numbers that are on this chart provided by the Secretary of Defense, as I have testified before this committee and other committees, I am confident that as of today we have a good, strong, adequate deterrent.

FIVE-YEAR INTERIM DEVELOPMENT REQUISITE

My own concern is about what will our position be 5 years hence if we do nothing to move forward with the new programs and to modernize what we have.

I agree with you thoroughly that you cannot judge the agreement solely on the basis of counting missiles or counting warheads per se because there are so many other factors involved—for example, geography, technological superiority, the plan itself, that one needs look at the warning systems, the command and control, the contribution of the allies, the disposition of our forward forces such as aircraft carriers and other forward based systems.

So, you must look at this as a complete package. You are right, sir.

In my opinion, I believe I am answering your question now that if we move forward with these new programs such as the Trident which will permit us to operate in vast areas of the ocean and present the other side with essentially an impossible ASW problem, if we move forward with the B–1, and if we improve the warning systems and command and control systems, we can maintain a good, strong deterrent.

Chairman ELLENDER. We will be right back after we vote.

(A brief recess was taken.)

ABM AND RESEARCH AND DEVELOPMENT PROHIBITED BY TREATY

Senator YOUNG. Mr. Secretary, in your memorandum of May 26, 1972, to the Secretary of the Army, you instructed him to take certain actions, one of which was "suspend all ABM and R. & D. which are prohibited by the ABM treaty."

Secretary LAIRD. There are only a few areas in which there is any limitation of R. & D. on ABM's and for all intents and purposes that does not shut off any programs that we have.

Senator YOUNG. Which programs are prohibited?

Secretary LAIRD. We can give you the exact language of the prohibition as far as the ABM treaty is concerned, but it does not apply, as we interpret it at the present time, to any of our ongoing programs. We can give you the exact language.

Senator YOUNG. I was not aware there was prohibition on the research and development on any of these programs.

Are there any more besides this?

Secretary LAIRD. We could give you the exact language. It is in article 5 of the treaty.

Very few, but I think we ought to put these paragraphs in the record.

OTHER TREATY PROHIBITIONS

Senator YOUNG. What other major research and development programs are prohibited by the treaty?

Secretary LAIRD. Article 5 prohibits the development, test and deployment of ABM launchers for launching more than one ABM interceptor missile at a time from each launcher, or the modification of deployed launchers to provide them with such a capability. It also prohibits development testing, and deployment of automatic or semi-automatic or other similar systems for rapid reload of ABM launchers. The parties agree that this article includes the obligation not to develop, test, or deploy ABM interceptor missiles for the delivery by each interceptor missile of more than one independently guided warhead.

Also included in article 5 is the prohibition against mobile ABM systems.

I will put that in the record.

Senator YOUNG. Yes.

(Articles IV, V, VI and VII of the treaty follow:)

The pertinent Articles of the Treaty on the Limitations of Anti-Ballistic Missile Systems are as follows:

ARTICLE IV

The limitations provided for in Article III shall not apply to ABM systems or their components used for development or testing, and located within current or additionally agreed test ranges. Each Party may have no more than a total of fifteen ABM launchers at test ranges.

ARTICLE V

1. Each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based.

2. Each Party undertakes not to develop, test, or deploy ABM launchers for launching more than one ABM interceptor missile at a time from each launcher, nor to modify deployed launchers to provide them with such a capability, nor to develop, test, or deploy automatic or semi-automatic or other similar systems for rapid reload of ABM launchers.

ARTICLE VI

To enhance assurance of the effectiveness of the limitations on ABM systems and their components provided by this Treaty, each Party undertakes:

(a) not to give missiles, launchers, or radars, other than ABM interceptor missiles, ABM launchers, or ABM radars, capabilities to counter strategic bal-

listic missiles or their elements in flight trajectory, and not to test them in an ABM mode; and

(b) not to deploy in the future radars for early warning of strategic ballistic missile attack except at locations along the periphery of its national territory and oriented outward.

ARTICLE VII

Subject to the provisions of this Treaty, modernization and replacement of ABM systems or their components may be carried out.

NONPROHIBITION AGAINST OTHER RESEARCH AND DEVELOPMENT

Senator YOUNG. Are there any other military programs where there is a limitation or prohibition on research?

Secretary LAIRD. Not on research and development; only these that I have cited to you.

Senator YOUNG. Only this one.

Chairman ELLENDER. Off the record.

(Discussion off the record.)

$34 MILLION REDUCTION IN RESEARCH AND DEVELOPMENT

Secretary LAIRD. We will be making a reduction in the fiscal year 1973 R. & D. funding for Safeguard, which I am submitting to you today, of $34 million.

I want to emphasize that, under the agreements, we can and we must continue those prudent development measures, such as the Trident, the B–1, and Site Defense. Such measures are necessary to maintain a realistic strategic deterrent.

BUDGET ADEQUACY REQUISITE

I said peace cannot be bought cheaply. The opportunities for peace embodied in the SALT agreements would be nullified and our national security jeopardized unless there is continued strong support for an adequate defense budget. The success of SALT depends on sustained strength.

VIETNAM AND FREE WORLD FORCES MILITARY ASSISTANCE BUDGET AMENDMENT

Strength and resolve are also necessary in Vietnam as we continue our efforts to end that war. President Nixon has presented an unequaled offer to end the war. But until the enemy is willing to negotiate seriously, we will continue to do whatever is necessary to help defeat North Vietnamese aggression.

This is our resolve. We have demonstrated it by our augmentation of air and naval forces in response to the flagrant invasion by the North Vietnamese this spring across the demilitarized zone (DMZ).

We have demonstrated it by our material and equipment support to RVNAF and free world forces who are so vigorously resisting the enemy on the ground. This insurance reserve costs additional money which we must rely upon the Congress to provide.

We are expeditiously preparing and will forward to you a fiscal year 1973 budget amendment, and an amendment to increase the authorization for MASF (military assistance, service funded) for Vietnamese and free world forces.

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With that background, Mr. Chairman, let me now turn to the specifics; first on strategic armaments, and then on Southeast Asia.

Chairman ELLENDER. Off the record.

(Discussion off the record.)

NET BUDGET DECREASE RESULTING FROM TREATY TERMS

Chairman ELLENDER. On the record.

There is only one question I would like you to answer as you go along. What would be the amount sum of additions and subtractions in the 1973 if the agreement is ratified?

Secretary LAIRD. So far as the strategic offensive arms agreement and the ABM Treaty are concerned, there will be total savings in 1973 of about $650 million in the ABM area and additions of over $100 million in the offensive and other areas making total savings of close to $550 million.

STRATEGIC ARMS LIMITATION AGREEMENT REDUCTION

Chairman ELLENDER. The staff has prepared a tabulation summarizing the net reduction of $543 million in the Defense budget resulting from the strategic arms limitation agreements. I shall place it in the record at this point.

(The information follows:)

SALT RELATED ADJUSTMENTS TO STRATEGIC PROGRAMS

The table below summarizes adjustments to the defense program resulting from decisions made concomitant to the strategic arms limitation agreements. Our strategic forces programs will be undergoing further review in the coming months as part of the preparation of the FY 74 budget. Refinements and additional changes in these programs may be reflected in the FY 74 submission.

SUMMARY OF ADJUSTMENTS

[Changes to Defense program in millions of dollars]

	Fiscal year 1972	Fiscal year 1973
Cancel Safeguard construction at Malmstrom; complete Grand Forks; deploy NCA defense (2 MSR's, 100 Sprints only)	−$14	−$711
Accelerate and complete development of site defense		+60
Develop submarine based cruise missile		+20
Accelerate bomber rebasing		+45
Augment verification capabilities		+13
Develop improved reentry vehicles for ICBM's and SLBM's		+20
Augment advanced technology effort on command, control and communications		+10
Net changes	−14	−543

Chairman ELLENDER. If we extend that to a 5-year basis, and it is agreed not to construct the ABM, it would save over that period of time about $5 billion.

Secretary LAIRD. Through 1978, total savings will be about $5 billion.

SPARTAN AND SPRINT MISSILES

Senator YOUNG. Mr. Chairman, one more question. This does not eliminate the long-range Spartan, does it?

Secretary LAIRD. No, it does not. No. Any mixture is permitted. This has not eliminated Spartan.

Senator YOUNG. A total of 100?

Secretary LAIRD. A total of 100 at each site.

Admiral MOORER. Within a radius of 150 kilometers.

Secretary LAIRD. The interceptors at each of the two sites have to be within an area with a radius of 150 kilometers.

Senator YOUNG. I thought we were going to have 150 altogether.

Secretary LAIRD. It is now limited to 100 in this treaty.

Senator YOUNG. That includes both Sprint and Spartan?

Secretary LAIRD. Yes.

Senator YOUNG. That is a reduction?

Secretary LAIRD. The original plan was [deleted] Sprints and [deleted] Spartans at Grand Forks.

STATEMENT OF PRINCIPLES

Admiral MOORER. There are [deleted] more than the original plan. [Deleted] was the original plan.

Chairman ELLENDER. All right.

Mr. Laird, you may proceed.

Secretary LAIRD. I am on "Strategic Armaments," which is on page 4.

The historic strategic arms limitation agreements, reached despite differences in other areas of our relations with the Soviet Union, are concrete evidence of the progress we are making in building for a generation of peace.

We have consistently advocated approaching negotiations from a position of strength, and we have maintained that strength. We must not forget this principle in our deliberations on charting our future course.

Mr. Chairman, you recognize that I am not here today to testify on the specific provisions of the agreement reached in Moscow. This will come at a later time after the President transmits the documents to Congress. I am here with the Chairman of the Joint Chiefs of Staff to discuss with you some of the budget and program implications related to the fiscal year 1973 defense budget.

The agreements reached in Moscow will permit us to maintain a strong strategic position, and they will enhance our security by putting the brakes on Soviet strategic force momentum. These agreements reflect a realistic assessment of the strategic situation, both as it exists today and as it could exist 5 years from now in the absence of the agreements.

These agreements, coupled with the military programs Congress has been and will be asked to fund are a first step. Both sides are pledged to continue negotiations for further steps on limiting strategic arms.

DEPENDENCE OF FUTURE NEGOTIATIONS ON FUNDING OF PROGRAMS

Just as the Moscow agreements were made possible by our successful action in such programs as Safeguard, Poseidon, and Minuteman III, these future negotiations to which we are pledged can only succeed if we are equally successful in implementing such programs as the Trident systems, the B–1 bomber, NCA defense, site defense, R. & D., SLCM, and accelerated satellite basing of strategic bombers. We must also initiate certain other measures in areas such as intelligence; verification; and command, control, and communications.

CHANGES REQUIRED UNDER TREATY IN EXISTING U.S. STRATEGIC PROGRAMS

Ratification of the ABM Treaty and the simultaneous entry into force of the interim agreement on offensive weapons will impact on our fiscal year 1973 budget request and planned fiscal year 1973–77 defense program, which I outlined to this committee in February in my defense report.

The provisions of the ABM Treaty require that upon ratification we make the following changes in our Safeguard ABM program:

Cancel plans for a full 12-site Safeguard program.

Stop construction at the Safeguard site at Malmstrom Air Force Base, Mont., dismantle the site, and stop all advanced site preparation work at Whiteman Air Force Base, Mo., and Warren Air Force Base, Wyo.

Although ABM deployments will be limited to two sites—Grand Forks, N. Dak., and the National Capital area—we can and must continue permitted ABM research, development, test, and evaluation programs in order to preserve future options and to stay abreast of ABM technology.

LIMITATION ON ABM RESEARCH

Senator YOUNG. Earlier we had a question in which there was a limitation on ABM research and you agreed that there was a limitation.

Secretary LAIRD. But only in certain areas, and it does not affect any of our current ongoing programs in the ABM field to any substantial degree at all.

We have placed in the record earlier this afternoon the articles of the treaty that could be interpreted as a limitation on our development and test program.

Admiral MOORE. There are two limitations, Senator Young. First, only one warhead and rocket per missile and only one missile on a launcher. You cannot make an automatic missile launcher and you cannot have a multiple warhead on an antiballistic missile.

The other limitation is no sea-based, no air-based, space-based, or mobile land-based ABM systems.

PROGRAMS TO BE CONTINUED

Secretary LAIRD. We will continue the site defense program, making modifications to accelerate its development and testing. Without further constraints on Soviet offensive programs, which could be achieved in follow-on negotiations but which do not exist now, we need this hedge for insuring the survivability of our land-based ICBM's.

We will vigorously pursue a comprehensive ABM technology program. This program will provide knowledge of ABM technology potential that will help us understand better Soviet ABM developments, help us insure adequate penetration capability for U.S. offensive missiles, and examine ABM development options that might be exercised if permitted by future agreements, or if otherwise necessary.

It is essential that the United States start work now to build an ABM defense for our command, control, and communications in the Washington, D.C., area, as proposed in the fiscal year 1973 budget request

and justified in my defense report to Congress. We have asked for $28.7 million for the site preparation work in the Washington, D.C., area. The final decision on construction funds, of course, would be made in connection with next year's budget—the fiscal year 1974 budget. The Congress would pass on the construction program at that time.

ABM System Cost

Chairman Ellender. Mr. Laird, can you give us an idea what the cost of the proposed ABM system will be?

Secretary Laird. Mr. Chairman, I think it is important for us to realize that the basic research and development cost is approximately the same whether you have one site or 12 sites. There is some misunderstanding about that. If you divide the research and development in a two-site program, you come up with a different cost than for a one-site program, but I can give you those figures.

The cost of a two-site program, assuming the simplest NCA configuration and the current Grand Forks design, would be $8.7 billion. With the most costly configuration for the NCA site, the cost for the two sites would be $10.8 billion.

Chairman Ellender. Together?

Secretary Laird. Yes. Mr. Chairman, I want to make clear that all the research and development costs are included in these figures.

Chairman Ellender. I understand.

Secretary Laird. And all of the sunk costs for the other sites, so that is a total cost figure that I am giving you with all of the research and development and all of the sunk costs that are involved with the Montana site and the Wyoming site and the Missouri site. Those are total cost figures I am giving you.

North Dakota and Washington, D.C., Systems Missions

Chairman Ellender. As I understand it, the ABM system that we will retain in North Dakota will be to protect our missiles in that area, whereas in the case of Washington they will be to protect the city.

Secretary Laird. It will be to protect the National Command Authority in Washington.

Chairman Ellender. Well, what is the difference? You have no missiles in Washington.

Secretary Laird. The important requirement of the Washington site is to protect the National Command Authority, and it does increase the credibility of our deterrent by enabling us to respond and having the other side know that the United States can respond if we are ever attacked.

Senator Cotton. May I ask one question?

Chairman Ellender. Yes, sir.

Senator Cotton. Of course, times have changed, but I recall very distinctly being told in reference to the decision that was made by us to drop the atom on Hiroshima that it was discussed whether it should be dropped on Tokyo, and the reason it was not was that, if you destroyed what you call the command of the government, there would be nobody left to treat with, and we thought it would be inadvisable to drop it there, because it would kill off the heads of government.

It would seem to me that one would do more effective damage if it were dropped on some industrial complex. Would you comment on that?

Secretary LAIRD. Senator Cotton, I think there are other considerations that are involved.

I can only state that if we are going to have a credible or realistic deterrent, it is important that the United States be able to react and retaliate against any attacker. In order for it to react and be in a credible position where it can react, there must be a method of controlling the ICBM's and the submarine-launched ballistic missiles of the United States.

If the enemy knows that we do have this control capability, that we can control our retaliatory force, it does make the possibility of a nuclear exchange that much more remote and so it does add to the credibility of your deterrent.

Senator COTTON. Well, there are other points of control other than Washington. You have Omaha——

Secretary LAIRD. The control of our nuclear deterrent is in the hands of the President of the United States.

Chairman ELLENDER. To go back to the question I asked a while ago, there would be no missiles to protect in the city of Washington if you build the contemplated ABM's.

Secretary LAIRD. The purpose of the site will be protection of the national command authority.

NEED FOR NEW AIRBORNE COMMAND POST AIRCRAFT

Chairman ELLENDER. Mr. Secretary, when you mention the need for protection of the national command authority, it brought to my mind the proposed new airborne command post aircraft program. Do you think there is a real need for this expensive program?

Secretary LAIRD. Yes, I believe there is. The most secure system that has been developed at the present time is the airborne command post. I think that that airborne command post is the best of the systems that have been devised. I think that for several reasons. I was a party to the construction program of the fixed command sites, not only in Colorado Springs but also elsewhere outside of Washington, and part of the Military Construction Committee that had part of that. I think the increased accuracy of the Soviet weapon systems has changed the whole concept of vulnerability. I think that they are somewhat secure, but as the accuracy of the Soviet systems increase, the vulnerability of these fixed command sites decreases. What I am interested in as Secretary of Defense is planning for a deterrent capability that does have the respect of the other side. What we are trying to do here is to make it an unacceptable risk for anyone to initiate a nuclear war.

Senator SYMINGTON. You mean the vulnerability increases?

Secretary LAIRD. The vulnerability increases because of the increase in accuracy.

NORTH DAKOTA ABM SITE

Senator YOUNG. A little while ago you said that the Safeguard site in North Dakota would protect the Minuteman area. Would it also provide protection to the two huge Air Force bases there?

Secretary LAIRD. Yes; that is correct. The intercept or missile available there, do give us some protection. If the agreements should ever be placed aside for one reason or another, this capability is an important capability for us to have and it gives us a start on a program.

As you know, the 12-site program had this site at Washington, D.C., in it. This is not anything new, but instead of having the 12-site program now we are going to a two-site program should this treaty be ratified by the Senate.

WASHINGTON, D.C., ABM SITE

Senator COTTON. In my questions, Mr. Secretary, I was not criticizing the President for this agreement and for having one outside of Washington and one near the Capital, just as the Soviets are, but I was not absolutely convinced, if we used our money for other purposes, that the ABM near the Capital is so essential, because if the Soviets or anybody else wanted to knock out this country, they would hit our missile potential; they would not just try to kill the President.

I am not criticizing this agreement, but I am still wondering whether it is necessary that we rush to build that second site next to Washington.

Secretary LAIRD. I think it would be worth while to hear the military point of view on this from the Chairman of the Joint Chiefs because it does have a significant value.

Admiral MOORER. Going back to the original question, let me say that the reason that Hiroshima was selected as a target, according to the information I have, was because this program was designed to drop a weapon on a target that had not already suffered substantial damage by other means.

I think they wanted to get a good readout as to what the actual effect of this weapon would be.

In addition to that, Hiroshima did have substantial military targets in the city. It was closer to our base and, consequently, the aircraft carrying the bomb would not be subjected to as many defenses en route to the target and they were trying to protect this particular aircraft.

So, the selection of this target was not due to the fact that the Emperor lived in Tokyo; in fact, I don't think he was in Tokyo, anyway.

Also, the situation was quite different in the sense that here we were at the end of World War II and now we are talking about a situation which would be the very beginning a new war, where your command and control system has not been damaged or put out of action.

COMMAND CONTROL SYSTEM

In developing the command and control system, we must have redundancy and continuity. In the opinion of the Joint Chiefs of Staff, we should look at the worst case. We look at the case where we have what we think is the maximum surprise that the enemy might impose and the conditions under which the enemy makes a preemptive attack. It is necessary then for us to activate the decisionmaking process in such a way that those forces which are going to retaliate are certain to get the orders to do so. Consequently, the ABM system would provide additional time, to appraise the situation and issue the necessary orders.

The airborne command post would, of course, permit the [deleted] the mobility which would provide the survivability.

TREATY LIMITATION OF ABM SYSTEMS

Senator SYMINGTON. When we were in this discussion, Mr. Secretary, with Ambassador Smith, the thought was that we could have two bases anywhere we wanted and they could have two bases anywhere they wanted but, of course, they already had one around Moscow, and we already had one developed. We actually had 1½.

Secretary LAIRD. We really had about 1 1/10.

Senator SYMINGTON. At what point did we have to change so that we had to have an NCA instead of having Grand Forks and Malmstrom?

Secretary LAIRD. You mean the exact date?

Senator SYMINGTON. Specified that way, we could not have two in the field.

Secretary LAIRD. Yes.

WASHINGTON, D.C., SITE: PUBLIC APPROVAL

Senator SYMINGTON. There was a lot of public opposition around Boston when they decided to put an ABM there, and Chicago said, "No; not around here", and then in Seattle Senator Jackson, although strong for an ABM said, "No, sir: not around here."

Now, that being true in those three cases, how do you expect to get the people of Maryland, Virginia, and D.C. to say, "Fine; put an ABM system here; we will be happy to have it"?

Secretary LAIRD. I think that the debate will not take place until next year because we only have the site survey program in this year's budget, which will be centered primarily on other national security requirements for maintaining a realistic deterrent.

I think that the majority of the American people, when it comes to this national security question, know it has to do with the realism and credibility of our deterrent and will support such a program.

RETALIATION CAPABILITY

Senator SYMINGTON. In this connection, I think the chairman's questions were rather pertinent.

Secretary LAIRD. It is not a question of defending the Commander in Chief, who is the President, in the case of the United States; it is the question of having the capability in the eyes of any potential user of nuclear weapons outside the United States that we can react as far as our retaliatory forces are concerned.

We are not talking about this one or this President; we are taking about what the potential aggressor would think of a country that did not have the capability to protect the command and control mechanism which is so important if your retaliatory force is to be usable and effective.

Under the requirements which have been laid down by this Congress, the coequal branch, only the President of the United States has that command responsibility.

Missile Limitation

Senator Symington. I don't want to belabor this, but you can only have 100 missiles; is that correct?

Secretary Laird. That is correct.

Senator Symington. So, it would be easily saturated?

Secretary Laird. I believe 100 missiles give you the opportunity of discouraging a surprise attack on the NCA by increasing the number of missiles that would be required and the amount of attack structuring that would be required to disrupt the NCA function with any high confidence. It also gives us the time which is necessary.

I would just like to state that it also provides the second thing—it gives the national command authority additional decision time, which I think is important for those actions necessary to end on a timely basis any war in which we would even relocate the national command authority into the airborne command post. I think that time factor could be important.

Chairman Ellender. Proceed.

Budget Changes Resulting From Treaty Ratification

Secretary Laird. Mr. Chairman, I have outlined the changes and I have given you and the members of the committee a breakout by item of the changes that would be required in the 1973 budget should the ABM Treaty be ratified and the offensive agreement approved by the House and the Senate.

Safeguard Program

In making the changes to the Safeguard program, we will avoid taking irreversible actions pending ratification of the treaty.

Our plans call for using the radar equipment currently being built for Malmstrom and Whiteman at the new Washington, D.C. site. No new construction funds would be required in fiscal year 1973. Authorization to perform advanced site preparation for Washington using fiscal year 1972 funds already appropriated for that purpose has been requested in the fiscal year 1973 budget.

As a result of the Moscow agreement, these actions will permit reduction of our fiscal year 1973 budget request for ABM program funding by about $650 million.

Other Selected Strategic Programs

In addition to the above modifications based on the treaty, we believe it is essential to adjust other selected strategic programs and to provide certain additional hedges for the future. These efforts will include additional work on reentry vehicle technology plus some advanced technology to improve our command-control communication capabilities, and some increases in intelligence resources to augment verification capabilities.

I will provide specific details on our plans in these areas at a later date for your use in executive session.

Continuing Programs

This is no time for complacency. This is no time to cut back on those programs which are designed to maintain and preserve essential U.S. strength. We must continue such existing deployment programs as MIRV and SRAM, and those development programs we have in our fiscal year 1973 budget, such as Trident and the B–1 bomber.

As I have told the Congress, we need Trident at the earliest possible date. Last year, we made the decision to accelerate Trident as the most appropriate new strategic initiative to preserve the sufficiency of our deterrent for the future. The agreements do not in any way lessen the need for Trident. On the contrary, Trident remains a most urgent program.

Similarly, the B–1 bomber development program must be kept on schedule. It is designed to provide us an option to deploy the first aircraft in the late 1970's. We need to continue our efforts to insure we can deploy the B–1 bomber as a replacement for our aging B–52 fleet.

Funding Implications of Salt

As I mentioned earlier, the ABM Treaty will permit a reduction of about $650 million in fiscal year 1973 ABM funding requests. We propose to apply about $100 million of that to modification and initiation of other action in the strategic area to insure maintenance of a realistic strategic deterrent.

As a result, the aggregate changes we are proposing as a result of SALT permit an approximate reduction of $550 million in the strategic portion of our fiscal year 1973 Defense Budget.

Initial estimates of these program changes resulting from SALT indicate that additional savings over the next 5 years could amount to as much as $5 billion. The net savings derive from changes to our planned Safeguard deployment. These savings reflect a net decrease in our currently planned strategic funding, and as such represent resources available for other pressing defense needs, such as required modernization of our active, National Guard and Reserve general purpose forces under the total force concept.

SOUTHEAST ASIA

I would like now to turn to the situation that exists in Southeast Asia.

I have polled the committee and I have been requested by you, Mr. Chairman, to outline some of the changes that are required as far as the budget is concerned because of the augmentation of forces that has been ordered to Southeast Asia.

1972 Free World Force Support Authorization Limitation

Presently, Mr. Chairman, the Department of Defense is operating in fiscal year 1973 with a congressional authorization which provides for $2.5 billion for the support of free world forces in Southeast Asia. As I have stated to you in a letter, Mr. Chairman, we estimate that spending under this authorization, which is contained in section 501

of the fiscal year 1972 authorization act and in section 738 of the fiscal year 1972 Defense Appropriation Act, is at the present time very close to or right at the $2.5 billion authorization limit.

NORTH VIETNAM AGGRESSION AND AUGMENTATION OF U.S. AIR AND NAVAL ACTIVITIES

In Southeast Asia, we have been compelled to augment our air and naval activities in response to North Vietnam's blatant aggression across the DMZ in violation of the Geneva Accords of 1954 and the Understandings of 1968.

Vietnamization has been astonishingly successful. Frankly, when we planned the Vietnamization effort, we did not conceive that the RVNAF would have to stand off a major invasion across the DMZ by the regular forces of North Vietnam, equipped with hundreds of tanks, and supported by massive artillery and a wide range of modern weapons systems.

But the RVNAF, with sea, air, and logistics help, is meeting this invasion without American ground combat forces.

To continue the safe withdrawal of American forces from Vietnam under the Vietnamization program and to respond to the current North Vietnamese aggression, the President has made very difficult decisions in fulfillment of our resolve and our obligation. It has been necessary to augment our aid and naval forces and their capabilities in Southeast Asia and to take certain other measures such as additional logistic support to the forces of the Republic of Vietnam.

The Department of Defense is operating in fiscal year 1972 with a congressional authorization of $2.5 billion for support of free world forces in Southeast Asia. This authorization is contained in section 501 of the fiscal year 1972 Procurement Authorization Act (Public Law 92–156) of November 17, 1971, and section 738 of the fiscal year 1972 Department of Defense Appropriation Act (Public Law 92–204) of December 18, 1971.

STATUTORY QUARTERLY REPORT: COUNTRY-PURPOSE VALUE OF SERVICE FUNDED MILITARY ASSISTANCE

In accordance with the provisions of law, I have submitted to Congress a quarterly report with respect to the estimated value by purpose and country under MASF, which amounted to an estimated $1,932.8 million through the quarter ending March 31, 1972.

The operations now underway in Southeast Asia involve U.S. naval and air elements, as well as all elements of South Vietnamese Armed Forces operating on an integrated basis. Such large-scale combat to oppose the Communist invasion necessarily involves elements of unpredictability and overriding requirements for speed and flexibility.

Under these conditions of integrated operations, it is not possible at this time to make a precise determination as to the ultimate user of the material required in the theater.

Let me give you an example, Mr. Chairman.

The South Vietnamese Air Force has been flying over 200 air sorties a day. These particular air sorties are a part of an integrated operation with the U.S. Air Force. I cannot precisely price out that ammunition for you today, but I am confident that we are at the $2.5 billion figure.

However, our best estimate of figures available to us indicates that we are already at the $2.5 billion level for fiscal year 1972. It is now a certainty that the course of operations in the days ahead will push us over $2.5 billion.

AUTHORIZATION INCREASE REQUISITE

It is essential, therefore, that the authorization be increased to $2.7 billion in fiscal year 1972 to provide us with a critical added measure of flexibility to meet conditions that could not have been foreseen.

I have appeared before the authorizing committees of both the House and the Senate, the Senate Armed Services Committee and the House Armed Services Committee, and I have been informed that they will move forward in the House of Representatives with such legislation.

ANTICIPATED SUPPLEMENTAL BUDGET REQUEST

With the approval of the President, we will be submitting shortly a budget amendment which will cover certain other areas of costs as far as Southeast Asia is concerned.

DEFICIENCY OBLIGATIONS PURSUANT TO STATUTORY AUTHORITY

At the present time, as Secretary of Defense, I am using the authority given to me in subsection (b) of the Revised Statutes 3732, 41 U.S. Code 11, and I notified this committee and the other committees of the Congress some weeks ago that we were obligating funds on a deficiency basis under the authority in that statute.

By utilizing this authority we can be assured of adequate funding for clothing, subsistence, fuel, quarters, transportation, and medical and hospital supplies. This is estimated to cost some $300 million.

Our actions in Southeast Asia, which require budget support, are needed and necessary to help thwart the aggression by the enemy in Vietnam, to continue Vietnamization and American troop withdrawals, and hopefully to bring about meaningful negotiations to achieve peace. Obviously, substantial costs are involved.

I will be reporting further to you on the measures which we have taken and the results at a later date.

MAINTENANCE OF MILITARY READINESS

Mr. Chairman, I cannot stress too strongly the necessity to guard against erosion of our military readiness posture in other parts of the world. It will be necessary for us to have increased funding in the 1973 budget that has been submitted to this Congress.

In summary, Mr. Chairman and members of the committee, we have truly begun the tough, uphill journey for peace. We must not be deluded into thinking this is going to be an easy journey.

With the conclusion of President Nixon's trips to Peking and Moscow as the world leader for peace, we have taken the first essential steps in the process of peace.

Euphoria has no place on this journey. Neither is there a place for detours prompted by wishful thinking.

Like any other important journey, this one must be adequately financed.

The clear challenge for the next 5 years is to move forward with orderly and affirmative actions so that we do not undermine the new opportunities for lasting peace.

PRESIDENT'S MESSAGE TO CONGRESS

As President Nixon told the Congress last Thursday night, both on SALT and on Vietnam:

> * * * this does not mean that we bring back from Moscow the promise of instant peace, but we do bring the beginning of a process that can lead to a lasting peace, * * *
>
> . . . each side obviously has its own point of view and its own approach to this very difficult issue (of Vietnam). But at the same time, both the United States and the Soviet Union share an overriding desire to achieve a more stable peace in the world. I emphasize to you once again that this Administration has no higher goal, a goal I know all of you share, to bring the war in Vietnam to an end. We are ending the war in Vietnam, but we shall end it in a way which will not betray our friends, risk the lives of the courageous Americans still serving in Vietnam, break faith with those held prisoner by the enemy, or stain the honor of the United States.

CONGRESSIONAL AND PUBLIC SCRUTINY OF PEACE STEPS

Secretary LAIRD. I join the President in urging full scrutiny by both Congress and the American people of the steps we have taken and are taking in our pursuit of a meaningful peace. The results of our efforts speak for themselves.

U.S. STRENGTH

In closing, I want to assure the Congress, as did the President last week, that no nation today is stronger than the United States and, with the continued support of the Congress, no nation will be stronger in the future. In my view, the American people should not and will not settle for less.

PRESIDENT'S STATEMENT TRANSMITTING TREATY AND AGREEMENT TO CONGRESS

I would like to close with a quote from the President's statement which he submitted to the Congress today, in the transmittal of the treaty and the agreement:

> The defense capabilities of the United States are second to none in the world today and I am determined that they shall remain so. The terms of the ABM Treaty and the interim agreement will permit the United States to take the steps we deem necessary to maintain a strategic posture which protects our vital interests and guarantees our continued security.

Mr. Chairman, we feel that with these modifications and the strategic defensive and offensive programs in the 1973 budget, we can move down this road outlined by the President in his message to the Congress today.

INCREASES RESULTING FROM ACCELERATION OF ABM PROGRAM AND AUGMENTATION OF FORCES IN SOUTHEAST ASIA

Chairman ELLENDER. What are the increased Southeast Asia costs that you referred to?

Secretary LAIRD. The increased costs that I talked about have to do with the accelerated program and the augmentation of forces in Southeast Asia carried out under the direction of the President.

Chairman ELLENDER. For the most part, you are talking about the Air Force and the Navy.

Secretary LAIRD. Yes. If the augmentation of forces—and activity rates—continued on the current level through September 30, the additional cost will be approximately $3.3 billion.

If the augmentation force and the current level of activity in South Vietnam would continue until December 31, that cost would be about $5.3 billion.

So, these particular figures that I allude to are based upon different dates and I cannot predict with any certainty what the actual date will be.

I am trying to be responsive to your question.

I can tell you exactly what we have spent thus far. We have spent about $300 million under the deficiency authority plus approximately $400 million in ammunition already.

Chairman ELLENDER. You mean because of——

Secretary LAIRD. Over and above the amounts in the 1972 budget.

Chairman ELLENDER. And this would cover the bombing that was initiated recently?

Secretary LAIRD. That is due to the invasion of the North Vietnamese across the demilitarized zone in violation of the 1954 accords and the 1968 understanding.

NATIONAL MEANS OF VERIFICATION

Chairman ELLENDER. Any further questions?

Senator HRUSKA. Could you explain "national means"? Verification of——

Secretary LAIRD. Yes.

[Deleted.]

That is part of our intelligence program funding in the Department of Defense budget.

Senator HRUSKA. So it is the national means of each nation respectively?

Secretary LAIRD. Yes. In addition to that, this committee is familiar with other national means which we also have which include electronic surveillance [deleted].

Admiral MOORER. Could I make one more comment, please, Senator, because I think it is important to remember when one is considering the national means of verification that, so far as this agreement is concerned, it is primarily a numbers agreement; it is a quantitative agreement and not a qualitative agreement. Hence, we have confidence that we can verify the numbers.

Senator HRUSKA. It will be adequate for those purposes?

Secretary LAIRD. [Deleted.]

Senator HRUSKA. I understand that, but eventually the point is going to have to be discussed, and there are going to have to be assurances that there is adequate verification. As to how it is going to be done, I would be willing to defer.

Secretary LAIRD. As far as numbers are concerned, we feel that adequate verification can be provided [deleted].

When you get into the programs for qualitative improvements, then it could be somewhat different but, as far as this agreement goes, and this treaty, we believe that we have adequate national means for verification.

Senator YOUNG. [Deleted.]
Secretary LAIRD. [Deleted.]
[Colloquy deleted.]
Secretary LAIRD. That is my recommendation.
Admiral MOORER. That is the point that Senator Hruska made.
Senator HRUSKA. Exactly.
We can indulge in the conclusion but that would require the citizenry of America to take them on faith and some of them are skeptical of that. That is something of substance to which they can repair to be assured that that will be the fact.
Secretary LAIRD. [Deleted.]

MISSILE HOLE TREATY ALLOWANCE

Senator ALLOTT. You raise the point that can be very significant.
In line with what we were discussing about the increase in the size of their missiles, if you assume a missile 10 feet in diameter and 100 feet in height, pi r square times the length which would give you the volume, and assuming that the figures that I have given you, this would give you a volume, using pi only to the first two decimal points—and that is giving you the benefit of the doubt—of 7,850 feet. Now, if you increased that missile 15 percent to 115 feet in length and 11.5 feet in diameter, you would come out with a cubic footage of 11,937—an increase of 4,087 cubic feet.
Now, what I am really getting at here is how does this 15 percent apply? Are we going to have to depend entirely on these words "no significant increase"?
Secretary LAIRD. Yes, sir.
I think we do have to depend upon those provisions that there will be no significant increase in silo dimensions. I believe that the 10 to 15 percent applies to depth and interior diameter measurements.
I am confident and I can assure you that that is the interpretation that we place upon this.
Senator ALLOTT. All right. Thank you.

SUPPLEMENTAL BUDGET REQUESTS

Chairman ELLENDER. When do you expect to send us these budget estimates?
Secretary LAIRD. They have been transmitted to the Office of Management and Budget.
There is some discussion which I disagree with that they should not be transmitted officially until the Senate takes action on the treaty, but I, personally, believe that they can be submitted even though the Senate has not taken action.
Chairman ELLENDER. We could treat this request in the next supplemental.
Secretary LAIRD. It could be treated in that way.
Chairman ELLENDER. I want to have this request considered as soon as possible. I hope we don't have to delay any later than the time between the Democratic and Republican Conventions.
Secretary LAIRD. You certainly will have it by then.
Chairman ELLENDER. All right.
Any further questions?

B–1 AIRCRAFT AND TRIDENT

Senator SYMINGTON. Yes.

You have stated that you could not support the treaty and the interim agreement if the Congress turned down budget requests for the B–1 and Trident.

Therefore, isn't it vital that we process this before we know where we are in support of the——

Secretary LAIRD. The basic budget submitted by the President of the United States includes both the B–1 and the Trident programs, and you have that before you now.

Chairman ELLENDER. That won't change?

Secretary LAIRD. That request is before the Congress at the present time and has been since early this year.

Senator COTTON. I have one more question.

Chairman ELLENDER. Yes, sir.

AGREEMENTS WITH RUSSIA AND SATELLITE PROGRAM

Senator COTTON. I note on page 3 when you list the reasons at the top of the page of the safety of the agreement, you say: "We have adequate means of verification."

Now, you don't go into that statement and I can understand why, because I am sure it is classified material. However, I think that it is important that you assure the Congress and the American people that we have the means to be sure that the Soviets are not violating these proposed agreements. Can you give us such an assurance?

Secretary LAIRD. Absolutely. They can be verified by our national technical means.

Senator COTTON. That is what I want to ascertain.

Secretary LAIRD. Verification of these agreements can be accomplished. [Deleted.]

Senator COTTON. Are there other means for verification?

Secretary LAIRD. This is the primary means.

I can give you assurance, Senator Cotton, as far as the terms of the agreement on the numbers in the defensive treaty and the numbers in the offensive agreement are concerned, that adequate verification by national means, is available.

Now, as far as follow-on improvements, and so forth, there will have to be some improvements in the electronic means that would monitor such other systems.

[Deleted.]

Senator COTTON. Thank you, Mr. Secretary.

Chairman ELLENDER. Any further questions?

Senator SYMINGTON. Yes.

Off the record.

(Discussion off the record.)

AIR FORCE AIRCRAFT PROCUREMENT

Senator SYMINGTON. Thank you.

Now, I have one other question.

I notice that the Air Force this year is procuring fewer airplanes for its own use than it has since 1924—73 to be exact.

Secretary LAIRD. Those figures are not classified; we released them.

Senator SYMINGTON. I also notice your procurement of the missiles and aircraft is $3,055 million and the program for the Air Force is $1,478 million, considerably less than half.

With those premises, why does the Air Force have to take the whole rap? Why is not that money split between the other services?

Secretary LAIRD. Mr. Chairman, I would like to say first in regard to the Air Force that the Air Force has some aircraft coming along, if you will look at the 5-year program. The F–15 is coming along and you will find it is a good aircraft and the Air Force has made its decision as it went along.

Also, as far as the B–1 is concerned, the situation on the B–1 is that it is still a development aircraft, and that aircraft will not be available until the latter part of the 1970's and the early 1980's, so the Air Force will continue to use——

Senator SYMINGTON. Why do not some of the other services take some of it?

Secretary LAIRD. [Deleted.]

Senator SYMINGTON. I didn't mean that.

Secretary LAIRD. That is not a CIA program.

Senator SYMINGTON. I understand.

Secretary LAIRD. If this committee in its wisdom wants to spread it around, we can work out some sort of an arrangement.

It has always been the feeling of the Appropriations Committees of both the Senate and the House that it is easier to keep it in one place, and we have tried to compensate for that.

I can assure you that in looking at the Air Force budget there is no penalty as far as the Air Force is concerned by carrying the major portion of this money in their budget.

I think this should really be off the record.

(Discussion off the record.)

Senator SYMINGTON. Thank you, Mr. Chairman.

SITE DEFENSE PROGRAMS

Senator THURMOND. Mr. Secretary, as a result of the SALT agreements, the Defense Department is requesting an increase of $60 million to develop the site defense program. What is the total development cost of site defense?

Secretary LAIRD. The cost of the prototype demonstration program for site defense as presented during earlier fiscal year 1973 hearings is $794 million in R.D.T. & E. plus $20.4 million in MCA. In addition to the prototype demonstratiton costs, $720 million in R.D.T. & E. is being programed for [deleted] to complete engineering development for a total development cost of approximately $1.6 billion.

Senator THURMOND. Mr. Secretary, as I understand it, site defense is a system of radars and Sprint missiles originally planned for deployment within ABM sites to knock down enemy ICBM's which might get through the regular Spartans and Sprint missiles of the ABM site. Thus, site defense is a type of ABM. What is the total program cost of site defense, and how is it to be used under the SALT agreements?

Secretary LAIRD. The total cost to complete the site defense development program is approximately $1.6 billion. Although no deployment

has been authorized, deployment of site defense components is permitted at either or both of the two sites allowed by the treaty, provided that the specified numbers of radars and missiles are not exceeded. Continued development will preserve the option for possible deployment of site defense at a time near the expiration date of the interim offensive agreement.

SALT AGREEMENT ON SPARTAN MISSILES

Senator THURMOND. Secretary Laird, under the SALT agreement, each of our ABM sites are restricted to 100 Sprint interceptor missiles. Are any Spartans included? How many?

Secretary LAIRD. In the case of the ICBM defense site, we are continuing the originally planned deployment at Grand Forks, including the installation of [deleted] missiles, for a total of [deleted] interceptors. The option to provide [deleted] additional interceptors, in accordance with the treaty provisions, is being considered.

In the case of the NCA site, the exact definition of the defense has not been decided and studies to determine its configuration, consistent with the SAL constraints, are currently in progress. While the allocation by missile type within the 100 ABM interceptor constraint has not been determined, deployment of Spartans is being considered.

Senator THURMOND. How many incoming missiles would it take to overpower these 100 Sprint missiles?

Secretary LAIRD. [Deleted.] In an exhaustion attack, the offense overpowers the defense by directing enough RV's so that the defense is forced to launch all its interceptors. The attacker subsequently directs his remaining RV's against the now undefended target area.

Senator THURMOND. Mr. Secretary, how can the ABM sites be really effective and useful if they can be overpowered?

Secretary LAIRD. As outlined in the answer to the previous question, any defense can be overpowered by an attack which exhausts the defense interceptor stockpile. However, the defense effectiveness of an ABM site is measured by how well it accomplishes its individual defense objectives.

In the case of Grand Forks, the defense would meet its defense objective by increasing the enemy's resource expenditure required to effectively attack the Minuteman force. The NCA defense would have satisfied its design goals if it adequately delayed the offense's penetration, thus providing the National Command Authorities additional time in which to select an appropriate response.

The ability to accomplish these objectives contributes to the President's strategy of realistic deterrence.

Senator THURMOND. How many Sprints at the ABM sites would be targeted against each of the incoming missiles? Is it a 1-to-1, 1, 2-to-1 basis for targeting?

Secretary LAIRD. The firing doctrine of each ABM site will be tailored to the specific defense objectives of that site. The goal will be to establish a doctrine that optimizes the use of the limited number of interceptors. For example, if it is known that only a few SLBM's have been launched against the NCA site, we may commit a high number of interceptors; for example, 2 on 1, to provide for the maximum probability of destroying all the threatening objects and minimizing the probability of a weapon penetrating the defense. Alternatively, if an

enemy launches a heavy mass attack on the NCA, we may be forced to a firing doctrine approaching 1 on 1 to avoid premature defense exhaustion. In each situation, the firing doctrine can be adjusted based on strategic and tactical information, available to the defense, to insure maximum defense effectiveness.

DEPLOYMENT OF SITE DEFENSE

Senator THURMOND. Mr. Secretary, returning for a moment to "Site defense." Is this system planned for deployment to protect our various Minuteman III fields?

Secretary LAIRD. No site defense deployment has been authorized. Under the treaty, the radars could be deployed to augment the Safeguard defense of Minuteman at Grand Forks. The objective of this program is to develop and preserve the option to deploy responsively a more effective terminal defense of our Minuteman ICBM force.

Senator THURMOND. Could the United States deploy site defense under the present SALT agreement?

Secretary LAIRD. Yes, but the ABM treaty would limit deployment of site defense interceptors to 100. The ABM treaty does permit deployment of up to 20 site defense radars. This number of radars is sufficient to support almost [deleted] site defense interceptors. Such an interceptor level would defend the ICBM's at Grand Forks from a sizable attack. It might someday be desirable to deploy this permitted radar base because we could add the additional interceptors rapidly if that should become necessary.

Senator THURMOND. If it is excluded, why are we building it? If it is not excluded, what are the Soviets developing which compare with it and how meaningful is the present ABM restriction?

Secretary LAIRD. The site defense system is being developed to preserve our option to deploy a strategically significant terminal defense of Minuteman should the need arise. We will be trying to negotiate a follow-on SALT agreement which would substantially limit the Soviet counterforce threat to our strategic forces, particularly the Minuteman forces. The site defense program will give us the capability, if the follow-on negotiations fail to reduce this Soviet counterforce threat, to defend Minuteman.

CRUISE MISSILE SUBMARINE

Senator THURMOND. Mr. Secretary, as a result of the SALT agreement the Defense Department is requesting $20 million to start development of a cruise missile submarine. What would be the cost of these subs and how many are desired?

Secretary LAIRD. Senator Thurmond, the Department of Defense is considering several options for a submarine launched cruise missile which would not require the procurement of new submarines. These options include a torpedo tube launched cruise missile which could be deployed from existing attack submarines [deleted]. Another option being considered is to modify the first 10 Polaris submarines, which are displacement limited and therefore not considered economically suitable for conversion to Poseidon or Trident I, to launch cruise missiles from vertical launchers. Approximately [deleted] cruise missiles with a range in excess of [deleted] nautical miles could be carried in

this manner by each of these early Polaris boats. It should be noted also that these boats as ballistic missile launchers will begin to become excess under the SALT agreement when the fourth Trident submarine is deployed. Finally, we are considering the conversion of some SSN's to dual mode operation by equipping them with [deleted] launch tubes for launching cruise missiles. Therefore, a sub-launched cruise missile would provide us with a variety of deployment options without the construction of a new class of submarines.

Senator THURMOND. Why are they needed after the SALT agreement and were not needed prior to the SALT agreement?

Secretary LAIRD. Cruise missiles are not part of the initial SALT agreement; however, the Soviet Union has approximately 200 sub-launched cruise missiles which could be used against the U.S. urban/industrial centers and they are continuing to build more. The initial SALT agreement provides the Soviets with an advantage in ballistic missile submarines and launchers and their cruise missiles add to this advantage. Therefore, I believe it is essential that the United States initiate immediately the development of a submarine launched cruise missile, both to preserve our position of sufficiency and to insure that this class of weapons will be considered during the next round of SALT.

I might add that a cruise missile of the type envisioned, that is, one which will fly at very low altitudes and have a low radar cross section, will add another dimension to Soviet defense requirements.

Senator THURMOND. What percent of the major targets in the Soviet Union could be hit by these relatively short-range submarines?

Secretary LAIRD. Depending upon the deployment mode selected, the SLCM could have a range between [deleted] and [deleted] nautical miles [deleted]. At a range of [deleted] nautical miles, approximately [deleted] of the S.U. urban/industrial targets are put at risk and at [deleted] nautical miles, over [deleted] of the S.U. urban/industrial targets are put at risk, for submarines operating in the [deleted].

Senator THURMOND. When would the cruise missile subs be operational?

Secretary LAIRD. The SLCM could be operational in existing or modified submarines by calendar year [deleted].

Senator THURMOND. Would these subs be cost effective considering their payload against the B–1 bomber?

Secretary LAIRD. I do not think a cost effectiveness comparison is the most appropriate way to compare these two systems because they stress an enemy's defenses in different ways so that the effectiveness of all systems will be enhanced by the addition of this new weapon. However, if you consider only the R. & D. and acquisition costs, the SLCM and B–1 compare quite favorably for the cost of equivalent yields delivered on Soviet targets. This assumes that existing submarines are utilized for the deployment of SLCM.

SUBCOMMITTEE RECESS

Chairman ELLENDER. If there are no further questions, the subcommittee will stand in recess until further order of the Chair.

(Whereupon, at 4:28 p.m., Tuesday, June 13, the subcommittee was recessed, to reconvene at the call of the Chair.)

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1973

TUESDAY, SEPTEMBER 12, 1972

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room S–126, the Capitol, Hon. John L. McClellan (chairman) presiding.

Present: Senators McClellan, Young, Hruska, and Symington.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

BUDGET AMENDMENTS

STATEMENT OF MAJ. GEN. J. A. KJELLSTROM, DIRECTOR OF ARMY BUDGET, OFFICE, COMPTROLLER OF THE ARMY

ACCOMPANIED BY:

LT. GEN. W. C. GRIBBLE, JR., CHIEF OF RESEARCH AND DEVELOPMENT

LT. GEN. W. P. LEBER, SAFEGUARD SYSTEM MANAGER, OFFICE, CHIEF OF STAFF, U.S. ARMY

MAJ. GEN. G. M. BUSH, DIRECTOR OF MATERIEL ACQUISITION OFFICE, DEPUTY CHIEF OF STAFF FOR LOGISTICS

BRIG. GEN. L. R. SEARS, ASSISTANT DIRECTOR OF ARMY BUDGET FOR OPERATIONS AND MAINTENANCE, OFFICE, COMPTROLLER OF THE ARMY

LT. COL. J. G. DRISKILL, OPERATIONS DIRECTORATE OFFICE, DEPUTY CHIEF OF STAFF FOR MILITARY OPERATIONS

LT. COL. A. SUSO, SUPPLY AND MAINTENANCE DIRECTORATE, OFFICE, DEPUTY CHIEF OF STAFF FOR LOGISTICS

MAJ. F. D. MARCINKOWSKI, DIRECTORATE OF PLANS, DOCTRINE, AND SYSTEMS, OFFICE, DEPUTY CHIEF OF STAFF FOR LOGISTICS

B. M. HUTCHISON, PLANS, PROGRAM, AND BUDGET DIRECTORATE, OFFICE, DEPUTY CHIEF OF STAFF FOR PERSONNEL

TRIBUTE TO THE LATE CHAIRMAN ALLEN J. ELLENDER

Chairman MCCLELLAN. The subcommittee will come to order.

I may observe that this is the first meeting of the Department of Defense Subcommittee since the untimely death of our beloved colleague, Senator Allen J. Ellender. Senator Ellender was not only the

chairman of the full committee but was also chairman of this subcommittee.

I believe that all of the members of this subcommittee have already paid tribute to Senator Ellender, and to his statesmanship and sterling qualities, but I would like to express for the record my deep personal regret and sorrow at his passing.

I shall only add at this time that I knew him as a dedicated colleague who was patriotic in his love of country and who always strived toward those goals which he felt would enhance the welfare of all our people. We shall undertake to carry on with those principles as our guide.

BUDGET REQUEST

The Department of Defense Subcommittee will consider budget requests totaling $79,594,184,000 in the Department of Defense appropriation bill for the fiscal year ending June 30, 1973. This total includes the following budget requests:

Requests included in the President's original budget for fiscal year 1973	$75, 121, 579, 000
Requests submitted in the March 20 amendment to the budget (H. Doc. 92-267)	1, 609, 805, 000
Requests submitted in the March 29 budget amendment (H. Doc. 92-272)	254, 800, 000
Requests submitted in the June 30, budget amendment (H. Doc. 92-321)	2, 608, 000, 000

I understand that the subcommittee has completed hearings on all of these requests except those submitted in the June 30 budget amendment. These requests were discussed in general terms in a hearing on June 13 when Secretary Laird, Admiral Moorer, and Secretary Moot appeared before the subcommittee.

The requests had not formally been submitted at that time and the purpose of meeting today is to discuss these budget amendments and examine them.

HOUSE DOCUMENT 92-321

Before we proceed with the consideration of the Army amendments, I would like to include in the record at this point a copy of the amendments as submitted in House Document No. 92-321.

(A copy of the amendment follows:)

92D CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { DOCUMENT No. 92-321

REQUEST FOR APPROPRIATIONS, FISCAL YEAR 1973 FOR DEPARTMENT OF DEFENSE—MILITARY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AMENDMENTS TO THE REQUEST FOR APPROPRIATIONS FOR FISCAL YEAR 1973 FOR THE DEPARTMENT OF DEFENSE—MILITARY

JUNE 30, 1972.—Referred to the Committee on Appropriations and ordered to be printed

THE WHITE HOUSE,
Washington, June 30, 1972.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I ask the Congress to consider amendments to the request for appropriations transmitted in the budget for the fiscal year 1973 in the net amount of $2,251,584,000 for the Department of Defense—Military.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget with whose comments and recommendations I concur.

Respectfully,

RICHARD NIXON.

[Estimate No. 26; 92d Congress, second sess.]

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., June 30, 1972.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit for your consideration amendments to the request for appropriations transmitted in the budget for the

fiscal year 1973 involving a net increase in the amount of $2,251,584,000 and a change in the general provisions for the Department of Defense—Military, as follows:

DEPARTMENT OF DEFENSE—MILITARY

Budget appendix page	Heading	January budget request	Amendments previously proposed (H. Doc. 92-267; H. Doc. 92-272)	Additional amendment proposed	Revised request
279	Military personnel, Army	$7,322,500,000	$380,563,000	$5,000,000	$7,708,063,000
280	Military personnel, Navy	5,077,800,000	274,949,000	29,000,000	5,381,749,000
281	Military personnel, Air Force	6,894,700,000	356,375,000	24,500,000	7,275,575,000
288	Operation and maintenance, Army	6,789,860,000	113,854,000	239,200,000	7,142,914,000
289	Operation and maintenance, Navy	5,060,820,000	73,748,000	219,400,000	5,353,968,000
291	Operation and maintenance, Air Force	6,122,400,000	80,005,000	258,100,000	6,460,505,000
292	Operation and maintenance, Defense agencies	1,242,307,000	48,794,000	14,000,000	1,305,101,000
297	Aircraft procurement, Army	134,500,000	0	28,400,000	162,900,000
298	Missile procurement, Army	1,153,400,000	0	−256,700,000	896,700,000
299	Procurement of weapons and tracked combat vehicles, Army	259,500,000	0	115,600,000	375,100,000
300	Procurement of ammunition, Army	1,129,200,000	0	221,200,000	1,350,400,000
301	Other procurement, Army	648,800,000	0	5,200,000	654,000,000
302	Procurement of aircraft and missiles, Navy	3,871,200,000	0	247,400,000	4,118,600,000
304	Other procurement, Navy	2,023,200,000	0	478,000,000	2,501,200,000
306	Aircraft procurement, Air Force	2,612,700,000	113,800,000	529,200,000	3,255,700,000
308	Missile procurement, Air Force	1,772,300,000	0	44,500,000	1,816,800,000
309	Other procurement, Air Force	1,883,300,000	0	327,000,000	2,210,300,000
310	Procurement, Defense agencies	69,730,000	0	3,000,000	72,730,000
312	Research, development, test, and evaluation, Army	2,051,100,000	45,616,000	26,000,000	2,122,716,000
314	Research, development, test, and evaluation, Navy	2,710,900,000	82,878,000	20,000,000	2,813,787,000
315	Research, development, test, and evaluation, Air Force	3,178,600,000	53,577,000	30,000,000	3,262,177,000
319	Military construction, Army	1,009,200,000	0	−390,000,000	619,200,000
322	Military construction, Air Force	317,200,000	0	40,000,000	357,200,000
326	Family housing, Defense	1,073,684,000	0	−6,416,000	1,067,268,000
352	General provisions (Limitation in section 738(a) on the amount available for the support on non-U.S. free world forces in Southeast Asia)	(2,500,000,000)	0	(700,000,000)	(3,200,000,000)

The increased level of enemy activity in Southeast Asia necessitates an increase in funds of $2,795,000,000 and an increase of $700,000,000 in the limitation on the support of Free-World Forces in Southeast Asia. The increase in funds is partially offset by a decrease of $543,416,000 which is related to the recent Strategic Arms Limitation Agreements.

This proposal will increase outlays in 1973 by approximately $1,200,000,000 over the total transmitted in the 1973 budget.

I have carefully reviewed these requirements and am satisfied that they are necessary at this time. I recommend, therefore, that they be transmitted to the Congress.

Respectfully yours,

CASPAR W. WEINBERGER.

BUDGET REQUEST UPDATING

Chairman McCLELLAN. I also direct that there be included in the record an updated version of the summary tabulation on each appropriation in the bill appearing on pages 3, 4, and 5 of part 1 of the subcommittee's hearings.

I will ask the staff to modify this tabulation to include the House allowances for each appropriation and the Department's request for restoration for each appropriation when that information becomes available.

(The summary tabulation follows:)

TABLE 3.—SEPT. 18, 1972—DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1973 (H.R. 16593)

Item No.	Appropriations (by functional titles)	New budget (obligational) authority, fiscal year 1972	Original fiscal year 1973 budget request and Mar. 20 budget amendment (H. Doc. 92-267)	Mar. 29 budget amendment (H. Doc. 92-272)	June 30 budget amendment (H. Doc. 92-321)	Revised fiscal 1973 budget request	House allowance	Restoration requested by Department of Defense	Senate DOD subcommittee recommendation	Senate Committee on Appropriations recommendation	Conference committee agreement
	(1)	(2)	(3)	(4)	(4)	(6)	(7)	(8)	(9)	(10)	(11)
	TITLE I—MILITARY PERSONNEL										
1	Military personnel, Army	$8,012,375,000	$7,703,063,000	----------	$5,000,000	$7,708,063,000	$7,488,461,000	+$60,519,000	----------	----------	----------
2	Military personnel, Navy	5,028,511,000	5,352,749,000	----------	29,000,000	5,381,749,000	5,260,081,000	+108,720,000	----------	----------	----------
3	Military personnel, Marine Corps	1,467,786,000	1,537,792,000	----------	----------	1,537,792,000	1,536,436,000	+1,356,000	----------	----------	----------
4	Military personnel, Air Force	7,000,672,000	7,251,075,000	----------	24,500,000	7,275,575,000	7,122,703,000	+86,423,000	----------	----------	----------
5	Reserve personnel, Army	402,876,000	529,534,000	----------	----------	529,534,000	498,734,000	----------	----------	----------	----------
6	Reserve personnel, Navy	201,824,000	230,640,000	----------	----------	230,640,000	228,960,000	+684,000	----------	----------	----------
7	Reserve personnel, Marine Corps	59,604,000	78,155,000	----------	----------	78,155,000	76,806,000	----------	----------	----------	----------
8	Reserve personnel, Air Force	106,184,000	131,442,000	----------	----------	131,442,000	123,542,000	+7,400,000	----------	----------	----------
9	National Guard personnel, Army	535,385,000	616,250,000	----------	----------	616,250,000	578,179,000	----------	----------	----------	----------
10	National Guard personnel, Air Force	148,883,000	169,359,000	----------	----------	169,359,000	167,919,000	+1,000,000	----------	----------	----------
	Total, title I—Military Personnel	22,964,100,000	23,600,059,000	----------	58,500,000	23,658,559,000	23,081,821,000	+266,102,000	----------	----------	----------
	TITLE II—RETIRED MILITARY PERSONNEL										
11	Retired pay, defense	3,921,446,000	4,358,684,000	----------	----------	4,358,684,000	4,358,684,000	----------	----------	----------	----------

TITLE III—OPERATION AND MAINTENANCE

12	Operation and maintenance, Army	6,717,488,000	6,903,714,000	239,200,000	7,142,914,000	(6,786,549,000)	+168,713,000	
	Operation and maintenance, Army	(6,550,798,000)	(6,695,095,000)	(239,200,000)	(6,934,295,000)	6,587,250,000	(+162,313,000)	
	Transfer from other accounts					100,000,000		
	Operation and maintenance, Army Reserve	(166,690,000	(208,619,000)		(208,619,000)	199,299,000	(+6,400,000)	
13	Operation and maintenance, Navy	5,098,145,000	5,134,568,000	219,400,000	5,353,968,000	(5,270,898,000)	+33,070,000	
	Operation and maintenance, Navy	(4,979,202,000)	(4,998,449,000)	(219,400,000)	(5,217,849,000)	5,134,779,000	(+33,070,000)	
	Transfer from other accounts					50,000,000		
	Operation and maintenance, Navy Reserve	(118,943,000)	(136,119,000)		(136,119,000)	136,119,000		
14	Operation and maintenance, Marine Corps	363,053,000	383,263,000		383,263,000	(380,523,000	+503,000	
	Operation and maintenance, Marine Corps	(354,563,000)	(375,169,000)		(375,169,000)	372,429,000	(+503,000)	
	Operation and maintenance, Marine Corps Reserve	(8,490,000)	(8,094,000)		(8,094,000)	8,094,000		
15	Operation and maintenance, Air Force	6,306,584,000	6,202,405,000	258,100,000	6,460,505,000	(6,362,930,000)	+47,575,000	
	Operation and maintenance, Air Force	(6,134,089,000)	(6,012,210,000)	(258,100,000)	(6,270,310,000)	6,173,680,000	(+46,630,000)	
	Transfer from other accounts					50,000,000		
	Operation and maintenance, Air Force Reserve	(172,495,000)	(190,195,000)		(190,195,000)	189,250,000	(+945,000)	
16	Operation and maintenance, Defense agencies	1,224,965,000	1,291,101,000	14,000,000	1,305,101,000	1,267,644,000	+28,909,000	
17	Operation and maintenance, Army National Guard	378,067,000	468,510,000		468,510,000	433,120,000	+20,147,000	
18	Operation and maintenance, Air Force National Guard	420,632,000	461,743,000		461,743,000	448,508,000	+13,235,000	

TABLE 3.—SEPT. 18, 1972—DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1973 (H.R. 16593)—Continued

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	(1)	(2)	(3)	(4)	(4)	(6)	(7)	(8)	(9)	(10)	(11)
	TITLE III—OPERATION AND MAINTENANCE—Continued										
19	National Board for the Promotion of Rifle Practice, Army	$122,000	$126,000			$126,000	$159,000				
20	Claims, Defense	39,000,000	52,900,000			52,900,000	45,000,000	+$3,400,000			
21	Contingencies, Defense	5,000,000	5,000,000			5,000,000	5,000,000				
22	Court of Military Appeals, Defense	869,000	914,000			914,000	914,000				
	Total, title III—Operation and maintenance	20,553,925,000	20,904,244,000		$730,700,000	21,634,944,000	21,001,245,000	+315,552,000			
	Transfers from other accounts						200,000,000				
	TITLE IV—PROCUREMENT										
23	Aircraft procurement, Army	90,400,000	134,500,000		28,400,000	162,900,000	43,500,000	+5,300,000			
	Transfer from other accounts						85,000,000				
24	Missile procurement, Army	940,820,000	1,153,400,000		−256,700,000	896,700,000	691,100,000				
	Transfer from other accounts	100,000,000					13,600,000				
25	Procurement of weapons and tracked combat vehicles, Army	145,500,000	259,500,000		115,600,000	375,100,000	279,200,000	+3,600,000			

26	Procurement of ammunition, Army	1,418,300,000	1,129,200,000		221,200,000	1,350,400,000	1,318,800,000	+5,100,000
	Transfer from other accounts	200,000,000						
27	Other procurement, Army	512,300,000	648,800,000		5,200,000	654,000,000	597,500,000	+11,300,000
	Transfer from other accounts						25,000,000	
28	Procurement of aircraft and missiles, Navy	3,855,000,000	3,871,200,000		247,400,000	4,118,600,000	3,682,140,000	+352,800,000
	Transfer from other accounts	100,000,000					40,000,000	
29	Shipbuilding and conversion, Navy	3,005,200,000	3,564,300,000			3,564,300,000	3,017,600,000	+155,400,000
	Transfer from other accounts	5,000,000						
30	Other procurement, Navy	1,641,603,000	2,023,200,000		478,000,000	2,501,200,000	2,328,400,000	+144,800,000
	Transfer from other accounts	110,000,000					25,000,000	
31	Procurement, Marine Corps	103,100,000	191,100,000			191,100,000	173,400,000	
	Transfer from other accounts	25,000,000					10,000,000	
32	Aircraft procurement, Air Force	2,899,000,000	2,612,700,000	113,800,000	529,200,000	3,255,700,000	2,368,000,000	+276,400,000
	Transfer from other accounts	158,700,000					135,000,000	
33	Missile procurement, Air Force	1,633,700,000	1,772,300,000		44,500,000	1,816,800,000	1,637,500,000	+65,000,000
	Transfer from other accounts	50,000,000					25,000,000	
34	Other procurement, Air Force	1,478,998,000	1,883,300,000		327,000,000	2,210,300,000	2,139,300,000	+58,200,000
	Transfer from other accounts	90,000,000					23,200,000	
35	Procurement, Defense Agencies	52,971,000	69,730,000		3,000,000	72,730,000	62,030,000	+5,700,000
	Transfer from other accounts	5,000,000					7,700,000	
	Total, title IV, procurement	17,776,892,000	19,313,230,000	113,800,000	1,742,800,000	21,169,830,000	18,338,470,000	+1,083,600,000
	Transfer from other accounts	843,700,000					389,500,000	

TABLE 3.—SEPT. 18, 1972—DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1973 (H.R. 16593)—Continued

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	(1)	(2)	(3)	(4)	(4)	(6)	(7)	(8)	(9)	(10)	(11)
	TITLE V—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION										
36	Research, development, test, and evaluation, Army	$1,787,656,000	$2,068,716,000	$28,000,000	$26,000,000	$2,122,716,000	$1,746,132,000	+$231,744,000			
	Transfer from other accounts	51,900,000					60,000,000				
37	Research, development, test, and evaluation, Navy	2,352,319,000	2,729,987,000	63,800,000	20,000,000	2,813,787,000	2,504,343,000	+187,474,000			
	Transfer from other accounts	20,000,000									
38	Research, development, test, and evaluation, Air Force	2,887,944,000	3,193,177,000	39,000,000	30,000,000	3,262,177,000	3,080,940,000	+191,837,000			
	Transfer from other accounts	25,000,000									
39	Research, development, test, and evaluation, Defense Agencies	441,143,000	509,887,000	10,200,000		520,087,000	(562,513,000)	+46,785,000			
	Research, development, test, and evaluation, Defense Agencies	(438,143,000)	(477,087,000)	(10,200,000)		(487,287,000)	435,513,000	(+40,985,000)			
	Transfer from other accounts	5,000,000									

	Director of Test and Evaluation, Defense	(3,000,000)	(32,800,000)			(32,800,000)	27,000,000	(+5,800,000)	
40	Emergency fund, Defense	50,000,000	50,000,000			50,000,000	None	+50,000,000	
	Transfer authority	50,000,000	50,000,000			50,000,000	None		
	Total, title V.R.D.T. & E	7,519,062,000	8,551,767,000	141,000,000	76,000,000	8,768,767,000	7,793,928,000	+707,840,000	
	Transfers from other accounts	101,900,000					60,000,000		
	Transfer authority	50,000,000	50,000,000			50,000,000	None		
	TITLE VI—SPECIAL FOREIGN CURRENCY PROGRAM								
41	Special foreign currency program	12,000,000	3,400,000			3,400,000	3,400,000		
	TITLE VII—GENERAL PROVISIONS								
	Additional transfer authority, sec. 735	750,000,000	1,000,000,000			1,000,000,000	750,000,000	+250,000,000	
	Total, titles I–VII: New obligational authority	72,747,425,000	76,731,384,000	254,800,000	2,608,000,000	79,594,184,000	74,577,548,000	+2,373,094,000	
	Transfers from other accounts	945,600,000					649,500,000		
	Transfer authority	800,000,000	1,050,000,000			1,050,000,000	750,000,000	+250,000,000	
	TITLE VIII—SAFEGUARD ABM CONSTRUCTION								
	Military construction, Army	98,500,000							
	Family housing, Defense	11,070,000							
	Total title VIII	109,570,000							
	Grand total, fiscal year 1972 NOA	72,856,995,000	76,731,384,000	254,800,000	2,608,000,000	79,594,184,000	74,577,548,000	+2,373,094,000	

JUNE 30, 1972, BUDGET AMENDMENTS

Chairman McCLELLAN. We will now begin with our consideration of the Army's June 30 budget amendments that total a net of $383 million as follows:

Military personnel, Army	$5,000,000
Operation and maintenance, Army	239,200,000
Aircraft procurement, Army	28,400,000
Missile procurement, Army (decrease for the Safeguard ABM system)	−256,700,000
Procurement of tracked combat vehicles and weapons, Army	115,600,000
Procurement of ammunition, Army	221,200,000
Other procurement, Army	5,200,000
Research, development, test, and evaluation, Army	26,000,000

These requests will be presented by Maj. Gen. John A. Kjellstrom, Director of the Army Budget.

General, we welcome you.

NET REQUIREMENTS AND APPEALS TO HOUSE ACTION

Before we proceed, I will ask Senator Young if he has any comment.

Senator YOUNG. I have one question.

There is a decrease of $256.7 million in missile procurement. How much is the net increase you are requesting at this time?

General KJELLSTROM. The net requirement for the Army is a minus $53.5 million, and this is caused by significant reductions in the SALT agreement.

We have a major reduction in Missile Procurement, Army, of $261 million and a major reduction in "Military Construction, Army," of $390 million. There is also a relatively minor reduction of $6.4 million in "Army Family Housing," due to the cutback in the SAFEGUARD program. All of these result in a net reduction of $53.5 million.

Senator YOUNG. Is this below the amount recommended by the House Armed Services and approved by the Appropriations Committee and how much are you appealing, over the amount allowed by the House Appropriations Committee?

Mr. WOODRUFF. We haven't received the reclama yet.

General KJELLSTROM. We are in the process of determining the reclama amount now. We have not yet determined the specific amounts.

Chairman McCLELLAN. Has the committee reported the bill out?

General KJELLSTROM. The full committee met yesterday. They reported the bill out. It is expected to have floor action on Thursday or Friday of this week.

Chairman McCLELLAN. Until floor action is completed, you may only tentatively decide on your reclamas.

General KJELLSTROM. We have not yet discussed this with the Secretary of the Army or the Secretary of Defense to determine the level of reclama action, sir.

Chairman McCLELLAN. General Kjellstrom, I think it might be well for others representing the Army who appear here this morning to identify themselves for the record. Some question may be referred to them. Will you do that?

General KJELLSTROM. I intend to do that, if I may, as part of my statement.

Chairman MCCLELLAN. All right, General Kjellstrom. You may proceed with your prepared statement.

TRIBUTE TO THE LATE CHAIRMAN ALLEN J. ELLENDER

General KJELLSTROM. Mr. Chairman and members of the committee, before I begin, I note with deep regret that Senator Ellender, one of the foremost Members of the Senate, is no longer with us. You have lost a distinguished colleague who so ably chaired this committee for several years. It was a privilege and an honor to appear before him. The Nation and the Army have lost a patriot and a true defender of the American way of life.

The Army enjoyed a close cordial relationship with Senator Ellender, and I am sure such a relationship will continue, Mr. Chairman. I can assure you that we will continue to cooperate with this committee as we have in the past.

INTRODUCTION OF ASSOCIATES

Accompanying me today, on my right, are Lieutenant General Gribble, Chief of Research and Development; on his right is Major General Bush, Director of Materiel Acquisition who will support the procurement account.

On my left is General Leber, the Safeguard System Manager; on his left is General Sears, the Director of the O. & M. appropriation.

I will introduce our backup witnesses at the appropriate time when I call on them, if it is satisfactory to you, Mr. Chairman.

Chairman MCCLELLAN. Very well, gentlemen. You are all welcome. We appreciate your presence. We are glad to have the benefit of your testimony.

SOUTHEAST ASIA AND SALT AGREEMENT

General KJELLSTROM. My purpose in appearing before you today is to present the Army's fiscal year 1973 budget amendment request caused by the increased activities in Southeast Asia, and to discuss significant changes in the President's budget as a result of the strategic arms limitation agreement, recent decisions on the Army's attack helicopter program and other significant changes.

SOUTHEAST ASIA

The Southeast Asia portion of the budget amendment, as initially submitted, requested $639 million to cover the increased costs of U.S. Army and allied logistics operations in Southeast Asia, but has been revised downward to $598 million for reasons I will discuss later. This estimate assumed a period of intensified activity through September 30, 1972.

These increased costs relate directly to actions to replace combat losses of supplies and equipment, to accelerate delivery of critical items to the Republic of Vietnam Armed Forces, and to improve the RVN readiness posture.

HELICOPTER LOSSES

Senator YOUNG. Will your figures change because of the news yesterday indicated that some 50 helicopters were destroyed at Bien Hoa?

General KJELLSTROM. No; our estimate would not change since these helicopters belonged to the VNAF and would be funded by the U.S. Air Force. [Deleted] UH–1's, the Huey helicopter, and [deleted] CH–47's, the heavier cargo helicopter were damaged and should not require replacement. This is our latest estimate on helicopter damage at Bien Hoa.

As will be explained in a few minutes, we have developed our estimates based upon an initial 60-day actual loss and then projected that 60-day actual loss through to 180 days.

I have a table in two or three pages which will show how our original estimate compares with actual losses to date.

Chairman MCCLELLAN. When you get to that appropriate place in the prepared statement, you may make the revisions.

VIETNAMIZATION SUPPORT

General KJELLSTROM. Since the initiation of the North Vietnam invasion into South Vietnam on March 30, 1972, we have had to take extraordinary measures to support the continuing Vietnamization of ground combat operations and to insure that the Republic of Vietnam Armed Forces (RVNAF) could counter the more sophisticated weaponry introduced by North Vietnam.

In the case of accelerations, we are talking about expediting equipment supplied against an established and approved on-going program known as the Consolidated RVNAF Improvement and Modernization Program (CRIMP).

Material provided by the U.S. Army to RVNAF to support the approved force structure under this program is within established dollar ceilings.

The surge in enemy activity since March 30, 1972, required COMUSMACV to "call forward" materiel that we originally planned to furnish during fiscal year 1973. As a result, we had to redistribute assets within the Army, defer planned issues to Active and Reserve Forces, and accelerate maintenance and rebuild programs.

In the area of abnormal losses, the requirements for replacement of critical items in artillery, armor, mobility and tactical communications equipment placed an unprogramed burden on the U.S. Army's logistical system. The increased munitions expenditures above program levels resulted in a similar problem.

In order to counter the sophisticated weaponry introduced by the NVA during this period, RVNAF capabilities in selected areas were upgraded.

For example [deleted] TOW launchers—a wire-guided antitank rocket weapon—and [deleted] M48A3 [deleted] equipment are being furnished to counter the greatly increased use of massed armor by the enemy.

We are also providing [deleted] 175 millimeter [deleted] equipment to counter the improved artillery now in use by the NVA.

We are also providing additional UH–1H and CH–47 helicopters, through the U.S. Air Force, for VNAF increased lift and aircraft recovery capability.

Chairman McClellan. What relationship does that have to the Army request? You say you provide them for the Air Force.

General Kjellstrom. Yes, sir. The Army procures the Huey and CH–47 aircraft. We utilize the UH–1, the Huey, and the CH–47, the Chinook, in our role.

Within the Vietnamese Armed Forces, they have all of their helicopters within the Vietnamese Air Force so that over the past several years——

Chairman McClellan. The Army furnishes them to the Air Force?

General Kjellstrom. It really goes through the U.S. Air Force as an agent.

Chairman McClellan. Proceed.

EQUIPMENT REQUESTS

General Kjellstrom. During the period March 30, 1972, through September 2, 1972, the commander, U.S. Military Assistance Command, Vietnam, has reported losses to enemy action of over [deleted] items of equipment and approximately [deleted] short tons of ammunition.

In addition, approximately [deleted] short tons of ammunition above the current program were expended.

Almost 97 percent of the reported losses have been validated by the field commander.

I have included a chart displaying selected significant equipment items requested in this amendment.

(The chart follows:)

SELECTED SIGNIFICANT EQUIPMENT ITEMS

[Dollar amounts in millions]

Item	Initial 60-day losses	Forecast 180-day losses	+	Planned augmentation	Budget request quantity	Actual net losses as of 2 Sep	+	Approved augmentation
AHIG Cobra [1]			+		22/12.3			
CH47 [1]					[2] 6/18.3			
TOW launcher								
TOW missiles (HEAT)								
Trucks (ABT)			+					
AN PRC-25 radio			+					
AN PVS–2 sight			+					
Vulcan				64	64/12.1			
Howitzer 105			+	0	412/22.7			
Howitzer 155			+					
Gun 175 mm			+		42/9.9			
Tank M48A3 (M60A1)			+	114	[3] 114/34.8			114
Tank M41A3			+	0	[4] 0			0
Ammunition	0	$221			$221	$367		

[1] Shows only losses above programed.
[2] Withdrawn.
[3] Budget request for augmentation item only. Loss replacement deferred.
[4] Replacement not required.

Note: All leader lines indicate deletion.

FORECASTS OF LOSSES, INCREASES, AND COSTS

General KJELLSTROM. The chart displays initial programed 60-day losses; a forecasted 180-day loss based on the initial cost data; an augmentation quantity designed to improve ARVN combat effectiveness; and the added budget quantity and dollars for such items.

The budgeted quantity is never more than the sum of forecast losses plus augmentation. Several items are deferred because we believe our asset position will permit such a delay.

The situation as of September 2 with regard to actual, adjusted losses and current approved augmentation is also reflected. The ammunition forecast as of June 1 was $221 million, and as of September 2 is $367 million. This is an increase of $146 million over the June forecast.

OPERATION AND MAINTENANCE, ARMY

PROGRAM AND FINANCING

Chairman MCCLELLAN. At this point in th record there will appear certain programing and financing information from the justifications, reflecting the requests in the proposed amendment. The net amount requested is $239.2 million. This is made up on a reduction of $11 million as a result of the strategic arms limitation agreements and an increase of $250.2 million resulting from the increase in activities in Southeast Asia.

(The information follows:)

OPERATION AND MAINTENANCE, ARMY
PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	Request Pending	SALT Adjustment	SEA Adjustment	Net Adjustment	Revised Request
Program by Activities:					
Direct Program:					
Strategic Forces	132,729	- 11,000	-	- 11,000	121,729
Central Supply and Maintenance	1,983,533	-	174,900	174,900	2,158,433
Support of Other Nations	493,642	-	75,300	75,300	568,942
All Other	4,293,810	-	-	-	4,293,810
Total Direct Program	6,903,714	- 11,000	250,200	239,200	7,142,914
Reimbursable (Total)	998,790	-	-	-	998,790
Subtotal	7,902,504	- 11,000	250,200	239,200	8,141,704
Intrafund Obligations	- 57,580	-	-	-	- 57,580
Total Obligations	7,844,924	- 11,000	250,200	239,200	8,084,124
Financing:					
Receipts and Reimbursements from:					
Federal Funds	- 765,759	-	-	-	- 765,759
Trust Funds	- 47,380	-	-	-	- 47,380
Non-Federal Sources	- 132,866	-	-	-	- 132,866
Unobligated Balance Available, Start of Year	- 63,505	-	-	-	- 63,505
Unobligated Balance Available, End of Year	68,300	-	-	-	68,300
Budget Authority	6,903,714	- 11,000	250,200	239,200	7,142,914
Budget Authority:					
Appropriation	6,789,860	- 11,000	250,200	239,200	7,029,060
Jan 1972 Pay Increase	113,854	-	-	-	113,854
Appropriation Adjusted	6,903,714	- 11,000	250,200	239,200	7,142,914

SUPPORT OF OTHER NATIONS

General KJELLSTROM. The initial "Operation and Maintenance," Army estimate for increased Southeast Asia costs was $250 million. These costs have been revised downward to $240 million, of which $165 million is for program 7, "Central Supply and Maintenance," and $75 million for program 10, "Support of Other Nations."

Senator YOUNG. What is the reference to "Support of Other Nations"?

General KJELLSTROM. This is the direct supply support of the Vietnamese.

The program within our overall budget activity "Support of Other Nations" includes the direct supply support costs to the Vietnamese Armed Forces. These are the supplies and the services which we provide directly to them.

Senator YOUNG. Who are the other nations?

General KJELLSTROM. Well, within the support of other nations budget activity, we include the support of "MAAG's and Missions'." We include the support of NATO. We also include the support of Laos.

We previously included support of Thailand but that has now gone under MAP.

We also provide support to the Korean forces in Vietnam through this budget activity account.

Senator YOUNG. That is all included in this item?

General KJELLSTROM. Yes, sir.

SUPPLY AND TRANSPORTATION

I will describe what this $75 million is for.

We are estimating increases for supply and transportation totaling $55 million. Of this amount, $43 million is for transportation costs, and $12 million is for the related supply depot operations.

Our original estimate of $31 million for air transportation in order to accelerate previously scheduled equipment deliveries has been reduced by $10 million as a result of stringent control over air shipments.

Costs related to shipment of replacement equipment for items lost in combat are based on the specific weight of the items of equipment to be replaced.

In addition, consumption rates experienced by the RVNAF during the Cambodian operation, along with actual experience gained during current operations, provides the basis for estimated tonnage of supplies and ammunition. The total estimated transportation requirement for replacement of losses and consumption is 104,000 short tons.

Equipment and ammunition to equip and establish initial stocks for the new combat units being organized, along with certain selected items to improve the combat capability of the Vietnamese Army amounts to about 21,000 short tons.

Equipment previously scheduled for delivery in fiscal year 1973 as part of the improvement and modernization program includes a wide range of weapons and equipment. Compression of the delivery schedule for these items required the use of special airlift in the months of July, August and September 1972.

Aside from the increased SEA request, the Army is currently faced with a shortage in second destination transportation funds for fiscal year 1973 of approximately $66 million.

I would like to point out that $50 million of the current shortage is due to increases in shipping costs since the President's budget was submitted and only $16 million is due to increases in tonnage above the estimate contained in the President's budget.

DEPOT MAINTENANCE

As is the case with supply activities, depot maintenance requirements are contained in the three distinct categories—replacement of losses ($74 million), augment of military assistance ($11 million), and acceleration of scheduled equipment deliveries ($25 million).

The basis for the computation of the estimated depot overhaul costs to replace lost equipment was the actual losses for the first 60 days. These losses were then projected at a declining rate to 180 days (the third 30-day period at one-quarter of the first 60 days, and each subsequent 30-day period at one-twelfth of the first 60 days).

Loss reports from the field currently support a specific requirement for $57 million of the total of $74 million requested. The remaining $17 million represents a projection of losses which we have not yet verified on a line-item basis. We fully expect that the total amount will be verified as we receive additional loss data from the field.

In the event the additional funding requested for supply, transportation and depot maintenance is not provided, we anticipate a significant adverse effect on the readiness posture of our active and reserve forces.

We are heavily dependent on the overhaul program as a source of equipment for replacement of unserviceable items in active units, and for both initial issue and replacement equipment for the Reserve components.

Diversion of resources from the overhaul program for the active Army to support the SEA requirements would result in equipment shortages in units and a necessity to utilize marginal equipment, with a corresponding decrease in the level of readiness.

REPUBLIC OF VIETNAM MILITARY ASSISTANCE SERVICE FUNDED (MASF) PROGRAM

We estimate increase costs of $75.3 million in the Republic of Vietnam military assistance service funded (MASF) program.

This is the support to other nations that we previously discussed.

Increased consumption of supplies due to the higher levels of combat intensity accounts for $30 million; loss of supplies and OMA funded augmentation equipment amounts to $20 million; and repairs to roads and bridges damaged in combat is expected to cost $25 million.

We have based our estimate of supply consumption rates largely on the Vietnamese rates experienced during the Cambodian operations. Estimates for combat losses are based on data provided by the commander, U.S. Military Assistance Command, Vietnam.

LOSSES OF SUPPLIES AND OMA FUNDED AUGMENTATION EQUIPMENT

Senator YOUNG. Your loss of supplies and OMA funded augmentation equipment amounts to $20 million. What losses are these?

General KJELLSTROM. These were units that were overrun during the initial stages of the invasion. As they withdrew, many of them did not take their equipment with them. As individual soldiers are killed or wounded and their equipment is left on the battlefield, the items may or may not be recovered.

Our estimate of replacement requirements totals $20 million.

Chairman MCCLELLAN. Does that cover all the equipment that a soldier might have?

General KJELLSTROM. This includes only his individual clothing and equipment which we funded under the OMA appropriation. It does not include weapons, vehicles, artillery, and radios.

Chairman MCCLELLAN. It does not include that?

General KJELLSTROM. It does not; no, sir. The procurement appropriations which we will discuss in a few minutes cover the procurement of the major items of equipment, Mr. Chairman.

Chairman MCCLELLAN. The $20 million is just for the uniform and personal equipment of the soldier?

General KJELLSTROM. Yes, sir.

General SEARS. This also includes repair parts for the equipment.

Chairman MCCLELLAN. Repair parts?

General SEARS. Yes, sir.

Chairman MCCLELLAN. It includes clothing?

General SEARS. This particular account includes repair parts as well as clothing. It includes minor tool sets, all the items used to maintain and repair the equipment, as well as the clothing equipment items for the individual soldier.

Senator YOUNG. If the Army is not sufficiently reimbursed, will this further decrease the readiness of the U.S. Army?

General KJELLSTROM. Yes, sir; it will, Senator Young.

If this item were not approved, it would be required later in the fiscal year probably to request a reprograming action because of the high priority placed by the administration on support of the Vietnamese effort. The first priority is for support of the Vietnamese effort, and the second priority, of course, is for support of our own forces. Our own forces are funded out of another account in the OMA appropriation. If we take funds from another account to support the Vietnamese effort, it would result in degradation of readiness of our Armed Forces.

Senator YOUNG. Were these losses greater than you anticipated?

General KJELLSTROM. Yes, sir; considerably greater. We can supply for the record, if you would like, some individual examples on the magnitude of the losses.

(The information follows:)

The Army estimate of losses and augmentation items, totaling $20.1 million, was divided into the following categories of supply ($ in millions):

Quartermaster	$7.5
Ordnance	6.9
Engineer	2.5
Other	3.2
Total	20.1

Specific examples of selected items lost are shown below:

Item:	Quantity lost
Body armor	4,332
Office machines	477
Aerial delivery cargo bag	361
Pumping assembly	15
POL storage tanks	29

SCALE OF VIETNAM FIGHTING

Senator YOUNG. The scale of fighting has been reduced.

In the news story I heard last night on television, there was one claim of the South Vietnamese that one North Vietnamese division in the north had been almost completely destroyed.

General KJELLSTROM. I would like Colonel Driskill from the Office, Deputy Chief of Staff of Operations, who maintains a daily knowledge of this to respond.

Colonel DRISKILL. I am Lieutenant Colonel Driskill, sir.

The activity in the southern part of South Vietnam has currently trailed off. There is still heavy fighting however, in the north near Hue, Da Nang, and the DMZ. We expect that this heavy fighting will continue for some time in the future.

Senator YOUNG. Is there any substance to the statement I heard last night that one North Vietnamese division was practically destroyed or was rendered ineffective?

Colonel DRISKILL. I am not familiar with the exact report to which you refer but we estimate that the North Vietnamese losses since the start of the invasion in killed alone are somewhere between [deleted], which is considerably more than one division.

Senator YOUNG. With all the bombing we are providing, you would think that supplies and equipment of the North Vienamese would be in short supply.

Colonel DRISKILL. We do have indications, of course, that it is much more difficult for them to get supplies through. We also have indications that there are temporary shortages of supplies up near the DMZ. But there is still heavy fighting and we still give them the capability to continue to fight up there for the next several months.

CLOTHING AND EQUIPMENT LOSSES

Chairman MCCLELLAN. I don't understand this $20 million in losses of clothing and equipment of soldiers.

If 100,000 soldiers lost everything, it would be only $10 million, assuming $100 to a soldier. You said the request does not include his rifle.

General KJELLSTROM. It does not include his rifle, sir.

Chairman MCCLELLAN. I do not see how it could possibly total that much.

General KJELLSTROM. Do you have the details, General Sears?

General SEARS. We can provide that for the record.

Chairman MCCLELLAN. I am not contesting it, but I would like to hear an explanation of it.

You have not lost 100,000 men; 100,000 men did not lose their uniforms. I just don't understand it.

General KJELLSTROM. To put the losses of the ARVN in perspective, they have lost since March 30, [deleted] killed.

Chairman MCCLELLAN. That is South Vietnamese?

General KJELLSTROM. Yes, sir. The missing in action, [deleted]; wounded in action, [deleted]; a total of approximately [deleted] personnel who have become casualties.

Chairman MCCLELLAN. What did it cost initially to clothe and equip them with the items you are replacing that are covered by this appropriation? How much does it average per soldier?

General SEARS. I don't have it. I will be glad to furnish it.

Major MARCINKOWSKI. We can provide it for the record.

It includes such items as helmet, helmet liner, his body armor that he wears, his boots, his entrenching tool, which costs a little more than one might think, $5 or $6, the cover for the tool, canteen, web belt.

(The information follows:)

The individual ARVN soldier is provided with the following clothing and personal equipment from the Operation and Maintenance, Army Appropriation:

Item:	
Body armor (vest)	$24.00
Intrenching tool	5.66
Intrenching tool cover	1.17
Canteen cup	1.16
Canteen cover	1.20
First aid case	.28
ID tag	.03
ID necklace	.06
Equipment belt	1.52
Helmet liner	6.50
Helmet neckband	.11
Headband liner	.35

Item—Continued	*Unit cost*
Steel helmet	3.96
Helmet chin strap	.25
Poncho	6.02
Rucksack	8.51
Suspenders	2.34
Small arms case	1.49
Shelter half	7.69
Bayonet with scabbard	5.43
Jungle shoes (2 pairs)	3.46
Uniform cloth	.65
Cost per man	81.84

The U.S. Army funds for $0.65 worth of cloth per ARVN soldier per year. The Government of Vietnam manufactures the required uniforms for its Armed Forces. Not included in the above data are undershirts, drawers, or socks which are funded under the MPA account.

FIELD EQUIPMENT

Chairman MCCLELLAN. I am not thoroughly familiar with just what items a soldier does possess when he is out in the field, but there should be some way of evaluating this. This is on the assumption that it costs $200. I can't conceive that he carries clothing and equipment, excluding his rifle, that would cost much more than that.

General SEARS. I would like to emphasize, Mr. Chairman, that the cost of the individual soldier's items is only a portion of the losses being replaced by the account. The repair parts that he uses to maintain the equipment that are out on the sites that are overrun are included in this $20 million.

Since the first of July, we have received from the Vietnamese $20 million worth of requisitions for these kinds of supplies over and above the normal program. We will be glad to break it out in more detail for you the exact amounts of this $20 million.

Chairman MCCLELLAN. It seems to me to be a rather large amount, because there were not 100,000 soldiers killed in the first place. Out of that number relatively few lost everything they had.

General SEARS. I would like to break it out in category of supply.

Chairman MCCLELLAN. Submit it for the record. What is the value of it?

General SEARS. Value in total is $50 million; $20 million in combat losses and $30 million for increased consumption of supplies as a result of intensified combat activity.

(The information follows:)

Combat losses and augmentation items included in the $20.1 million request are shown below:

	In thousands
Initial issue and concurrent spare parts associated with the augmentation items	$6,900
Individual clothing and equipment	6,300
Entrenching tools	950
Body armor	104
Tool kits	61
Sand bags and barrier materials	2,500
Petroleum, oil, and lubricants	109
Repair parts losses (automotive and weapon supplies, batteries, aerial delivery equipment, etc.)	3,176
Total	20,100

REPAIR OF ROADS AND BRIDGES

Chairman MCCLELLAN. On the face of it, it looks a bit out of line for me. It would suggest that the soldiers dispose of everything you give them.

General KJELLSTROM. We have also completed a countrywide survey of war damage to roads and bridges. Based on this survey, initial estimates of essential repairs to these facilities amount to about $25 million.

Although the Vietnamese forces have not yet experienced any significant shortages in supplies, this is largely due to the fact that the increased requirements are currently being supported from existing stocks. This will result in drawing down inventories below minimum safety levels. These operating stocks must be replaced to maintain the combat capability of the Vietnamese forces.

Repair of the roads and bridges is essential to the ground mobility necessary for successful combat operations and adequate logistical support.

I would like to emphasize that the OMA budget amendment is designed to permit the Vietnamese to improve their readiness posture as they recover from the effects of the North Vietnamese invasion.

Chairman MCCLELLAN. How much did you have in the budget originally for repair of the bridges and roads?

General SEARS. $5.4 million.

Chairman MCCLELLAN. In the original budget?

General SEARS. Yes, sir.

Chairman MCCLELLAN. What is the specific cause of the increase of $25 million?

General SEARS. The amount of war damage. The North Vietnamese have destroyed 3,200 meters of bridge in South Vietnam and 276 kilometers of highway. The engineers have estimated it costs $15 million to replace the 3,200 meters of bridge and $10 million to repair the roads.

Chairman McClellan. Let me ask you a question at that point.

If they are destroying that much in South Vietnam, tell us something about how much you have destroyed in North Vietnam as a result of bombing.

General Sears. The destruction in North Vietnam is considerable.

General Kjellstrom. I am afraid I don't have anyone here who can discuss this in detail.

Chairman McClellan. There are a lot of mysteries in this war that I don't understand, although I have tried to be understanding and tolerant. Based on reports we get of casualties to the other side and all of the bombing that we do, they should have very little personnel strength left if the reports of casualties are correct.

I don't see how they have a road or bridge left in the country, unless our forces are dropping bombs without any genuine effort to hit targets.

General Kjellstrom. Sir, the Navy and Air Force representatives who will follow me either this afternoon or tomorrow, as I understand it, should be able to respond in detail.

Chairman McClellan. I will be interested in it.

Senator Young. Mr. Chairman, off the record.

(Discussion off the record.)

REPAIR OF COMBAT DAMAGE

Senator Symington. Have we undertaken a policy to repair and pay for all the damage done to South Vietnam by us or by the North Vietnamese to South Vietnam? Is that our policy, to rebuild all the bridges and the roads?

General Kjellstrom. We repair those roads that are essential for military operations and for restoration of the basic economy of the country.

Senator Symington. I was thinking of what the chairman said. This is a 400 percent increase, from $5 million to $25 million, in this particular item. Why is that?

General Kjellstrom. It is because of the increased level of enemy activity since the 30th of March. Before the 30th of March, as you recall, we had a relatively low level of enemy activity.

Chairman McClellan. For how long a period of time?

General Kjellstrom. This had been proceeding for an extended time prior to the North Vietnamese invasion.

Colonel Driskill. Within Vietnam there had actually been relatively low-level activity since the midsummer of 1970, sir.

Senator Symington. Are we going to continue to rebuild the country and do what is necessary to promote their economy? Is that what you are telling us this morning?

General Kjellstrom. With the $25 million request; yes, sir. It is to repair combat damage.

Senator Symington. That is part of the policy, too?

General Kjellstrom. Yes, sir.

Senator Symington. Thank you, Mr. Chairman.

CENTRAL SUPPLY AND MAINTENANCE

Chairman McClellan. In "Operation and Maintenance, Army," the total requested increase in the fiscal year 1973 budget for Southeast Asia operations is $250,200,000. Are all these funds planned to be used for Vietnamese forces?

General Sears. Yes. All of the funds requested in this amendment by the "Operation and Maintenance, Army" appropriation will be utilized to support the Armed Forces of the Republic of Vietnam.

REDISTRIBUTION OF ARMY ASSETS

Chairman McClellan. I note a reference to redistribution of assets within the Army. Just what is meant by that?

General Sears. Redistribution means that we have taken serviceable equipment from selected U.S. units and replaced that equipment with a different model of equipment capable of performing the same task. This was done to provide ARVN with less expensive equipment. As an example, we withdrew the M–79 grenade launcher from the Reserve Components for issue to ARVN and provided the Reserves the more expensive M203 grenade launcher as a replacement. We also have a similar program for the 105mm How, M101A1. In this case, we replaced the less expensive M101A1 model in U.S. units in Korea with the more expensive M102 model. The M101A1 weapons released from Korea will be inspected, repaired as needed, and shipped to Vietnam.

DEFERRALS

Chairman McClellan. Immediately after the reference there is a statement "defer planned issues to Active and Reserve Forces." Just what have you had to defer in connection with the Active Forces of the U.S. Army?

General Sears. We have had to defer the issue of [Deleted] TOWS (Tube Launched Optically Tracked Wire Guided Missile) to Active Army units; this quantity represented 2 months deliveries from the manufacturer. We have since started to issue this equipment to these units (Europe primarily).

Senator Young. What deferrals have resulted in issues to the Reserve Forces?

General Sears. We have deferred the issue of the following four items to the Reserve components: 182 M48A3 tanks; 199 personnel carriers M113; 60 recoilless rifles, 90mm; and 65 recoilless rifles, 106mm. We plan to issue the personnel carriers during 4th quarter fiscal year 1973 and the recoilless rifles in 2d quarter fiscal year 1973. Current plans call for the replacement of the M48A3 tanks with M60 tanks from the active Army.

Senator Young. Have these deferrals or similar actions downgraded the defense capabilities of the U.S. Army?

General Sears. These actions have not downgraded the defense capabilities of the U.S. Army. These items of equipment, however, were intended to improve the readiness capabilities of the U.S. Army and the deferrals have delayed these goals.

COST REDUCTION MEASURES

Chairman McClellan. Reference is made to your primary objective of providing necessary equipment at a minimum cost. What specific measures have you taken to reduce costs?

General Sears. We have taken the following measures:

(1) USARV assets are first utilized to replace combat losses. This includes equipment in depot stock or equipment released by U.S. Army units redeploying from Vietnam. As an example, USARV provided 4 175mm guns, M107 and 3 counter mortar radar sets, AN/MPQ–4. This equipment had been recently released by redeploying U.S. units. Considerable quantities of small arms were also transferred, i.e. (9,000 rifles, M–16; 780 grenade launchers, M–79.)

(2) USARPAC in-theater assets are next used for replacement. To date, USARPAC maintenance facilities have provided large quantities of items. This includes such items as 62 tanks, M48A3 from Sagami; 877 trucks, cargo, 2½ ton from Okinawa; 660 trucks, utility, ¼ ton; 120 radios AN/VRC–12 family; 250 radios AN/PRC–25; and 31 types of tracked carriers. These procedures reduced transportation and provided equipment at a lesser cost. Items are overhauled only when they are in short supply and when the cost of repair competes favorably with the cost of new procurement. The overhaul utilizes unserviceable equipment.

(3) Items were shipped from CONUS only if not available from within the Pacific. Department of the Army, on several occasions, has redistributed materiel in order to provide the less expensive item to ARVN. ARVN needed immediate replacement of the 105mm howitzer, M101A1 and stocks were not available. The M102 model, an acceptable substitute, was available for issue; however, the higher cost of this item ($62,000 vs. $21,000) made it desirable to redistribute howitzers and issue the older less expensive model to ARVN.

(4) MAAG's worldwide were asked to identify redistributable excess MAP stocks, i.e. 60mm mortars, 81mm mortars, and the multiple machinegun caliber .50 (quad fifty's). This action provided the Army with assets for overhaul and minimized the need for new procurement. As the equipment is repaired, it is being isued to ARVN. In addition, the Army obtained a significant quantity of 60mm mortars at no cost from the U.S. Marine Corps.

Chairman McClellan. Please provide for the record a breakdown by program element of the $250.2 million requested increase for operation and maintenance.

General Sears. Yes sir, this will be provided for the record.

(The information follows:)

Fiscal year budget amendment

	Program element/aggregation	*Thousands*
71111	Supply depot operations	$5,644
71112	Inventory control points	1,796
71113	Procurement operations	1,125
72207	Depot maintenance activities	109,500
72896	Base operations	2,171
72898	Command	950
78010	Second destination transportation	52,991
78012	Logistic support activities	723
01000	Support of allies	75,300
	Total	250,200

CENTRAL SUPPLY ACTIVITIES

Chairman McClellan. Under "Central Supply activities" you request an increase of $65.4 million. Of this, $35.5 million is earmarked for shipment of replacement of combat losses. Would you describe how you arrive at this figure? It would seem one would need to know fairly accurately the extent and type of combat losses and then the costs of processing and transporting replacements.

General Sears. The figure was arrived at by using the actual losses, by items, reported by USARV at the time of the budget estimate and projecting these losses at a declining rate through September 30. The costs of processing and transporting these items was computed using standard unit costs for those activities. Replacements were scheduled over a 180-day period, with 10 percent of the cargo for the first 90 days to go by air and all cargo for the remaining 90 days to go by surface.

Chairman McClellan. The second item in "Central Supply activities" is the $9.9 million request for processing and shipping items to equip newly organized Vietnamese units. Please indicate what this entails, the overall size of the newly organized units and what equipment is normally furnished.

General Sears. The bulk of the $9.9 million is for second destination transportation ($7.8 million), which covers line haul transportation in the United States, port handling in U.S. terminals and overocean transportation. Also included is air transportation for a portion of the shipments. The balance of the $9.9 million is for associated supply activity; for example, supply depot operations, supply management, and central procurement operations and base operations costs.

This entails the upgrading of RVNAF capabilities in select areas to meet the increased enemy threat. For example, [deleted] TOW launchers and [deleted] M48A3 [deleted] of equipment are being furnished to counter the greatly increased use of massed armor by the

enemy. We are also providing [deleted] 175-millimeter [deleted] equipment to counter the improved artillery now in use by the NVA. We are also providing [deleted]. In addition to the primary weapons, related wheeled vehicles, ammunition trailers, small arms, communications equipment, tool sets, test sets, and so forth, are required to complete the unit sets.

Senator YOUNG. The last item under "Central Supply activities" is the $20 million requested for accelerated air transportation. What amount was originally budgeted for this transportation that requires $20 million for acceleration?

General SEARS. The total amount originally budgeted for overseas transportation of the RVN improvements and modernization program was $58 million for movement of 380,000 short tons (950,000 measurement tons) of surface cargo. Of this amount, 10,000 short tons at a cost of $20 million was accelerated for air shipment. The cost of this 10,000 short tons in the original budget was $1.6 million for surface movement.

Senator YOUNG. What is the magnitude of this acceleration in terms of equipment?

General SEARS. Approximately 3 percent of the original program workload, or 10,000 short tons out of the original 380,000 short tons program is accelerated for air shipment. This includes aircraft engine, vehicles, rifles, howitzers, helicopters, air delivery equipment and other items with required delivery dates which make use of premium transportation necessary.

Chairman MCCLELLAN. How would this equipment normally be sent, and in what time frame?

General SEARS. Normal mode of transportation would be by surface over a 12-month period.

CRITICAL COMBAT RELATED ITEMS

Chairman MCCLELLAN. Can you list some of the items that are deemed most critical from the standpoint of combat operations?

General SEARS. Basically those items that permit tactical units to shoot, move, and communicate are the most critical. The first category "to shoot" can be divided into artillery and small arms. The 175-millimeter SP guns, 155-millimeter and 105-millimeter howitzers, 81-millimeter and 60-millimeter mortars, M–16 rifles, M–79 grenade launchers, and M–60 machineguns are prime examples. Tracked vehicles such as M–113 armored personnel carriers, M–548 cargo carriers, and wheeled vehicles in the ¼-ton, ¾-ton, 2½-ton, and 5-ton category provide the critical mobility. The M–41 tanks, M–48A3 tanks, M–106 and M–125 tracked mortar carriers provide fire power and mobility in an integral system. Finally, the AN/PRC–25 man pack radios and the VRC–12 family of vehicular radios illustrate the critical tactical communications in combat units.

DEPOT MAINTENANCE

Chairman MCCLELLAN. In your second overall category, "Depot Maintenance", the request is for $109.5 million. Of this, $73.7 million is for replacement of losses. Isn't this a procurement item rather than a matter of maintenance?

General SEARS. The majority of the items being supplied are no longer in production and can only be provided from the Army's current inventory. The remainder of the items could be provided through procurement but not in sufficient time to meet required delivery schedules; hence the initial source will be from depot maintenance.

Senator YOUNG. Are these statistically reported losses or are they estimates based on historical attrition?

General SEARS. Unprogramed ARVN losses of major items of equipment for the first 30- and 60-day periods were based on appropriate ARVN combat loss reports submitted by MACV.

Most losses during the second month were less than those experienced during the first 30 days. Accordingly, it was projected that the unprogramed ARVN equipment loss rate would continue to decrease for subsequent periods in the 179-day scenario. It was assumed that losses for the period May 30–June 30, would be 25 percent of the first 60-day losses, and losses for the subsequent period June 30–September 30 would be an additional 25 percent. Thus, if 100 of a certain item were lost from April 1–May 31, a cumulative loss of 125 would occur by June 30 and a total loss of 150 by September 30.

MAJOR LOSSES

Chairman MCCLELLAN. Please describe the types and quantities of some of the major losses to be replaced in each of the four categories.

General SEARS. The following are among the major losses to be replaced:

Tracked combat vehicles:	
Personnel carrier, M113	[Deleted]
Carrier cargo, M548	[Deleted]
Weapons and other combat vehicles:	
Howitzer light towed, 105 mm	[Deleted]
Machine gun 7.62 mm., M60	[Deleted]
Rifle 556 mm., M16	[Deleted]
Communication and electronic equipment:	
Radio set AN/VRC–12	[Deleted]
Radio Set AN/PRC–25/77	[Deleted]
Other support equipment: Mask M17A1	[Deleted]

AUGMENTATION OF MILITARY ASSISTANCE

Senator YOUNG. Please describe what is referred to in the item "Augmentation of Military Assistance" for which $11.2 million is requested.

General SEARS. The $11.2 million for augmentation is for equipment to enhance the combat capability of RVNAF. The types of equipment being furnished include [deleted] equipment. This equipment is being provided from depot overhaul sources.

ACCELERATION OF EQUIPMENT DELIVERIES

Chairman MCCLELLAN. $24.6 million is requested for acceleration of scheduled equipment deliveries. How does this differ from the $20 million requested under "Central Supply activities" for acceleration of previously scheduled equipment deliveries?

General SEARS. The $24.6 million is for increased depot maintenance production costs due to overtime, multishift operations, and so forth, necessary to meet accelerated delivery dates. The $20 million is for acceleration of transportation.

SUPPORT OF OTHER NATIONS

Chairman MCCLELLAN. Under "Military Assistance Service Funded (MASF)" program, the request is for $75.3 million. How do the $30.2 million for losses incurred through higher combat intensity and the $20.1 million for loss of supplies differ from the items previously covered?

General SEARS. The $50.3 million shown here represents the amount of funds required to purchase supplies and equipment from the stock fund. The dollars previously covered (P7S) pay for the packing, crating, handling, and transportation costs of getting these supplies and equipment to Vietnam.

ROAD AND BRIDGE REPAIR

Chairman MCCLELLAN. Would you describe more fully the third request in this category: The $25 million for repairs to roads and bridges?

General SEARS. The $25 million contained in the amendment is required for repair of 3,200 meters of bridges ($15 million) and 276 kilometers of highways ($10 million) as a result of the current NVA offensive. In-country contractor capability will be used for these repairs.

SAFEGUARD REDUCTION IN OPERATION AND MAINTENANCE

Chairman MCCLELLAN. In the overall Safeguard reduction that you are requesting there is a proposed decrease of $11 million associated with operation and maintenance costs. Of this amount a reduction of $1,973,000 is anticipated as a result of a reduction of 116 civilian man-years. Are all of these man-year reductions related to the Malmstrom site?

General LEBER. Although not all 116 civilian man-year reductions were located at the Malmstrom site, all were directly related through decerases in logistic support, training requirements, and overall management personnel not required with the site termination.

CIVILIAN PERSONNEL AT MALMSTROM SITE

Chairman MCCLELLAN. How many civilian personnel were originally budgeted for the Malmstrom site?

General LEBER. Fifty-six operation and maintenance civilian personnel were originally budgeted for the Malmstrom site.

MALMSTROM COMMUNICATIONS CONSTRUCTION COSTS

Senator YOUNG. The justifications indicate that $8,156,000 is requested for reduction as a result of the elimination of the programed Malmstrom intrasite and intersite communications construction costs.

Please differentiate between the intrasite and intersite communications activities and detail just what is contemplated in this reduction.

General LEBER. Intrasite communications include onsite facilities to support onsite requirements such as switchboards, intercom, security radio, communications center, and telephone service. Intersite communications include facilities to support requirements between sites, such as cable lines, multiplex equipment, and transmission equipment. The reduction would eliminate all Malmstrom intrasite communication construction, intersite construction connecting Malmstrom with Grand Forks and the Ballistic Missile Defense Center, and those facilities at Grand Forks which would terminate circuits to Malmstrom.

MALMSTROM RENTS AND UTILITIES

Chairman MCCLELLAN. What is the $665,000 to be realized by the reduction in rents and utilities costs? Is this all at Malmstrom?

General LEBER. The reduction to be realized is in the rental of ADP peripheral equipment and utility reductions resulting from reduced man-years. This is related to the Malmstrom termination but the actual reduction would take place at the Safeguard System Command, Huntsville, Ala.

OTHER REDUCTIONS

Chairman MCCLELLAN. There are two other items. A reduction of $145,000 is requested for printing and reproduction and $61,000 for other purchased services. Please describe these.

General LEBER. The $145,000 reduction in the printing and reproduction account was transferred to the student mission costs at the Central Training Facility. The $61,000 reduction was based on more accurate estimates on contracts and studies in addition to decreased purchased support for the reduced man-years.

Senator YOUNG. Have all operation and maintenance funds for Malmstrom been deleted?

General LEBER. Yes.

Chairman MCCLELLAN. To what degree are funds retained in the operation and maintenance budget for sites other than Grand Forks and the NCA site respectively?

General LEBER. There are no operation and maintenance funds retained for other than the Grand Forks site and the NCA site.

FUND USE AT NCA SITE

Chairman MCCLELLAN. Please describe rather fully the proposed use of funds for the NCA site as contained in the revised budget and indicate why the request cannot be deferred until fiscal year 1974.

General LEBER. These funds pay for and support the planning and management personnel, now employed, who will be required to undertake tasks related to advanced preparation for NCA after they complete their current tasks related to Grand Forks.

NCA SITE PERSONNEL

Senator YOUNG. How many military and civilian personnel will be employed in fiscal year 1973 for work associated with the NCA site?

General LEBER. No personnel are specifically identified with work associated with the NCA site. Some people will spend part of their time in planning the configuration and resource requirements for NCA.

CONARC SAFEGUARD PERSONNEL

Chairman MCCLELLAN. Are additional personnel now being requested for administrative, clerical, and support work associated with the CONARC Safeguard operation?

General LEBER. The original fiscal year 1973 budget request included an increase for CONARC civilian personnel for the provision of administrative and logistical support at the Grand Forks site. Since the submission of the budget request, decision has been reached by the Army to accomplish this support, principally by contract, under the supervision of CG, SAFSCOM. The amended fiscal year 1973 budget request therefore includes no planned increase in the number of CONARC personnel.

GLASGOW LOGISTIC DEPOT

Chairman MCCLELLAN. What is the present plan of the Department of the Army in regard to the special logistic depot activity located at Glasgow Air Force Base?

General LEBER. It may be possible that the Army will be able to discontinue the Safeguard depot facility at Glasgow Air Force Base, Mont. Choice of the most effective means of logistical support for a very limited Safeguard deployment will be made later this year, based on action taken by the Congress on the amended fiscal year 1973 budget request and the results of a detailed review of the available alternatives now in progress. However, a decision for discontinuance cannot be taken at this time without prejudging disposition of the Safeguard program.

Chairman MCCLELLAN. In view of the large-scale reduction in the Safeguard program, would it not be possible to combine this operation with other logistical work and thus accomplish substantial savings?

General LEBER. It may be possible to discontinue the Safeguard Logistics Command and require that the support be provided by other commands; however, as explained in answer to the preceding question, such action cannot be taken now without jeopardizing the deployment of the Safeguard system as currently approved by Congress. A decision on the most effective and economical way of providing logistic support for Safeguard will be made later this year, based on action taken by the Congress on the amended fiscal year 1973 budget request and the results of the review now in progress.

GRAND FORKS CHANGES

Senator YOUNG. Describe any changes from the original budget both in dollars and personnel that are contemplated at Grand Forks.

General LEBER. The original budget planned for an end strength of 274 (OMA) civilians on site at Grand Forks. This estimate has been reduced to a planned end strength of 168 since many of the base operation support services are to be performed by contract.

Base support costs for Grand Forks were underestimated at $3.075 million for fiscal 1973. Current support costs for Grand Forks are now projected at $4.551 million for the fiscal year.

Chairman MCCLELLAN. All right.

MILITARY PERSONNEL, ARMY

PROGRAM AND FINANCING

At this point in the record there will appear programing and financing information from the justifications reflecting the requests in the proposed amendment on "Military Personnel, Army." The net amount requested is $5 million. This is comprised of a reduction of $4 million as a result of the Strategic Arms Limitation Agreements and an increase of $9 million resulting from increased Southeast Asia activities.

(The information follows:)

Program and Financing
(In Thousands of Dollars)

Program by Activities:	Request Pending	Amendment Now Proposed: SALT Adjustment	Amendment Now Proposed: SEA Adjustment	Amendment Now Proposed: Net Adjustment	Revised Request
Direct Program:					
1. Strategic Forces	71,964	-529	-	-529	71,435
2. General Purpose Forces	3,838,514	-3,471	-	-3,471	3,835,043
10. Support of Other Nations	254,656	-	+9,000	+9,000	263,656
All Other	3,537,929	-	-	-	3,537,929
Total direct program	7,703,063	-4,000	+9,000	+5,000	7,708,063
Reimbursable (total)	104,553	-	-	-	104,553
Total Obligations	7,807,616	-4,000	+9,000	+5,000	7,812,616
Financing:					
Receipts and reimbursements from:					
Federal funds	-48,580	-	-	-	-48,580
Non-Federal Sources	-55,973	-	-	-	-55,973
Budget Authority	7,703,063	-4,000	+9,000	+5,000	7,708,063
Budget Authority:					
Appropriation	7,322,500	-4,000	+9,000	+5,000	7,327,500
Appropriation adjusted	7,322,500	-4,000	+9,000	+5,000	7,327,500
Jan 1972 Pay Increase Supplemental/adjustment	380,563	-	-	-	380,563

OPERATIONAL RATIONS

General KJELLSTROM. The "Military personnel, Army" portion of this amended budget request for Southeast Asia contains a $9 million requirement for operational rations for the Republic of Vietnam Armed Forces (RVNAF).

For several years, the "Military personnel, Army" appropriation has funded the cost of procuring in the United States approximately 1.5 million operational rations per month for the RVNAF.

Chairman MCCLELLAN. That is for the Vietnamese Army?

General KJELLSTROM. Yes, sir. To feed the Vietnamese Army when they are in operation in the field; not to feed the Vietnamese Army when they are in the garrison.

Chairman MCCLELLAN. Proceed.

General KJELLSTROM. On May 4, 1972, the Commander, U.S. Military Assistance Command, Vietnam, identified increased requirements for RVNAF operational rations amounting to an additional 1.2 million rations per month, because of the stepup in military operations.

The increased ration requirement encompassed by the scope of this amendment is 7.2 million additional rations. One-half of this increase is to replenish stocks consumed at the higher rate during April, May, and June. The remainder of the increase will support consumption at the higher rate from July through September 1972.

PERSONNEL SUMMARY

Chairman MCCLELLAN. At this point in the record there will appear a tabulation from the justifications entitled "Personnel Summary" showing the direct program contained in the original fiscal year 1973 budget, the amendments related to the Strategic Arms Limitation Agreements and Southeast Asia activities, and the total revised request.

(The information follows:)

Personnel Summary
(In Thousands of Dollars)

Direct Program:	Request Pending	Amendment Now Proposed: SALT Adjustment	SEA Adjustment	Net Adjustment	Revised Request
1. Pay and allowances of officers. . .	1,876,400	- 945	-0-	- 945	1,875,455
2. Pay and allowances of enlisted	4,918,843	- 3,055	-0-	- 3,055	4,915,788
3. Pay and allowances of cadets	16,854	-0-	-0-	-0-	16,854
4. Subsistence of enlisted personnel	452,588	-0-	+ 9,000	+ 9,000	461,588
5. Permanent change of station travel	418,488	-0-	-0-	-0-	418,488
6. Other military personnel costs	19,890	-0-	-0-	-0-	19,890
Total Direct Program	7,703,063	- 4,000	+ 9,000	+ 5,000	7,708,063
Reimbursable program: (No change)					
Total reimbursable program	104,553				104,553
Total obligations	7,807,616	- 4,000	+ 9,000	+ 5,000	7,812,616

MILITARY PERSONNEL SALT ADJUSTMENTS

Chairman McCLELLAN. For "Military Personnel, Army" the request is for $5 million. This is the net of increases amounting to $9 million in the Southeast Asia amendment and decreases of $4 million resulting from the strategic arms limitation agreements. Please describe what the $4 million reduction consists of.

General LEBER. An initial savings of about $1.3 million in fiscal year 1973 in MPA should result from the decision not to activate tactical sites in Malmstrom, Whiteman, and Warren. An additional savings of up to $2.7 million in MPA is planned in anticipation of changes now under consideration in logistics, training, and other activities.

SAFEGUARD FACILITIES AFFECTED

Chairman McCLELLAN. What Safeguard facilities are affected in in this reduction?

General LEBER. The facilities affected by the reduction would be Malmstrom, Whiteman, Warren, Safeguard Logistics Command (to include Glasgow Depot), and the Safeguard Central Training Facility.

MILITARY PERSONNEL REDUCTION

Senator YOUNG. What was the total number of military personnel originally budgeted for fiscal year 1973 for the Safeguard program and what is the revised number?

General LEBER. The currently programed military end strength of 1,535 personnel represents a reduction of 106 military spaces from the 1,641 originally programed or about $1.3 million in MPA. Studies are currently being conducted in Safeguard which could result in another $2.7 million reduction (245 military spaces) based on a reduced effort in training and logistics.

INCREASE FOR SUBSISTENCE OF ENLISTED PERSONNEL

Chairman McCLELLAN. More than offsetting the $5 million reduction requested is the request for $9 million for "Subsistence of enlisted personnel." Would you go into detail in describing why this increase in rations for the Vietnamese forces is required?

General KJELLSTROM. The request for $9 million for "Subsistence of enlisted personnel" is predicated on increased usage of combat rations by the South Vietnamese Armed Forces due to increased activity occasioned by stepped-up North Vietnam combat operations. The U.S. Government was providing some 1,550,000 RVNAF combat rations monthly before the North Vietnamese offensive started. COMUS MACV requested an increase of 1,200,000 monthly additional RVNAF operational rations to meet the increased military operations for a period of 6 months.

SOUTH VIETNAMESE RATIONS

Chairman McCLELLAN. What specifically do these rations consist of?

General KJELLSTROM. The RVNAF combat ration consists of two packs. The "A" pack contains 3 bags of rice. The "B" pack consists of one can of fruit and two cans of meat, fish, or poultry.

Chairman McCLELLAN. Please provide for the record an itemized list of food requirements of the South Vietnamese forces as provided by the United States, indicating both the budgeted requirement for fiscal year 1973 and the additional request.

(The information follows:)

The budgeted food requirements for fiscal year 1973 for the South Vietnamese are:

	Million
Normal RVNAF operational rations	$26.0
Food supplement program	27.5
New requirement for additional operational rations	9.0
Total fiscal year 1973 requirements	62.5

Senator YOUNG. What is your loss factor that is included in this request?

General KJELLSTROM. We have used a 5-percent loss factor applied to the total consumption of U.S. and ROK forces in Vietnam. The fiscal year 1973 column also included a $2.3 requirement for foreign currency revaluation. Lacking a specific line for the item it was included with subsistence losses in Vietnam. Future budgets will reflect this requirement as a separate line item when required.

Senator YOUNG. How accurate has this been in the past?

General KJELLSTROM. No data exists to validate the accuracy of the estimate. Informal information from the command indicates the factor provides an adequate safeguard against shortages due to spoilage and pilferage.

FOREIGN CURRENCY REVALUATION

Chairman McCLELLAN. I understand that there is included in the request funds for foreign currency revaluation. Please indicate the amount of these funds and the reason for the requirement.

General KJELLSTROM. This budget does contain a requirement of $2.3 million for foreign currency revaluation.. The prices reflected in this budget were predicated on data existing prior to the time the U.S. dollar was permitted to "float." Thus an estimate of items locally procured in foreign countries was obtained as well as percentage increase of the revalued foreign currency which was applied to the estimated costs of items locally procured. Items being procured locally in foreign areas are essentially dairy products, fresh vegetables, and bakery products which are not susceptible to long storage or are of high cubage nature.

COMPARISON OF RATIONS

Chairman McCLELLAN. Please describe the types of rations provided to the South Vietnamese and the costs of each, and compare those with rations and costs provided for an American soldier.

General KJELLSTROM. We provide the Vietnamese with the special RVNAF combat ration comprised of three bags of rice, one can of fruit, and two cans of meat, fish or poultry. The current value is $1.44 per ration. In addition, the food supplement program, designed to improve the diet and morale of the RVNAF serviceman, provides fish, meat, poultry, and shortening as a supplement to items provided on a daily basis from other sources. The cost is $15.73 per man per year.

While some of the items are similar in nature, that is, meat, fish and poultry, they are not both issued concurrently to an individual.

Comparison of daily rations (items) furnished the RVNAF serviceman with those provided the U.S. serviceman is as follows:

	RVNAF	United States
Operational ration	$1.44	$2.55
Overseas "A" ration		1.70
RVNAF food supplement	.043	

PROCUREMENT APPROPRIATIONS

The procurement appropriations portion of this amended budget request for Southeast Asia was initially $380 million. This has been revised downward by $31.0 million, to a new total of $349 million. This amount reflects the requirement for augmentation of the Republic of South Vietnam combat potential and replacement requirements based on projections of abnormal losses.

Chairman McClellan. This is where you are reducing your request?

General Kjellstrom. Sir, as I will describe as we proceed through this statement, we are reducing our request in specific amounts over the amended budget.

Chairman McClellan. What you are saying here is that you are asking for less than you originally requested?

General Kjellstrom. That is correct.

Chairman McClellan. You are able to say you no longer need this?

General Kjellstrom. That is correct, sir.

These funds will provide for early replacement of ammunition stocks and selected items of equipment to avoid the risks associated with prolonged shortages. In no case are we requesting funds to buy more than the sum of estimated abnormal losses and essential increased Vietnamese capabilities.

Aircraft Procurement, Army

PROGRAM AND FINANCING

Chairman McClellan. The first Army request is for an additional $28.4 million for the appropriation entitled "Aircraft Procurement, Army." Pages 98 and 101 of the justification will be included in the record at this point.

(The information follows:)

AIRCRAFT PROCUREMENT, ARMY

Program and Financing
(In Thousands of Dollars)

	Fiscal Year 1973					
	Budget Plan			Obligation Plan		
	Pending Request	SEA Adjustment	Revised Request	Pending Request	SEA Adjustment	Revised Request
Unobligated balances available, end of year:						
For completion of prior year budget plans	---	---	---	60,500	7,100	67,600
Available to finance subsequent year budget plans	---	---	---	---	---	---
Budget authority	134,500	28,400	162,900	134,500	28,400	162,900
Budget authority:						
Appropriation						
Pay raise (PL 91-305)						
Transferred to other accounts						
Appropriation (adjusted)						
Relation of obligations to outlays:						
Obligations incurred, net				110,800	21,300	132,100
Obligated balance, start of year				58,800	---	58,800
Obligated balance, end of year				-101,600	-18,500	-120,100
Outlays				68,000	2,800	70,800

AIRCRAFT PROCUREMENT, ARMY
1. Aircraft

In thousands of $	
Request Pending	20,800
Net Adjustment	26,100
Revised Request	46,900

Section 1 - PURPOSE AND SCOPE

These funds provide for procurement and manufacture of airplanes, helicopters, aircraft armament and avionics equipment.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

This program provides for a quantity of attack and cargo helicopters to meet airmobility and combat needs of the Army. These additional funds are requested to replace aircraft lost to the Army through increased combat losses.

Helicopter, Attack, AH-1 (COBRA) - $12.3 million is requested for the procurement of 22 AH-1G attack helicopters. This aircraft is our current first line attack helicopter and the only aircraft in the Army's inventory designed specifically for this mission. It is produced by Bell Helicopter of Ft Worth, Texas and uses one T-53-L13 engine manufactured by AVCO. These aircraft will fill shortages to the AAO created by increased combat losses in SEA.

Helicopter, Cargo Transport, CH-47 (CHINOOK) - $13.8 million is requested for the procurement of 6 CH-47 cargo transport helicopters. This is the Army's current first line cargo transport helicopter. It is produced by Boeing Vertol of Morton, Pennsylvania and is powered by two Lycoming T55-L11 engines. It has a broad mission flexibility due to an unobstructed 30 foot long cargo compartment with straight-in rear loading and an external cargo hook. It has a maximum payload of 22,450 lbs and can carry 33 passengers or 24 litters plus a crew of 3. These aircraft will fill shortages to the AAO created by increased combat losses in SEA.

AIRCRAFT PROCUREMENT, ARMY
4. Support Equipment and Facilities

In thousands of $	
Request Pending	36,100
Net Adjustment	2,300
Revised Request	38,400

Section 1 - PURPOSE AND SCOPE

These funds provide for ground support equipment including aircraft maintenance shop sets, avionics support equipment, synthetic flight trainers, first destination transportation and production base support.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

First Destination Transportation - $2.1 million is requested to provide transportation from manufacturing plants of those aircraft being provided both for increased Army losses in SEA and those aircraft provided for VNAF augmentation. Procurement cost is provided by the USAF for augmentation aircraft.

Ground Support - $.2 million is requested for shop sets and tool sets to provide replacements for those sets provided for RVNAF augmentation.

General KJELLSTROM. During the period April 1 to September 2, 1972, actual losses above those programed for the AH–1G Cobra helicopter in SEA were [deleted] to the requested buy of [deleted] aircraft. The helicopters are needed to offset this unexpected loss.

In the case of the CH–47 Chinook, our actual losses were only [deleted] of the projected six. Based on these decreased losses our request for the CH–47 buy is withdrawn.

The first destination transportation request of $2.1 million has been recalculated to be $1 million because of reduced deliveries of replacement aircraft. Our request for $0.2 million for common ground equipment is unchanged.

SOUTHEAST ASIA COSTS

Chairman MCCLELLAN. As I understand this request, the total of $28.4 million represents an additional cost of the conflict in Southeast Asia. Am I correct about this?

General KJELLSTROM. Yes sir, the total $28.4 million represented the projected additional cost of the conflict in Southeast Asia.

AH–1G ATTACK HELICOPTERS

Chairman MCCLELLAN. The request includes $12.3 million for the procurement of 22 AH–1G attack helicopters. The aircraft data sheet will be included in the record at this point.

(The information follows:)

FISCAL YEAR 1973 PRESIDENT'S BUDGET ESTIMATE—AIRCRAFT DATA SHEET

Service: Army—Nomenclature: Helicopter, Attack: AH–1G P–1 Line No. 2; Popular Name: Cobra

Description/Mission.—The AH–1G is a single rotor attack helicopter, powered by a single gas turbine engine, capable of conducting search and target acquisition, reconnaissance by fire, multiple weapons fire, support, and escort support for troop helicopters.

COST DATA

[Millions of dollars]

	Fiscal year—								Current estimated total program
	1970 and prior	1971	1972	1973	1974	1975	1976	1977	
Acft proc. qty	1,008	70	0	22	[Deleted.]				
Acft. proc. cost	434.7	29.3	0	9.8					
Less: Adv. proc. PY	NA	0	0	0					
Net acft. cost CY	434.7	29.3	0	9.8					
Plus: Adv. proc. CY	NA	0	0	0					
Total acft cost	434.7	29.3	0	9.8					
Acft pgm. unit cost	.431	.419	0	.446					
Initial spares	9.0	0	0	0					
R.D.T. & E	8.6	0	0	0					
Milcon	0	0	0	0					
Program acquisition cost	452.3	29.3	0	9.8					
Avg pgm. unit cost	.449	.419	0	.446					
Total additional costs	115.5	11.4	4.1	15.3					

Note: Basis for Fiscal Year 1973 budget request: The 22 AH–1G aircraft are to replace increased attrition protections in RVN as a result of the enemy offensive beginning April 1972 in order to maintain projected preferred assets near authorizations.

HELICOPTER LOSSES

Chairman McClellan. It is indicated that these 22 helicopters are to replace "increased attrition projections" in Vietnam as the result of the enemy offensive beginning April 1972. How many of these helicopters actually have been lost since April 1972?

General Kjellstrom. Sir, between the period April 1, 1972, and September 13, 1972 the U.S. Army has lost 1,078 AH–1G (Cobra) aircraft in Southeast Asia. The "increased" attrition is 970 since 108 were "normal" projected losses.

Chairman McClellan. I note that, through fiscal year 1971, funds had been provided for the procurement of [deleted] of these helicopters. How many of those had actually been delivered at the end of fiscal year 1972, and when do you expect the remainder to be delivered?

General Kjellstrom. Sir, at the end of fiscal year 1972, [deleted] AH–1G helicopters had been delivered to the Army. The remaining [deleted] helicopters will be delivered during the first three quarters of fiscal year 1973.

DELIVERY OF AH–1G HELICOPTERS

Senator Young. When do you anticipate that the 22 requested in this budget amendment would be delivered?

General Kjellstrom. Sir, we expect the 22 AH–1G aircraft to be delivered during the period August 1974 to July 1975.

Chairman McClellan. Tell us why you feel that it is absolutely essential that these funds be provided in the fiscal year 1973 appropriation bill.

General Kjellstrom. Sir, the Army will have an estimated [deleted] AH–1G's on hand at the end of the fiscal year 1973 funded delivery period against a requirement of [deleted]. Any delay in funding for additional SEA losses would require the continued use of the substitute and older UH–1 gunships considered not fully capable in the attack helicopter role.

CH–47 CHINOOK HELICOPTER

Chairman McClellan. The request includes $13.8 million for the procurement of six CH–47 Chinook cargo transport helicopters. The aircraft data sheet will be included in the record at this point.

(The information follows:)

Fiscal Year 1973 President's Budget Estimate—Aircraft Data Sheet

Service: Army—Nomenclature: Helicopter, Cargo, Transports, CH–47 P–1 Line No. 3; Popular name: Chinook

Description/Mission.—The CH–47C is a high performance all weather, day/night, tandem rotor helicopter powered by 2 Lycoming T–55 gas turbine engines. It features broad mission flexibility as evidenced by an unobstructed 30 foot long cargo compartment with straight-in rear loading and external cargo hook. The mission of the CH–47 is to provide airmobility to military forces in the field by the transport of artillery weapons, ammunition, bulk fuels, rations, troops, and general cargo. It also provides aeromedical evacuation of casualties and the capability to recover downed aircraft in those areas not accessible to ground vehicles.

COST DATA

[In millions of dollars]

	Fiscal year—								Current estimate, total program [2]
	1970 and prior	1971	1972	[1] 1973	1974	1975	1976	1977	
Acft. proc.:									
Qty	671	12	0	6					
Cost	821.0	21.9	0	[3] 11.2					
Less: Adv. proc., PY	NA	0	0	0					
Net acft. cost, CY	821.0	21.9	0	11.2					
Plus: Adv. proc., CY	NA	0	0	0					
Total acft. cost	821.0	21.9	0	11.2					
Acft. pgm. unit cost	1.224	1.825	0	1.870	[Deleted.]				
Initial spares	63.2	0	0	0					
R.D.T. & E	74.7	0	0	0					
MILCON	0	0	0	0					
Program acquisition cost	958.9	21.9	0	11.2					
Avg. pgm. unit cost	1.429	1.825	0	1.870					
Total additional costs	450.8	26.0	20.2	20.0					

[1] Reflects current cost using components in long supply furnished as GFE. In the case of unserviceable components only the cost of overhaul will be charged to procurement cost.
[2] Reflects program through fiscal year 1977.
[3] This program assumes a combined USA/USAF buy of 12 helicopters. Price for 6 helicopters would be $13,800,000.

Basis for fiscal year 1973 budget request.—The 6 CH–47C aircraft are to replace increased attrition projections in RVN as a result of the enemy offensive beginning April 1972, and will allow for continued progression towards the Authorized Acquisition Objective (AAO).

CH–47 LOSSES

Chairman McCLELLAN. Again I note that these six helicopters are to replace increased attrition projections as a result of the enemy offensive in South Vietnam beginning in April 1972. How many of these helicopters have actually been lost since the beginning of this offensive?

General KJELLSTROM. Sir, since the beginning of the offensive we have lost [deleted] CH–47 aircraft; we have therefore withdrawn our fiscal year 1973 request for replacement of CH–47 lost by U.S. forces.

Chairman McCLELLAN. Are we talking about replacing the losses of the U.S. Army or the Southeast Vietnamese Forces?

General KJELLSTROM. Sir, the funds we have requested are for U.S. Army losses, VNAF losses are being funded for by the U.S. Air Force.

Senator YOUNG. How many of these helicopters have been funded but not actually delivered, and when will they be delivered?

General KJELLSTROM. Sir, none of the aircraft requested in the amendment have been funded. Of the last procurement, fiscal year 1971, three CH–47 aircraft remain to be delivered, these will be delivered one each in October, November, and December 1972.

Chairman McCLELLAN. When will the six helicopters for which you are requesting funding be delivered?

General KJELLSTROM. They will not be delivered since we have withdrawn our request for these six.

AIRCRAFT SUPPORT EQUIPMENT

Chairman McClellan. $2.3 million is requisted for "Aircraft support equipment and facilities." Tell us exactly what you plan to do with this $2.3 million.

General Kjellstrom. Sir, the planned use of the original request for $2.3 million (aircraft support equipment and facilities) was as follows:

(1) $2.1 million for first destination transportation for the AH–1G, UH–1, and CH–47 aircraft being transferred from CONUS to U.S. forces and VNAF in Vietnam as a result of increased combat activity.

(2) $0.2 million is required to replace losses of shop and tool set components in SEA that were greater than previously anticipated because of intense combat and a large number of aircraft being retrieved in Vietnam over the programed in the fiscal year 1973 budget.

The $2.1 million initial request for first destination transportation has been reduced to $1 million based on actual and programed shipment of aircraft to SEA.

FIRST DESTINATION TRANSPORTATION

Chairman McClellan. Is it correct to assume that, if the funds are not provided for the procurement of the Cobra and Chinook helicopters, you would not require the $2.1 million additional for first destination transportation?

General Kjellstrom. Sir, regardless of the fact as to whether or not the funds for the procurement of the Cobra and Chinook are approved a portion of the $2.1 million will still be required; $1 million is required for the already completed and programed shipments of AH–1G, UH–1H, and CH–47 aircraft from CONUS to Vietnam in support of the increased U.S. forces and VNAF losses.

SHOP AND TEST SETS

Senator Young. With respect to the $200,000 included in this request for shop sets and tool sets, tell us why it is absolutely essential to provide these funds in fiscal year 1973.

General Kjellstrom. Sir, it is essential that these funds be provided in fiscal year 1973 to prevent further asset deterioration of these equipment inventories. This situation has developed because of increased combat consumption and the depleted condition of shop and tool sets received from RVN by our CONUS depots, thus requiring refurbishing and new procurement of sets and components. Failure to receive these funds will result in continued shortages of these items within Active, Reserve, and National Guard units.

Missile Procurement, Army

PROGRAM AND FINANCING

Chairman McClellan. The next item is a net reduction of $256.7 million in the request for the appropriation entitled "Missile procurement, Army." This $256.7 million reduction is a net of a decrease of $265 million for the Safeguard ABM system, offset by an increase of

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$8.3 million for additional Southeast Asia items. Pages 106, 107, and 109, of the justifications will be included in the record at this point.

(The information follows:)

MISSILE PROCUREMENT, ARMY

Program and Financing
(In Thousands of Dollars)

Program by Activities:	Fiscal Year 1973									
	Budget Plan					Obligation Plan				
	Pending Request	SAIT Adjust	SEA Adjust	Net Adjust	Revised Request	Pending Request	SAIT Adjust	SEA Adjust	Net Adjust	Revised Request
Anti-Ballistic Missile System	716,400	-253,200	---	-253,200	463,200	692,000	-227,900	---	-227,900	464,100
Other Missiles	325,500	---	8,300	8,300	333,800	311,500	---	7,500	7,500	319,000
Spares and Repair Parts	62,300	- 11,800	---	- 11,800	50,500	62,800	- 10,600	---	- 10,600	52,200
All Other Activities.....	49,200	---	---	---	49,200	46,600	---	---	---	46,600
Total Direct	1,153,400	-265,000	8,300	-256,700	896,700	1,112,900	-238,500	7,500	-231,000	881,900
Reimbursable (total).....	36,000	---	---	---	36,000	29,300	---	---	---	29,300
Total	1,189,400	-265,000	8,300	-256,700	932,700	1,142,200	-238,500	7,500	-231,000	911,200
Financing:										
Receipts and reimbursements from:										
Federal funds	- 28,800	---	---	---	-28,800	-28,800	---	---	---	-28,800
Trust funds	- 7,200	---	---	---	- 7,200	- 7,200	---	---	---	- 7,200
Non-Federal sources	---	---	---	---	---	---	---	---	---	---
Unobligated balance available, start of year:										
For completion of prior year budget plans	---	---	---	---	---	-121,500	---	---	---	-121,500
Available to finance new budget plans	- 7,520	---	---	---	- 7,520	- 7,520	---	---	---	- 7,520
Reprograming from prior year budget plans	---	---	---	---	---	---	---	---	---	---
Unobligated balance transferred from other accounts	---	---	---	---	---	---	---	---	---	---

MISSILE PROCUREMENT, ARMY

Program and Financing
(In Thousands of Dollars)

Financing:	Fiscal Year 1973									
	Budget Plan					Obligation Plan				
	Pending Request	SALT Adjust	SEA Adjust	Net Adjust	Revised Request	Pending Request	SALT Adjust	SEA Adjust	Net Adjust	Revised Request
Unobligated balances available, end of year:										
For completion of prior year budget plans	---	---	---	---	---	168,700	-26,500	800	-25,700	143,000
Available to finance subsequent year budget plans	7,520	---	---	---	7,520	7,520	---	---	---	7,520
Budget authority	1,153,400	-265,000	8,300	-256,700	896,700	1,153,400	-265,000	8,300	-256,700	896,700
Budget Authority:										
Appropriation										
Pay raise (PL 91-305)										
Transferred to other accounts										
Appropriation (adjusted)										

MISSILE PROCUREMENT, ARMY
1. Anti-Ballistic Missile System

In thousands of $	
Request Pending	716,400
Net Adjustment	-253,200
Revised Request	463,200

Section 1 - PURPOSE AND SCOPE

These funds provide for procurement of the SAFEGUARD Anti-Ballistic Missile System, including missiles, launching and control devices and associated equipment, and related production base support.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

The initial budget request included funds for the Whiteman site SPRINT and SPARTAN missiles and the Warren site Missile Site Radar, data processor and associated ancillary equipment. The SALT agreement, which limits the SAFEGUARD deployment to Grand Forks and NCA sites, required the deletion of the Whiteman and the Warren site requirement.

MISSILE PROCUREMENT, ARMY
2. Other Missiles

In thousands of $	
Request Pending	325,500
Net Adjustment	8,300
Revised Request	333,800

Section 1 - PURPOSE AND SCOPE

These funds provide for procurement of surface-to-air, surface-to-surface, and antitank missile systems, ground support equipment, and practice warheads to replace those expended in annual service practice.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

$8.3 million is requested for procurement of [ ] TOW missile launchers and associated ground support equipment consisting of battery chargers, training sets and maintenance equipment for loss replacements and augmentation of Military Assistance to RVN. Immediate procurement is necessary to overcome a short supply situation for these items and to resume the buildup of TOW in US Forces now being equipped with the TOW System.

MISSILE PROCUREMENT, ARMY
4. Spares and Repair Parts

In thousands of $	
Request Pending	62,300
Net Adjustment	-11,800
Revised Request	50,500

Section 1 - PURPOSE AND SCOPE

These funds provide for the procurement of depot reparable major assemblies and repair parts for surface-to-air and surface-to-surface missile systems, including initial provisioning and replenishment.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

The initial budget request included funds for repair parts applicable to the SAFEGUARD 4-site MINUTEMAN deployment. The SALT agreement which limits the SAFEGUARD deployment to the Grand Forks and NCA sites required the deletion of certain repair parts not associated with the revised deployment.

Classified material which has been deleted is indicated by brackets.[ ]

General KJELLSTROM. The "Missile Procurement, Army" appropriation request for $8.3 million increase relates to the placement of [deleted] TOW missile launchers and related ancillary ground equipment diverted from U.S. Army inventories and production output to the Vietnamese augmentation requirement and the replacement of projected U.S. Force losses. The $8.3 million cost estimate was based upon [deleted] with early delivery.

However, the Army now plans to acquire this equipment at $4.3 million from a second producer with some delay in deliveries. The delay in delivery is acceptable and the cost savings are considerable. Our request is therefore reduced by $4 million.

TOW REQUEST

Chairman MCCLELLAN. The next request was for an additional $8.3 million for the procurement of the TOW antitank missile. The subcommittee's earlier discussion of the TOW missile is found on page 555 of part 1 of the hearings. It is my understanding that the original request for the TOW was $40.7 million, the revised request was $49 million, and now there is a subsequent revision. Am I correct about this?

General BUSH. That is correct, sir. As General Kjellstrom indicated in his presentation, the Army has withdrawn $4 million of the $8.3 request because of a [deleted]. The revised request should read $45 million.

Chairman MCCLELLAN. Is this additional sum for the procurement of additional missiles or additional launchers and associated ground equipment?

General BUSH. The additional funds requested are for procurement of launchers and associated ground equipment, only.

Chairman MCCLELLAN. Tell us a little about the deployment of the TOW missile to South Vietnam.

General BUSH. During the period April–July 1972, the U.S. Army shipped [deleted] TOW ground launcher systems, [deleted] Heat missiles, 60 training missiles, and other ground support equipment such as mounting kits, battery chargers, and training sets to Vietnam to counter the enemy tank threat. Also deployed were two XM–26 helicopter-borne TOW launcher systems. [Deleted] TOW ground launcher systems were furnished to the RVN forces under Project Enhance. The remaining [deleted] ground launcher systems, [deleted].

Significant results obtained by the use of TOW in RVN is shown below.

Targets destroyed

Airborne TOW.—27 tanks, 10 trucks, four armored Personnel Carriers.

Ground TOW.—10 Tanks, one PT 76 carrier, six key bunkers.

Chairman MCCLELLAN. Tell us why you feel that it is essential that these additional funds be provided in the 1973 Department of Defense appropriation bill.

General BUSH. Primarily because deferral of procurement until fiscal year 1974 would impose at least a 1-year delay in replacing TOW items in the Army inventory. The equipment was made available for

transfer to Southeast Asia by withdrawal from U.S. Army units and from production. We believe that replacement as soon as practicable is essential for return of equipment to our training base to restore full training capability and to [deleted] as we had planned prior to the diversion of the TOW materiel to SEA.

REDUCTION IN SAFEGUARD MISSILE PROCUREMENT

Chairman McClellan. I want to be sure that I understand the revised request for missile procurement for the ABM system. The original request for missile procurement for this system was $716.4 million, and the revised request is $463.2 million, a reduction of $253.2 million. Tell us what was included in the original request that is eliminated by this reduction.

General Leber. The initial fiscal year 1973 budget submission included Spartan tactical missiles and related equipment for the Whiteman site and four Spartan nontactical missiles for postdevelopment tests; Sprint tactical missiles and related equipment for the Whiteman site and three Spring nontactical missiles for postdevelopment tests; funds for advanced procurement of Sprint components for the missiles and launch equipment which would have been fully funded for the Whiteman site in fiscal year 1974; certain radar and data processing equipment for the Warren site; and funds for expenses in connection with Government-owned industrial production equipment utilized at contractor plants. These requirements, which amounted to some $253.2 million, have been deleted from the fiscal year 1973 request.

Chairman McClellan. In the event that a decision is made not to go forward with the proposed Safeguard site in the Washington, D.C., area, how much additional reduction could be made?

General Leber. If the decision is made not to go forward with the proposed Safeguard site in the Washington, D.C., area, an additional $188.4 million reduction could be made as follows:

	Initial fiscal year 1973 budget request	Amended fiscal year 1973 budget request	Reduction
Missile procurement, Army:			
Budget activity:			
1	463.2	285.4	177.8
4	24.8	14.6	10.2
Other procurement, Army: Budget activity: 2	.4	0	.4
Total	488.4	300.0	188.4

SAFEGUARD DATA

Chairman McClellan. The original request for Safeguard missile procurement is discussed beginning on page 1013 of part 2 of the committee's hearings. In order that the record will be complete, I will include the revised missile data sheet on the Safeguard system in the record at this point.

(The information follows:)

FY 1973 PRESIDENT'S BUDGET ESTIMATE
MISSILE DATA SHEET

SERVICE: Army
NOMENCLATURE: Anti-Ballistic Missile System (SAFEGUARD)

P-1 LINE ITEM NO. 1-2-3-4-5-24
POPULAR NAME: SAFEGUARD

Description/Mission: The SAFEGUARD Anti-Ballistic Missile System consists of two types of phased array radars, the Missile Site Radar (MSR), the Perimeter Acquisition Radar (PAR), and their associated data processors; and of two types of missiles, the SPRINT and the SPARTAN. The SAFEGUARD components serve the following basic functions: the PAR is the long-range radar which first acquires and tracks the target; the MSR is the shorter-range radar which continues to track the target and also guides the interceptor missiles; the SPARTAN is the long-range defense missile; and the SPRINT is the high acceleration terminal defense missile. The data processors provide the necessary calculations for the entire intercept operation.

The President, on March 14, 1969 announced the following objectives for SAFEGUARD: (a) "Protection of our land-based retaliatory forces against a direct attack by the Soviet Union," (b) "Defense of the American people against the kind of nuclear attack which The People's Republic of China is likely to be able to mount within the decade," (c) "Protection against the possibility of accidental attacks from any source." He further elaborated that: (a) "We will provide for local defense of selected MINUTEMAN missiles sites and an area defense designed to protect our bomber bases and our command and control authorities," (b) "By approving this system, it is possible to reduce U. S. fatalities to a minimum level in the event of a Chinese nuclear attack in the 1970's, or in the event of an accidental attack from any source."

Cost Data (MILL $)	FY 1970 and Prior	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	COST TO COMPLETE	CURRENT ESTIMATE TOTAL PROGRAM
Missile Proc - Qty 1/		[redacted]	[redacted]							
- Cost	116.8	265.2	399.0	201.6						
Less: Advance Proc			17.2	5.0						
Net Missile Cost		265.2	341.8	196.6						
Plus: Advance Proc		17.2	5.0							
Total Missile Cost		282.4	346.8	196.6						
Missile Program Unit Cost	N/A	N/A	N/A	N/A						
Ground Equipment	647.5	352.6	265.2	266.5						
Weapons System Cost	764.3	635.0	612.0	463.1						
Initial Spares	.6	12.0	26.5	24.8						
RDT&E	1096.9	364.0	358.0 3/	306.5						
MILCON	328.8	357.0	119.0							
Program Acquisition Cost	2190.6	1368.0	1115.5	794.4						
Average Program Unit Cost										
Total Additional Cost 2/	62.7	4.0	1.5	.5						

Basis for FY 1973 Budget Request: This budget request provides for the following SAFEGUARD program through FY 73 based on the ABM Treaty: Continue construction at the sites at Grand Forks Air Force Base, North Dakota and begin advanced preparation for a site in the Washington, D.C. area.

This request provides for continuing procurements for the Grand Forks site as well as for equipment initially contracted for later MINUTEMAN sites but now required for NCA.

This decision reflects the following considerations: (a) To be responsive to the evolving threat, orderly progress on the SAFEGUARD defense of MINUTEMAN and those research and development activities for improving future MINUTEMAN survivability should continue; (b) The National Command Authorities (NCA) in the Washington, D. C. area are vulnerable to attack by Soviet Intercontinental Ballistic Missiles (ICBM) and Sea-Launched Ballistic Missiles (SLBM).

1/ Number of SPRINTS/Number of SPARTANS.
2/ Production Base Support and Communications Equipment (Procurement costs).
3/ Excludes $[redacted].4 million prior year SAFEGUARD RDTE funds released for use against FY 72 requirements.

Classified material which has been deleted is indicated by brackets.[ ]

P-1 Line No. 1-2-3-4-5-24

Test Data:

1. Development Test

a. SPRINT

(1) Development contract awarded Martin/Orlando in March 1963.
(2) Successful flight of first maneuverable SPRINT at White Sands Missile Range, NM in November 1965.
(3) Development flight tests completed 12 August 1970 with 42 missiles flown:

(a) Successful	23
(b) Partially successful	9
(c) Unsuccessful	10

b. SPARTAN

(1) Outgrowth of NIKE-ZEUS, DM 15C missiles.
(2) Being developed by McDonnell-Douglas which developed ZEUS, using as much technology from ZEUS as applicable to higher performance SPARTAN.
(3) First development test flight at Kwajalein on 30 March 1968.
(4) Development flight test completed on 15 December 1969 with 15 missiles flown:

(a) Successful	11
(b) Partially successful	2
(c) Unsuccessful	2

2. System Test

a. SPRINT

(1) System tests with SPRINT commenced at Kwajalein Missile Range in October 1970.
(2) First successful intercept of a live target occurred during December 1970.
(3) Through December 1971, 9 system tests involving 10 missiles have been flown:

(a) Successful tests	8
(b) Partially successful	0
(c) Unsuccessful tests	1

b. SPARTAN

(1) System tests were started in March 1970 involving the Missile Site Radar, Data Processors and SPARTAN missiles.
(2) First fully successful space point intercept occurred in June 1970.

(3) First live target intercept test was successfully conducted in August 1970.
(4) Through December 1971, 10 system tests involving 11 missiles have been flown:

(a) Successful tests	7
(b) Partially successful tests	2
(c) Unsuccessful tests	1

c. Radar Tracking Test

There were also 2 tracking tests through December 1971 not involving missiles which were successful.

Contract Data:

MAJOR SUBSYSTEM	CONTRACTOR/SUBCONTRACTOR	TYPE OF LAST CONTRACT
SPRINT	Western Electric Company New York, New York Subcontractor is: Martin Marietta Corp. Orlando, Florida	CPFF
SPARTAN	Western Electric Company New York, New York Subcontractor is: McDonnell-Douglas Corp. Santa Monica, California	CPFF
PAR	Western Electric Company New York, New York Subcontractor is: General Electric Company Syracuse, New York	CPFF
MSR	Western Electric Company New York, New York Subcontractor is: Raytheon Company Bedford, Massachusetts	CPFF

CHARACTERISTICS	CLASS	ITEM MODEL, SERIES, CLASS, ETC.	
		SPRINT	SPARTAN
Guidance	U	Command	Command
Altitude (Max)	S	[ ]	[ ]
Diameter	U	52.8 in	43.1 in
Length	U	26.86 ft	55.2 ft
Propulsion	U	Solid	Solid
Weight w/Whd	C	[ ]	33,500 lbs
Warhead Type	U	Nuclear	Nuclear

Classified material which has been deleted is indicated by brackets.[ ]

Cost History Comparison	Qty Msl/GSE	$M
Initial Planning Estimate		
Procurement	2 sites	$ 1622.0
RDT&E	2 sites	2073.0
MILCON	2 sites	490.0
Total Program Cost		$ 4185.0
Current Estimate Total Program (FY 72 Budget Submission/31 Mar 71 SAR)		
Procurement	3 Site MM Defense	$ 2965.0
RDT&E	3 Site MM Defense	2403.0
MILCON	3 Site MM Defense	800.0
Total Program Cost		$ 6168.0
Current Estimate Total Program (FY 73 Budget Submission/24 Jan 72 SAR)		
Procurement	4 Site Defense	$ 4171.0
RDT&E	4 Site Defense	2599.0
MILCON	4 Site Defense	1206.0
Total Program Cost		$ 7976.0
Current Estimate Total Program (12 Sites Deployment)		
Procurement	12 Site Defense	$ 9057.0
RDT&E	12 Site Defense	3828.4
MILCON	12 Site Defense	3375.8
Total Program Cost		$16261.2

Remarks: Current Estimate Total Program for the Grand Forks and NCS deployment permitted by the ABM Treaty will be provided following definition of the configuration for the NCA site. The current acquisition costs range between $7.7 billion and $9.7 billion, procurement, RDT&E and MILCON combined.

Procurement of Weapons and Tracked Combat Vehicles, Army

PROGRAM AND FINANCING

Chairman McClellan. The next item is the additional request of $115.6 million for "Procurement of weapons and tracked combat vehicles, Army." The original budget request included $259.5 million for this appropriation, and the revised request is $375.1 million. The justifications information will be included in the record at this point.

(The information follows:)

Program and Financing
(In Thousands of Dollars)

	Fiscal Year 1973					
	Budget Plan			Obligation Plan		
	Pending Request	SEA Adjustment	Revised Request	Pending Request	SEA Adjustment	Revised Request
Program by Activities:						
Tracked Combat Vehicles	189,100	71,600	260,700	186,000	63,000	249,000
Weapons and Other Combat Vehicles	70,400	44,000	114,400	59,000	38,700	97,700
Total direct	259,500	115,600	375,100	245,000	101,700	346,700
Reimbursable (total)	126,000	---	126,000	102,400	---	102,400
Total	385,500	115,600	501,100	347,400	101,700	449,100
Financing:						
Receipts and reimbursements from:						
Federal Funds	-100,800	---	-100,800	-100,800	---	-100,800
Trust funds	- 25,200	---	- 25,200	- 25,200	---	- 25,200
Non-Federal Sources	---	---	---	---	---	---
Unobligated balance available, start of year:						
For completion of prior year budget plans	---	---	---	- 37,000	---	- 37,000
Available to finance new budget plans	---	---	---	---	---	---
Reprograming from prior year budget plans	---	---	---	---	---	---
Unobligated balance transferred from other accounts	---	---	---	---	---	---
Unobligated balances available, end of year:						
For completion of prior year budget plans	---	---	---	75,100	13,900	89,000
Available to finance subsequest year budget plans	---	---	---	---	---	---
Budget authority	259,500	115,600	375,100	259,500	115,600	375,100
Budget authority:						
Appropriation						
Pay raise (PL 91-305)						
Transferred to other accounts						
Appropriation (adjusted)						

1. TRACKED COMBAT VEHICLES

	Thousands
Request pending	$189,100
Net adjustment	71,600
Revised request	260,700

SECTION 1—PURPOSE AND SCOPE

These funds provide for procurement, manufacture, and conversion of tracked combat vehicles including tanks, self-propelled guns, recovery vehicles, armored personnel carriers, air defense artillery, and associated equipment. The program also includes depot reparable major assemblies and components (including provisioning and replenishment of war reserves) and relater production base support. The procurement and installation of modification kits and funding for first destination transportation is also provided by the program.

SECTION 2—JUSTIFICATION OF FUNDS REQUESTED

M113 carrier family.—$25.3 million is requested for the procurement of combat equipments within the M113 Carrier Family. This procurement is necessary to satisfy RVN loss replacements (24.0 million) and RVN Augmentation requirements ($1.3 million), the latter involving [deleted] each Carrier, Cargo, M548. The buy for RVN loss replacements includes $15.4 million for 459 each M113 series Armored Personnel Carriers. The remaining loss replacement buy includes the M548 Cargo Carrier [deleted] each for [deleted], the Carrier, Mortar, M106 (37 each for $1.7 million), the Carrier, CP, M577 (28 each for $1.3 million), and the Carrier, Mortar, M125 (45 each for $2.0 million). Buy back of the entire M113 Carrier Family equipment ($25.3 million) is necessary to maintain the degree of readiness attained with prior year procurements. The buy back of these equipments is especially significant to the Army's plans for equipping of the Reserve Components.

Gun, SP, 175mm, M107.—$9.9 million is requested for procurement of 42 each 175mm Guns to offset the drawdown of Army assets used to satisfy RVN augmentation requirements [deleted] and loss replacement [deleted]. This buy quantity is required in recognition of the shortage which already existed to the Army's authorized Acquisition Objective, i.e., prior to these unprogramed RVN requirements. This add-on procurement quantity can be accommodated by Bowen-McLaughlin, who is currently producing this item for the USMC and approved foreign aid claimants.

Tank, Combat, Full Tracked, 105mm, Gun, M60A1.—$34.8 million is required for the procurement of 114 each M60A1 tanks to replace M48A3 tanks diverted from U.S. Army assets to meet RVN Augmentation requirements. The M48A3 tanks must be withdrawn from Reserve Components or diverted from assets planned for delivery to Reserve Components. Replacement of the M48A3's with the better M60 series tanks is essential due to the NATO oriented mission of these Reserve Component units. The procurement of M60A1's could also provide replacement tanks faster than the anticipated 22 months involved in first deliveries of retrofitted M48A1 tanks to the M48A3 configuration.

Items less than $500,000.—$1.6 million additional is requested for items having a procurement value of less than $500,000 each and which are necessary to meet essential requirements of the Army units. Items include tool sets, shop sets and organizational maintenance kits required for mantenance operations in the field.

2. WEAPONS AND OTHER COMBAT VEHICLES

	Thousands
Request pending	$70,400
Net adjustment	44,000
Revised request	114,400

SECTION 1—PURPOSE AND SCOPE

These funds provide for procurement, manufacture, and conversions of weapons and other combat vehicles including self-propelled artillery, air defense artillery, rifles, machine guns, mortars, grenade launchers, and associated equipment. The program also includes depot repairable major assemblies and components (including provisioning and replenishment of war reserves) and related production base support. The procurement and installation of modification kits and funding for first destination transportation is also provided for by the program.

SECTION 2—JUSTIFICATION OF FUNDS REQUESTED

Gun, AD Artillery, 20mm, Towed, M167 (VULCAN).—$12.1 million is requested for procurement of 64 each guns to meet RVN Augmentation requirements. Replacement of the 64 VULCAN guns from new production is required since the augmentation shipment will reduce the asset position to [deleted] of the Army's Authorized Acquisition Objective, assuming Congressional approval of the basic FY 73 budget quantity. The pay-back (64 guns) can be added to current production at GE through a new sole source negotiated contract.

Howitzer, Light, Towed, 105mm.—$22.7 million is requested for the procurement of 412 each 105mm Howitzers to satisfy RVN loss replacements. This weapon is employed to furnish support for airborne assault units and transport helicopter operations. This buy of 412 howitzers is necessary to offset the unprogramed losses and preclude having an increased shortage to the Army's overall howitzer acquisition objective.

Machine Gun M60.—$.8 million is requested to procure 1141 each of these machine guns to satisfy RVN loss replacements. Assuming Congressional approval of the FY 72 reprogramming action for 7500 each now pending, the Army will meet [deleted] of its Authorized Acquisition Objective for this item. Failure to buy back the 1141 would reduce this percentage to [deleted].

Mortar, 60mm, M19, w/M5 Mount.—$3.3 million is requested to procure [1208] each 60mm mortars for the purpose of satisfying RVN Augmentation demands [deleted] each for [deleted] and RVN loss replacements [deleted] each for [deleted]. Replacement of the 1208 mortars by new production is essential to partially satisfy a critical short supply to required operational project stocks. The asset position at the end of the FY 1973 funded delivery period is approximately [deleted] of the Army's Authorized Acquisition Objective. In house production of these mortars could be accomplished at Watervliet Arsenal.

Rifle, M16A1—$3.6 million is requested to procure 37,533 each of these rifles to satisfy RVN loss replacements, and to maintain Army assets at [deleted] of the Authorized Acquisition Objective for this essential combat weapon. Procurement of the 37,533 rifles would be added to confirmed FY 73 other customer orders to meet the minimum buy of approximately 120,000 each.

Recovery vehicle XM806.—$1.0 million is requested for the procurement of 12 each XM806 recovery vehicles to satisfy RVN loss replacements.

Items less than $500,000.—$0.5 million is requested for procurement of items having a procurement value of Less Than $500,000 each and which are necessary to meet essential requirements of Army Units. Items include tool sets, shop sets for armament and fire control and organizational maintenance kits required for maintenance operations in the field.

AMENDED BUDGET REQUEST

General KJELLSTROM. The weapons and tracked combat vehicles appropriation is amended from an original request of $259.5 million to $363.0 million for an increase of $103.5 million over the original President's budget.

M–113 CARRIER FAMILY

The request includes $25.3 million for the procurement of combat vehicles within the M–113 carrier family.

Procurement of this carrier family is essential to maintaining the readiness levels achieved with prior year buys and supporting Army plans for equipping the Reserve components.

The $25.3 million is needed for Vietnamese augmentation requirements of $1.3 million and to satisfy RVNAF loss replacements of $24.0 million.

The major portion of the request for loss replacements is attributed to the buy of 459 M–113A1 armored personnel carriers for $15.4 million.

TANK, COMBAT, FULL TRACKED, 105 MILLIMETER GUN, M–60A1

The $34.8 million is requested for the procurement of 114 M–60A1 tanks. This buy is necessary to replace M–48A3 tanks diverted from U.S. Army assets to satisfy RVN augmentation requirements. The M–48A3 tanks must be withdrawn from the Reserve components or diverted from assets planned for delivery to them.

Procurement of the preferred M–60 series tanks to replace the M–48A3's is considered prudent in recognition of the NATO oriented mission of these Reserve components units and because M–60A1 tanks can be provided more rapidly than the M–48A3.

Senator YOUNG. Are you taking any equipment from our troops in Germany to go to South Vietnam?

General KJELLSTROM. We are not taking any equipment from our troops in Germany, sir, nor from our NATO oriented forces.

Senator YOUNG. Has equipment taken from these forces in years past now been replaced?

General KJELLSTROM. Yes, sir.

SUPPLY OF M–48A3 TANK TO RVN FORCES

The Army elected to provide the M–48A3 tanks instead of M–48A1 tanks to RVN forces because:

(a) M–48A3 assets were available in-country for issue to RVN;

(b) This in-country availability of M–48A3's facilitated the required training of RVN forces by U.S. Army personnel that had been their combat support companions;

(c) Also, repair parts and the repair parts pipeline to RVN to support this tank were available and operational;

(d) An operational repair/overhaul facility was available at Sagami to facilitate the maintenance and repair opertions;

(e) Further, the M–48A3 tank provides increased operational capability over the M–48A1 in terms of cruising range and fire control in order to cope with North Vietnamese tanks;

(f) Costs associated with retrograding the M–48A3 tanks and related repair parts to CONUS and refurbishing and shipping other M48–A1 tanks, plus repair parts for initial and replenishment supply support to RVN, were avoided.

After full consideration of the requirement, economic factors, availability, supportability and training considerations, the issue of the M–48A3 tank to RVNAF forces was determined to be in line with the Nixon doctrine concerning support to allies and was considered the most cost effective course of action.

Senator SYMINGTON. Why do you bring up the difference between the M–48A3 and the M–48A1? Why do you justify purchasing one instead of the other? You do not make that clear in your statement.

General KJELLSTROM. Sir, there has been some discussion that we should have supplied the M–48A1 rather that the A3. The A1 is the gasoline-driven vehicle. It was obsolete. It was not ready for issue, while the A3 is a more current model.

Senator SYMINGTON. You say there has been some discussion. Why do you spend a page defending the fact you wish to procure one tank as against the other?

General KJELLSTROM. We have been severly criticized by the House in this area. You see, we do not have a production line in process for the M–48A3. That is our second-line tank. We do have a production line for the M–60 tank which is our firstline tank now. We determined to resupply the Reserve components with the M–60 and buy M–60's, and then take the M–48A3's and provide them to the Vietnamese. The M–48A1 is a nonstandard item.

Senator SYMINGTON. Thank you.

Senator YOUNG. Is the tank we are providing the South Vietnamese equal to the tank that North Vietnam is being supplied with?

General KJELLSTROM. Yes, sir. The M–48A3 tank has acquitted itself very well. In fact, the M–41 acquitted itself very well, also.

Senator YOUNG. Is Russia supplying the North Vietnamese with their best tank?

General BUSH. No, sir.

M–48A1 TANK

Mr. WOODRUFF. I think the point of Senator Symington's question is that the M–48A3's are assigned to the Reserve.

General KJELLSTROM. Yes, sir.

Mr. WOODRUFF. To supply those, you have to take them away from the Reserve and replace them with the M–60. As I understand it, the M–48A1's are not assigned to the Reserve units and are considered surplus to the Army's requirements in both Active and Reserve component.

The criticism, as I understand it, was that if you gave them the gasoline-driven M–48A1 version, there would be no need to buy M–60's to replace the M–48A3's you took out of the Reserve components. Is that correct?

General KJELLSTROM. That is a correct statement as it stands. However, the M–48A1 was not in condition to be issued. The M–48A1 repair parts were not available. There is a significant difference in the operational capability and the technical capability of the individuals to operate the M–48A3 versus the M–48A1. The Vietnamese already had one battalion of M–48A3's. Our forces that we are withdrawing from Vietnam had many M–48A3's. So we had the M–48A3 assets and we had the M–48A3 supply pipeline of repair parts in being.

It would be almost impossible, in our opinion, to take the M–48A3 tank away from the Vietnamese, replace it with an M–48A1 and still have their confidence that we were providing them with firstline equipment support.

Chairman MCCLELLAN. Is the A1 obsolete?

General BUSH. It is not a preferred asset, sir.

Chairman MCCLELLAN. That means it is obsolete?

General BUSH. Yes, sir; for program purposes, although we do have some of them in the hands of Reserve components. For programing purposes, we program for the replacement of the M–60.

Chairman MCCLELLAN. Are there any on order?

General KJELLSTROM. No, sir; they are not in production.

Chairman MCCLELLAN. They are not in the pipeline?

General KJELLSTROM. That is correct.

Chairman MCCLELLAN. The A3 is?

General KJELLSTROM. That is correct.

General BUSH. We are not overhauling those that are out, the M–48A1.

Chairman MCCLELLAN. Would it be economical to overhaul them and keep them in service?

General BUSH. For the provision to other allies for whom that would be a suitable tank, this would be a feasible thing to do, sir, and it is under consideration.

DISPOSITION OF SURPLUS PROPERTY

Chairman MCCLELLAN. What do we do with those tanks when they become obsolete?

General BUSH. Normally, sir, that kind of equipment is made available to allies either by grant aid or sale.

Chairman MCCLELLAN. The Government Operations Committee is investigating the disposal of surplus property. We have not gotten to Vietnam yet, but we are in the process of looking into that. We found, I think, that much of this equipment is being sold for junk when, in fact, it is operational equipment, and, in many instances, it is being bought by junk dealers and later sold for weapons to other countries. I know that is not in your field, but it gives me a great deal of concern. I am going to pursue that further.

There is something very wrong in a situation in which, through mismanagement, surplus equipment falls into the hands of countries or individuals who might very well use it against our interests.

General KJELLSTROM. Mr. Chairman, I have been following that investigation. We share your concern. As you realize, we are taking corrective action both within the Department of the Army and within the Department of Defense.

Chairman MCCLELLAN. I don't know that I fully realize it. You may know what you are doing. Nevertheless, I don't see how our intelligence and our military leaders in their administrative capacities can permit these things to happen in the first instance. That is what distresses me. Furthermore, I don't know how much else is going on which is adverse to our national interest, detrimental to the services, and wasteful and extravagant in our operations.

When one learns about something of this type, it makes one wonder whether it is an isolated instance, as is claimed, or whether such cases are common to our military operations. It is not a happy thought, and I hope that it is not true. I believe our military administrators should take the initiative and bend every effort to correct these conditions. It is not only important that we maintain a strong deterrent, but it is also imperative that the American people maintain confidence in our defense establishment. Our Armed Forces are dedicated to winning battles and ultimately wars; they must also be just as dedicated to preserving the fiscal integrity of the services and the Government.

Our citizenry expect greater efficiency, better management, and less waste and mismanagement in our military affairs than they are getting. I wish to support our military establishment, because I believe we must maintain a strong deterrent force, but I feel that a greater effort must be expended by the Defense Department to eliminate activities inimical to our national interests.

Senator YOUNG. I share the concern expressed by the Chairman and I am fully in accord with his views.

TANK RESEARCH AND DEVELOPMENT

How much money do you have in the budget for research and development on a new tank?

General GRIBBLE. We have $19.7 million.

Senator YOUNG. When is this new tank supposed to be available?

General GRIBBLE. In 6 years.

Senator YOUNG. We discontinued our joint efforts with Germany?

General GRIBBLE. Yes, sir; we did 2 or 3 years ago.

GUN, 175 MILLIMETER, SELF-PROPELLED, M–107

General KJELLSTROM. The last item listed in the tracked combat vehicle group, for $9.9 million, is requested for the procurement of 42 175 millimeter guns to offset the drawdown of Army assets to satisfy augmentation requirements of [deleted] guns and [deleted] loss replacements.

GUN, AIR DEFENSE, ARTILLERY, TOWED, 20 MILLIMETER, M–167 (VULCAN)

Our request for $12.1 million to procure M–167 guns for RVN augmentation requirements has now been deleted. The air defense requirement will be met by self-propelled twin 40 millimeter guns and quadruple 50 millimeter air defense weapons which are in adequate supply in the Army without need of replacement.

HOWITZER, LIGHT, TOWED, 105 MILLIMETER, M–102

We are requesting $22.7 million for 412 105 millimeter towed howitzers for RVN loss replacements. This howitzer provides artillery support for airborne assault units and transport helicopter operations. This procurement is needed to prevent continued degradation of the Army's readiness in this system.

Chairman MCCLELLAN. What do those cost?

General KJELLSTROM. About $55,000 each.

MACHINEGUN, 7.62 MILLIMETER, M–60

Eight hundred thousand dollars is requested to procure 1,141 M–60 machinegun for RVN loss replacements. Buy back of this quantity is considered essential to preclude having current readiness position objectives for this combat weapon reduced.

Chairman MCCLELLAN. $800,000 will buy how many of those?

General KJELLSTROM. 1,141, sir.

MORTAR, 60 MILLIMETER, M–19, W/M5 MOUNT

Procurement of 1,208 60 millimeter mortars, at $3.3 million, is requested to meet [deleted] at each [deleted], and for RVN loss replacements which are [deleted] each at [deleted].

This buy is especially significant in that it will partially satisfy a critical shortage to required operational project stocks. The Army's

asset position at the end of the fiscal year 1973 funded delivery period is approximately [deleted] percent of the acquisition objective.

Our requests of $1 million for 12 XM–806 recovery vehicles and $3.6 million for 37,533 M–16A1 rifles are to meet RVN loss replacement demands. Confirmed fiscal year 1973 customer orders would be added to the rifle buy to meet the minimum procurement quantity of approximately 120,000.

The balance of our request for this budget appropriation amendment is $2.1 million for items less than $500,000 needed to meet RVN loss replacements. Included in this category are tool and shop sets and organizational maintenance kits for field maintenance operations.

M–113 ARMORED PERSONNEL CARRIERS

Chairman McCLELLAN. $15.4 million is requested for the procurement of 459 M–113 armored personnel carriers. The vehicle data sheet will be included in the record at this point.

(The information follows:)

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE DATA SHEET

Service: Army.
Nomenclature: Carrier, personnel, full tracked, armored, M113A1.
P–1 line item No. 2.
Description/Mission: Provides an armored personnel carrier to transport a mechanized infantry squad or combat engineer squad to forward fighting area in a vehicle which provides protection against small arms and shell fragments. With a litter kit, it can be used as a carrier of injured personnel.

[Costs in millions of dollars]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate total program
Item procurement:										
Quantity	[Deleted]	1,125		459						[Deleted]
Cost	412.0	33.8		15.4						461.2
Less advance procurement	0	0		0						0
Net cost	412.0	33.8		15.4						461.2
Plus advance procurement	0	0		0						0
Weapon system:										
Total cost	412.0	33.8		15.4						461.2
Unit cost	[Deleted]	.030		.034						[Deleted]
Initial spares	2.4	0		0						2.4
R.D.T. & E	7.8	0		0						7.8
Milcon	0	0		0						0
Program acquisition cost	422.2	33.8		15.4						471.4
Program unit cost	[Deleted]	.030		.034						[Deleted]
Total additional costs	0	0		0						

Note: Basis for fiscal year 1973 request: The fiscal year 1973 procurement of 459 is necessary to replace [deleted].

TEST DATA

(*a*) Development Acceptance Test complete
(*b*) Engineering/Service Test complete Environmental Test: (1) Artic—complete
(*c*) Initial Production Test complete
(*d*) Type classification STD–A 4th Qtr FY 63.

CONTRACT DATA

Major subsystem, contractor, and type of last contract

Vehicle.—FMC Corp, San Jose, Calif.: 3MYP3/FFP.
Engine (6V53).—GMC Diesel, Detroit, Mich.: FPE.
Transmission (TX–100–1).—Allison Div, GMC, Indianapolis, Ind.: FFP.

Characteristics	Classification	Item model, series, class, etc. M113A1.
Crew	U	1 driver and 12 troops.
Engine HP/Fuel	U	215 HP/diesel.
Length	U	191½ inches.
Width	U	105¾ inches.
Height	U	98¼ inches.
Range (vehicle)	U	300 miles.
Speed land/water	U	40 MPH/3.5 MPH.
WT combat loaded	U	24,080 lbs.

REQUIREMENTS—PROGRAM DATA DELIVERIES—LOSSES ASSETS

INVENTORY OBJECTIVE/REQUIREMENTS—END OF FISCAL YEAR 1973 FDP [DELETED]

Program data	Total procurement	Deliveries, fiscal year—																
		1971 and prior	1972 (quarters)				1973 (quarters)				1974 (quarters)				1975	1976	1977	1977 beyond
			1	2	3	4	1	2	3	4	1	2	3	4				
R. & D., test items [1]																		
Procurement:																		
Fiscal year:																		
1971 and prior	[Deleted]	[Deleted]																
1972	0	[2] 708	303	27	134													
1973	459											83	264	82				
1974																		
1975																		
1976																		
1977																		
Balance																		
Inventory losses (during year)		4,647		1,407				805				107				9		
Assets (end of year)		[Deleted [3]]				[Deleted]				[Deleted]				[Deleted]	[Deleted]	[Deleted]	[Deleted]	[Deleted]

[1] Fiscal year 1973 program.
[2] Pay back to Army's inventory.
[3] As of June 30, 1971.

COST HISTORY COMPARISON

[Dollar amounts in millions]

	Quantity	Amount
Initial planning estimate:		
Procurement	[Deleted]	$448.2
R.D.T. & E.	NA	7.8
Milcon	NA	NA
Total program cost		456.0
Current estimate total program (fiscal year 1972 budget submission):		
Procurement	[Deleted]	448.2
R.D.T. & E.	NA	7.8
Milcon	NA	NA
Total program cost		456.0
Current estimate total program (fiscal year 1973 budget submission):		
Procurement	[Deleted]	463.6
R.D.T. & E.	NA	7.8
Milcon	NA	NA
Total program cost		471.4

RVN VEHICLE LOSSES

Chairman McClellan. I note that those 459 vehicles are necessary to replace Army inventories being drawn down to support Vietnam forecasted losses. How many of these vehicles have actually been lost since the North Vietnamese offensive began last spring?

General Bush. From March 30, to September 9, 1972, the RVN force lost a total of [deleted] armored personnel carriers.

Chairman McClellan. Have you actually taken 459 of these vehicles away from the Active Army and the Reserve components and sent them to Vietnam? If so, how many did you take away from the Reserve Forces?

General Bush. No. The Army's plan calls for the shipment of M–113 from stocks being overhauled and allocated to Reserve components. To date [deleted] have been shipped against the requirement of 459. None of these were physically taken from a Reserve unit.

Chairman McClellan. I note that this vehicle was last funded in fiscal year 1971 when funds were provided for 1,125. Have all of those vehicles been delivered?

General Bush. Yes.

Senator YOUNG. When will these 459 vehicles you are requesting be delivered?

General BUSH. Planned production schedules call for delivery second through fourth quarter of fiscal year 1974.

Chairman MCCLELLAN. Is it essential that these funds be provided in the fiscal year 1973 appropriation bill?

General BUSH. Yes, sir; the essentiality falls in the category of cost savings. The current contractor is producing the APC family of vehicles against a foreign military sales (FMS) contract. The procurement plan calls for production concurrent with or immediately following the foreign order, thus precluding a break in production. A delay until fiscal year 1974, would incur the cost of maintaining idle industrial plant equipment, and subsequent reactivation, which tends to increase production unit cost.

M–548 CARGO CARRIERS

Chairman MCCLELLAN. The request includes $4.9 million for the procurement of 85 M–548 cargo carriers. The vehicle data sheet will be included in the record at this point.

(The information follows:)

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE DATA SHEET

Service: Army.
Nomenclature: Carrier, cargo, full tracked, M548.
P–1 line item No. 2a.
Popular name: Cargo Carrier.
Description/Mission: The M548 is a lightweight, unarmored full tracked amphibious vehicle for logistical support. It is a member of the M113 family. Can be parachute dropped. Used as an ammunition resupply and general cargo vehicle for SP artillery.

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate total program
Item procurement:										
Quantity	[Deleted]	0	0	85						[Deleted]
Cost	98.3	0	0	4.9						.7
Less: Advance procurement	N/A	0	0	N/A						N/A
Net cost	98.3	0	0	4.9						103.2
Plus: Advance procurement	NA	0	0	NA						NA
Weapon system:										
Total cost	98.3	0	0	4.9						103.2
Unit cost	[Deleted]	0	0	.058						[Deleted]
Initial spares	0	0	0	0						0
R.D.T. & E.	9.2	0	0	0						9.2
Milcon	NA	0	0	0						NA
Program acquisition cost	107.5	0	0	4.9						112.4
Program unit cost	[Deleted]	0	0	.058						[Deleted]
Total additional costs	NA	0	0	NA				[Deleted]		NA

Note: Basis for fiscal year 1973 request: The fiscal year 1973 procurement of 85 is required to replace [Deleted] and RVN augmentation requirement of [Deleted.]

TEST DATA

(*a*) Development acceptance test complete Feb 65.
(*b*) Engineering/Service Test complete June 65.
Environmental test:
(1) Arctic—complete June 65.
(2) Tropic—complete.
(*c*) Initial Production Test complete.
(*d*) Type classification STD–A Oct 1965.

CONTRACT DATA

Major subsystem, contractor, and type of last contract

Vehicle.—FMC Corp. San Jose, Calif.: FFP.
Engine.—GMC, Detroit Diesel Div., Detroit, Mich.: FFE.
Transmission.—GMC, Allison Div., Indianapolis, Ind.: FFP.

Characteristics	Classification	Item model, series, class, etc.
Crew	U	1.
Engine h.p./fuel	U	215 h.p./diesel.
Length	U	228½ in.
Width	U	105½ in.
Height	U	Do.
Range (vehicle)	U	300 miles.
Speed land/water	U	40 m.p.h./3.5 m.p.h.
WT combat loaded	U	26,450 lbs.

REQUIREMENTS—PROGRAM DATA DELIVERIES—LOSSES—ASSETS

INVENTORY OBJECTIVE/REQUIREMENTS—END OF FISCAL YEAR 1973 FDP

Program data	Total procurement	Deliveries, fiscal year—															
		1971 and prior	1972 (quarters)				1973 (quarters)				1974 (quarters)				1975	1976	1977	beyond 1977
			1	2	3	4	1	2	3	4	1	2	3	4				
R. & D. test items [1]																		
Procurement:																		
Fiscal year:																		
1971 and prior	[deleted]	[deleted]																
1972	0																	
1973	85													35	5			
1974																		
1975																		
1976																		
1977																		
Balance																		
Inventory losses (during year)		424			40				65				1					
Assets (end of year)		[2] [deleted]			[deleted]				[deleted]				[deleted]					

[1] Fiscal year 1973 program.

[2] As of June 30, 1971.

COST HISTORY COMPARISON

[Dollar amounts in millions]

	Quantity	Amount
Initial planning estimate:		
Procurement	[Deleted]	$98.3
R.D.T. & E.	NA	9.2
Milcon	NA	0
Total program cost		107.5
Current estimate total program (fiscal year 1972 budget submission):		
Procurement	[Deleted]	98.3
R.D.T. & E.	NA	9.2
Milcon	NA	0
Total program cost		107.5
Currest estimate total program (fiscal year 1973 budget submission):		
Procurement	[Deleted]	103.2
R.D.T. & E.		9.2
Milcon		0
Total program cost		112.4

P–1 Line No. 2a

REPLACEMENT OF VEHICLE LOSSES

Senator YOUNG. Are these 85 vehicles for the replacement of actual losses, projected losses, or to augment the capabilities of the South Vietnamese?

General BUSH. The 85 vehicles are being requested to augment RVN forces by [deleted]; replace actual losses of [deleted]; and projected losses of [deleted].

Chairman MCCLELLAN. Have you actually taken any of these vehicles from the Active Army or the Reserve and transferred them to the South Vietnamese since the spring offensive was started?

General BUSH. No; to date [deleted] have been shipped. These shipments were overhauled inventories initially allocated to Reserve components.

Chairman MCCLELLAN. I note that it has been several years since we funded this particular vehicle. Are any of the vehicles funded in prior years yet to be delivered, and if so, when would they be delivered?

General BUSH. The last Army procurement was fiscal year 1968; all production from that contract has been completed.

Senator YOUNG. When would these 85 additional vehicles be delivered?

General BUSH. The procurement plan calls for delivery in the fouth quarter of fiscal year 1974 and first quarter of fiscal year 1975.

Chairman MCCLELLAN. Is it absolutely essential that these funds be provided in the 1973 act?

General BUSH. The essentiality of funding this request in fiscal year 1973 is the same as the M–113A1; that is, to take advantage of a currently operating production facility, thereby avoiding the cost of a break in production.

M–577 COMMAND POST CARRIERS

Chairman MCCLELLAN. The revised request includes $1.3 million for the procurement of 28 M–577 command post carriers. The vehicle data sheet will be included in the record at this point.

(The information follows:)

P–1 line item No. 3.
Popular name: Command Post Carrier.
Service: Army.
Nomenclature: Carrier command post, full track, M577A1.
Description/Mission: A lightweight, armored, full tracked vehicle using the chasis of the M113 carrier with the roof raised to provide 6 feet of headroom. Provides a command post for operational staff sections and communications in a situation requiring high mobility. Kits permit use of a fire direction, communications center, and mobile medical facility. Used in support of Artillery, Armored and Mechanized units.

[Costs in millions of dollars]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate total program
Item procurement:										
Quantity	[Deleted]	315		28						[Deleted]
Cost	101.8	11.6		1.3						114.7
Less advance procurement	(1)	(1)		(1)						(1)
Net cost	101.8	11.6		1.3						11.4
Plus advance procurement	(1)	(1)		(1)						(1)
Weapon system:										
Total cost	101.8	11.6		1.3						114.7
Unit cost	[Deleted]	.037		.047						[Deleted]
Initial spares	3.7	0		0						3.7
R.D.T. & E	.4	0		0						.4
Milcon	0	0		0						0
Program acquisition cost	105.9	11.6		1.3						118.8
Program unit cost	[Deleted]	.037		.047						[Deleted]
Total additional costs	[2].5	0		0						.5

[1] Not available.
[2] Production base support.

Note: Basis for fiscal year 1973 request: The fiscal year 1973 procuremet of 28 is necessary to [deleted].

TEST DATA

(*a*) Development Acceptance Test complete Dec 1961 (est).
(*b*) Engineering/Service Test complete Dec 1962.
Environmental Test:
(1) Arctic—complete Dec 1962.
(2) Tropic—complete Dec 1962.
(*c*) Type classification STD–A 4th Qtr, FY 63.

CONTRACT DATA

Major subsystem, contractor, and type of last contract
Vehicle.—FMC Corp., San Jose, Calif.: FFP.
Engine.—GMC, Diesel, Detroit, Mich.: FPE.
Transmission.—GMC, Allison Div, Indianapolis, Ind.: FFP.

Characteristics	Class	Item model, series, class, etc.
Crew	U	1 driver.
Engine HP fuel	U	215 HP diesel.
Length	U	191 1/2 inches.
Width	U	105 3/4 inches.
Height	U	105 1/2 inches.
Range (vehicle)	U	305 miles.
Speed land water	U	40 MPH 3.6 MPH.
WG combat loaded	U	24,390.

FISCAL YEAR 1973 PRESIDENT'S BUDGET ESTIMATE

REQUIREMENTS—PROGRAM DATA DELIVERIES—LOSSES ASSETS

INVENTORY OBJECTIVE/REQUIREMENTS—END OF FISCAL YEAR 1973 FDP [DELETED]

Program data	Total procurement	Deliveries, fiscal year— 1971 and prior	1972 (quarters) 1	2	3	4	1973 (quarters) 1	2	3	4	1974 (quarters) 1	2	3	4	1975	1976	1977	beyond 1977
R. & D. test items [1]																		
Procurement:																		
Fiscal year:																		
1971 and prior	[Deleted]		163	178														
1972																		
1973	28											28						
1974																		
1975																		
1976																		
1977																		
Balance																		
Inventory losses (during year)		472		36				35										
Assets (end of year)		[Deleted] [2]					[Deleted]				[Deleted]				[Deleted]			

[1] Fiscal year NA program.

[2] As of 30 June 1971.

COST HISTORY COMPARISON

[Dollar amounts in millions]

	Quantity	Amount
Initial planning estimate:		
Procurement	[Deleted]	$117.1
R.D.T. & E	NA	.4
Milcon	NA	0
Total program cost		117.5
Current estimate total program (fiscal year 1972 budget submission):		
Procurement	[Deleted]	117.1
R.D.T. & E	NA	.4
Milcon	NA	0
Total program cost		117.5
Current estimate total program (fiscal year 1973 budget submission):		
Procurement	[Deleted]	118.4
R.D.T. & E	NA	.4
Milcon	NA	0
Total program cost		118.8

REPLACEMENT OF VEHICLES

Senator YOUNG. Are those vehicles being requested to support actual South Vietnamese losses or projected losses?

General BUSH. Both. [Deleted] of these vehicles are being requested as replacements to Army inventory for vehicles shipped or planned to be shipped to RVN based on actual losses. The remaining [deleted] were included in the budget to cover forecast losses which have not yet materialized.

Chairman MCCLELLAN. Do you know how many of these vehicles the South Vietnamese have lost since the beginning of the spring offensive by the North Vietnamese?

General BUSH. From March 30, 1972, to September 9, 1972, the RVN Force has lost a total of [deleted] command post carriers.

Chairman MCCLELLAN. Since the beginning of this offensive, have you actually taken any of these vehicles out of the Active Army or Reserve inventory to transfer to the South Vietnamese?

General BUSH. To date [deleted] overhauled vehicles, initially allocated to Reserve components, have been shipped.

Senator YOUNG. I note that 315 of these vehicles were funded in fiscal year 1971. Have all of those been delivered, and if not, when will they be delivered?

General BUSH. The fiscal year 1971 procurement for 315 has been produced and delivered.

Chairman MCCLELLAN. When will these new 28 vehicles be delivered?

General BUSH. The procurement plan calls for delivery in the second quarter fiscal year 1974.

Chairman MCCLELLAN. What would happen if these funds are not provided in the 1973 act?

General BUSH. The essentiality of funding this request in fiscal year 1973 is the same as the M–113A1; that is to take advantage of a currently operating production facility, thereby avoiding the cost of a break in production.

M–125 MORTAR CARRIERS

Chairman MCCLELLAN. The request includes $2 million for the procurement of 45 M–125 mortar carriers. The vehicle data sheet will be included in the record at this point.

(The information follows:)

P–1 Line item No. 3a.
Popular name: 81 millimeter mortar carrier.
Service: Army.
Nomenclature: Carrier, mortar, 81 millimeter, FT, M–125A1.
Description/Mission: An armored full-tracked vehicle using the chassis of the M–113A1 modified to mount an 81 millimeter mortar. Overhead armor has been modified to permit on-vehicle firing of the mortar. Used in support of armored and mechanized divisions.

[Costs in millions of dollars]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate total program
Item proc.:										
Qty	[Deleted]			45						[Deleted]
Cost	38.5			2.0						40.5
Less: Advance proc	(1)			(1)						(1)
Net cost	38.5			2.0						40.5
Plus: Adv. proc	(1)			(1)						(1)
Weapon system:										
Total cost	38.5			2.0						40.5
Unit cost	[Deleted]			.044						[Deleted]
Initial spares	2 0			0						0
R.D.T. & E	0			0						0
Milcon	0			0						0
Program acquisition cost	38.5			2.0						40.5
Program unit cost	[Deleted]			.044						[Deleted]
Total additional costs	0			0						0

1 Not available.

Note: Basis for fiscal year 1973 request: The fiscal year 1973 procurement of 45 is necessary to replace [deleted].

TEST DATA

(*a*) Development Acceptance Test Complete Dec 61 (Est).
(*b*) Engineering/Service Test Complete Jun 62.
Environmental Test:
(1) Artic-Complete May 62.
(2) Tropic-Complete May 62 (Est).
(*c*) Initial Production Test Complete Jun 64 (Est).
(*d*) Type Classification STD–A 3rd Qty FY 74.

CONTRACT DATA

Major subsystem, contractor, and type of last contract

Vehicle.—FMC Corp, San Jose, Calif.: FFP.
Engine.—GMC, Detroit, Diesel, Div: FPE.
Transmission.—GMC, Allison Div: FFP.

Characteristics	Class	Item model, series, class, etc.
Crew	U	6.
Engine hp. fuel	U	215 hp. diesel.
Length	U	191½.
Width	U	105¾.
Height	U	98¼.
Range (vehicle)	U	300 miles.
Speed land/water	U	40 m.p.h./3.5 m.p.h.
WT combat loaded	U	23,713 lbs.
Ammunition capacity	U	120 rds.
Rate of fire	U	3 rds./min.
Range (mortar) max	U	4,737 meters.

REQUIREMENTS—PROGRAM DATA DELIVERIES—LOSSES ASSETS

INVENTORY OBJECTIVE/REQUIREMENTS—END OF FISCAL YEAR 1973 FDP

Program data	Total procurement	Deliveries, fiscal year—																
		1971 and prior	1972 (quarters)				1973 (quarters)				1974 (quarters)				1975	1976	1977	Beyond 1977
			1	2	3	4	1	2	3	4	1	2	3	4				
R. & D. test items [1]																		
Procurement:																		
Fiscal year:																		
1971 and prior	[deleted]	[deleted]																
1972																		
1973	45											45						
1974																		
1975																		
1976																		
1977																		
Balance																		
Inventory losses (during year)		209			83				48				1					
Assets (end of year)		[2] [deleted]				[deleted]				[deleted]				[deleted]	[deleted]	[deleted]	[deleted]	

[1] Fiscal year N/A program.

[2] As of June 30, 1971.

COST HISTORY COMPARISON

[Dollar amounts in millions]

	Quantity	Amount
Initial planning estimate:		
Procurement	[deleted]	38.5
R.D.T. & E	NA	0
Milcon	NA	0
Total program cost		38.5
Current estimate total program (fiscal year 1972 budget submission):		
Procurement	[deleted]	38.5
R.D.T. & E	NA	0
Milcon	NA	0
Total program cost		38.5
Current estimate total program (fiscal year 1973 budget submission):		
Procurement	[deleted]	40.5
R.D.T. & E	NA	0
Milcon	NA	0
Total program costs		40.5

REPLACEMENT OF VEHICLE LOSSES

Chairman McCLELLAN. Have you actually taken any of these vehicles out of the active Army inventory or the Reserve inventory since the offensive started last spring?

General BUSH. No. To date [deleted] have been shipped. These vehicles are overhauled vehicles initially allocated to Reserve components.

Chairman McCLELLAN. Are these additional vehicles to replace actual South Vietnamese losses or projected losses?

General BUSH. These vehicles are being requested to satisfy actual RVN losses of [deleted] and a projected loss of [deleted] more.

Chairman McCLELLAN. When would these 45 new vehicles be delivered?

General BUSH. The procurement plan calls for delivery in the second quarter, fiscal year 1974.

Senator YOUNG. Is it essential that these funds be provided in the fiscal year 1973 act?

General BUSH. The essentiality of funding this request in fiscal year 1973 is the same as the M–113A1, that is to take advantage of a currently operating production facility, thereby avoiding the cost of a break in production.

107-MILLIMETER MORTAR CARRIERS

Chairman McCLELLAN. $1.7 million is requested for the procurement of 37 M–106 107-millimeter mortar carriers. The vehicle data sheet will be included in the record at this point.

(The information follows:)

P–1 line item No. 3b.
Popular name: 107mm, Mortar Carrier.
Service: Army.
Nomenclature: Carrier, Mortar, 107mm, FT, M106A1.
Description/Mission: The M106A1 mortar carrier is an amphibious, armored-protected, mobile firing base and carrier for the 4.2" mortar. The carrier provides the supporting, indirect fire weapon (mortar) with armor protection and mobility comparable to that provided by the carriers of the mechanized and armored forces being supported. As a firing platform, it allows the close-in and responsive fire support required by the supported elements.

[Costs in millions of dollars]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate total program
Item procurement:										
Quantity	[Deleted]			37						[Deleted]
Cost	56.5			1.7						58.2
Less advance procurement	(1)			(1)						(1)
Net cost	56.5			1.7						58.2
Plus advance procurement	(1)			(1)						(1)
Weapon system:										
Total cost	56.5			1.7						58.2
Unit cost	[Deleted [2]]			.046						[Deleted]
Initial spares	0									
R.D.T. & E	0			0						0
Milcon	0			0						0
Program acquisition cost	56.5			1.7						58.2
Program unit cost	[Deleted]			.046						[Deleted]
Total additional costs										

[1] Not available.

[2] Initial spares were procured for the M113A1 in the early years of vehicle procurement. The high commonality of spares between the M113A1 and M106A1 precluded initial spares procurement for the M106A1.

Note: Basis for fiscal year 1973 request: The fiscal year 1973 procurement of 37 is necessary to replace [deleted].

TEST DATA

(*a*) Development Acceptance Test Complete Dec. 61 (Est).
(*b*) Engineering/Service Test Complete June 62.
Environmental Test:
(1) Arctic—complete May 62.
(2) Tropic—Complete May 62 (Est.)
(*c*) Initial Production Test Complete June 64 (Est).
(*d*) Type Classification STD–A Oct. 64.

CONTRACT DATA

Major subsystem, contractor, and type of last contract

Vehicle.—FMC: FFP.
Engine.—GMC, Detroit Diesel Div.: FPE.
Transmission.—GMC, Allison Div.: FFP.

Characteristics	Class	Item model, series, class, etc.
Crew	U	6.
Engine/HP/fuel	U	215 HP/diesel.
Length	U	194 inches.
Width	U	112¾ inches.
Height	U	98¼ inches.
Range (vehicle)	U	300 miles.
Speed land/water	U	40 mph/3.5 mph.
WT combat loaded	U	26,140 lbs.
Ammunition capacity	U	88 rds.
Rate of fire	U	5 rds/min.
Range (mortar)	U	2,926 meters.

REQUIREMENTS—PROGRAM DATA DELIVERIES—LOSSES ASSETS

INVENTORY OBJECTIVE/REQUIREMENTS—END OF FISCAL YEAR 1973 FDP

[deleted]

Program data	Total procurement	Deliveries, fiscal year—																
		1971 and prior	1972 (quarters)				1973 (quarters)				1974 (quarters)				1975	1976	1977	Beyond 1977
			1	2	3	4	1	2	3	4	1	2	3	4				
R. & D. test items [1]																		
Procurement:																		
Fiscal year:																		
1971 and prior	[deleted]	[deleted]																
1972																		
1973	37												37					
1974																		
1975																		
1976																		
1977																		
Balance																		
Inventory losses (during year)		234		50				77				0			18			
Assets (end of year)	[2] [deleted]			[deleted]				[deleted]				[deleted]						

[1] Fiscal year 1973 program.

[2] As of June 30, 1971.

COST HISTORY COMPARISON
[Dollar amounts in millions]

	Quantity	Amoun
Initial planning estimate:		
Procurement	[Deleted]	$56.5
R.D.T. & E	NA	0
Milcon	NA	0
Total program cost		56.5
Current estimate total program (fiscal year 197 ' budget submission):		
Procurement	[Deleted]	56.5
R.D.T. & E	NA	0
Milcon	NA	0
Total program cost		56.5
Current estimate total program (fiscal year 1973 budget submission):		
Procurement	[Deleted]	58.2
R.D.T. & E	NA	0
Milcon	NA	0
Total program cost		58.2

REPLACEMENT OF VEHICLE LOSSES

Senator YOUNG. Are these additional vehicles for the South Vietnamese or the U.S. Forces?

General BUSH. The additional vehicles are to replace actual and forecast losses in South Vietnamese Forces.

Chairman MCCLELLAN. Since the beginning of the spring offensive, have you actually taken any of these vehicles out of the Army inventory or the Reserve inventory and transferred them to the South Vietnamese?

General BUSH. No. To date [deleted] have been shipped. These vehicles are overhauled vehicles initially allocated to Reserve components.

Senator YOUNG. When do you expect these 37 vehicles to be delivered?

General BUSH. The procurement plan calls for delivery in the third quarter, fiscal year 1974.

Senator YOUNG. Why is it essential that these funds be provided in the 1973 act?

General BUSH. The essentiality of funding this request in fiscal year 1973 is the same as the M113A1; that is to take advantage of a currently operating production facility, thereby avoiding the cost of a break in production.

175-MM. SELF-PROPELLED GUN

Chairman MCCLELLAN. $9.9 million is requested for the procurement of 42 M–107 175-millimeter self-propelled guns. The vehicle data sheet will be included in the record at this point.

(The information follows:)

P–1 line item No. 6a.
Service: Army.
Nomenclature: (a) Gun Fld, Art, SP, FT, 175 mm. M–107; (b) Howitzer, Heavy, SP, 8", M110.
Description/Mission: The M107 Gun is a self-propelled weapon which provides heavy artillery supporting fire for Corps and Army. The M110 Howitzer is an armored self-propelled, heavy artillery weapon employed to provide medium-range artillery support for armored and mechanized divisions. These weapons are capable of high mobility to accompany armored columns as well as emplacement or displacement in less than 5 minutes. These systems are capable of interchangeably mounting either the 175mm. or the 8" cannon.

[Costs in millions of dollars]

	Fiscal year 1970 and prior [2]	Fiscal year 1971	1972	1973 [3]	1974	1975	1976	1977	Cost to complete	Current estimate, total program
Item procurement: [1]										
Quantity	[Deleted]			42						[Deleted]
Cost	139.0			9.9						148.9
Less advance procurement	(4)			(4)						(4)
Net cost	139.0			9.9						148.9
Plus advanced procurement	(4)			(4)						(4)
Weapon System, total cost	139.0			9.9						148.9
Weapon System, unit cost	[Deleted]			.237						[Deleted]
Initial Spares	5.3			(4)						5.3
R.D.T. & E	14.6			(4)						14.6
MILCON	(4)			(4)						(4)
Program acquisition cost	158.9			9.9						168.8
Program unit cost	[Deleted]			.237						[Deleted]
Total additional costs	(4)			(4)						

[1] All M107's and M110's currently in Army inventory are to be modified to M110E2's (this includes an application of a new 8" autofrattage cannon). Modification procurement is programmed for fiscal year 1974. These improved assets will be applied against the combined M110 and M107 acquisition objective.

[2] Quantities and dollars include [deleted] M107 guns at a weapons system cost of $44.333 million, unit cost [deleted], and [deleted] M110 howitzers at a weapons system cost of $94.674 million, unit cost [deleted].

[3] Quantity and dollars are for 42 M107 guns.

[4] Not available.

Note: Basis for Fiscal Year 1973 Request: The fiscal year 1973 amendment request of $9.9 is to buy 42 175 mm. guns [deleted] replacements. This procurement quantity may be accommodated by Bowen McLaughlin York, who is currently producing this item for U.S.M.C. and approved foreign aid claimants.

TEST DATA

Type Classification Mar 60.

CONTRACT DATA

Contractor, type of last contract, and fiscal year

Bowen-McLaughlin-York.—FFP; FY 67.

Characteristics	Class	Item, model, series, class, etc. M110	M107
Speed	U	34 m.p.h.	34 m.p.h.
Cruising range	U	450 mi.	450 mi.
Engine:			
Fuel	U	Diesel	Diesel.
Horsepower	U	405 hp.	405 hp.
Cylinder	U	V8.	V8.
Weight—combat loaded	U	58,500	62,100.
Armament—cannon	U	8", M2A1E1	175 mm., M113A1.
Firing range	C	[Deleted] meters.	[Deleted] meters.
Crew		5.	5.

P–1 line item no. 6a.

Service: Army.

Nomenclature: Howitzer, Heavy, SP 8" M110.

Description/Mission: The M110 Howitzer is an armored self-propelled, heavy artillery weapon employed to provide medium range artillery support for armored and mechanized divisions.

[Cost in millions of dollars]

	Fiscal year 1970 and prior[1]	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate, total program
Item Procurement:										
Quantity	[Deleted]									[Deleted]
Cost	94.7									94.7
Less: Advance procurement	(2)									(2)
Net cost	94.7									94.7
Plus: Advance procurement	(2)									(2)
Weapon System:										
Total cost	94.7									94.7
Unit cost	[Deleted]									[Deleted]
Initial spares	3.4									3.4
R.D.T. & E	6.2									6.2
Milcon	(2)									(2)
Program acquisition cost	104.3									104.3
Program unit cost	[Deleted]									[Deleted]
Total additional costs										

[1] Fiscal year 1970 and prior excludes modification costs.

[2] Not available.

Service: Army.

Nomenclature: Gun Fld Art SP, FT, 175mm M107.

Description/Mission: The M107, 175mm Gun is a self-propelled weapon which provides heavy artillery supporting fire for Corps and Army, and general support for infantry, mechanized and armored divisions.

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE: REQUIREMENTS—PROGRAM DATA DELIVERIES—LOSSES ASSETS

INVENTORY OBJECTIVE/REQUIREMENTS—END OF FISCAL YEAR 1973 FDP

[Cost in millions of dollars]

	Fiscal year [1] 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate total program
Item proc.:										
Quantity	[deleted]			42						[deleted]
Cost	44.3			9.9						54.2
Less: Advance procurement	[2]			[2]						[2]
Net cost	44.3			9.9						54.2
Plus: Advance procurement	[2]			[2]						[2]
Weapon system:										
Total cost	44.3			9.9						54.2
Unit cost	[deleted]			.237						[deleted]
Initial spares	1.9			[2]						1.9
R.D.T. & E.	8.4			[2]						8.4
Milcon	[2]			[2]						[2]
Program acquisition cost	54.6			9.9						64.5
Program unit cost	[deleted]			.237						[deleted]
Total additional costs										

[1] Fiscal year 1970 and prior excludes modification costs.

[2] Not available.

REQUIREMENTS—PROGRAM DATA DELIVERIES—LOSSES ASSETS

INVENTORY OBJECTIVE/REQUIREMENTS—END OF FISCAL YEAR 1973 FDP [DELETED]

Program data	Total procurement	Deliveries, fiscal year—																
		1971 and prior	1972 (quarters)				1973 (quarters)				1974 (quarters)				1975	1976	1977	Beyond 1977
			1	2	3	4	1	2	3	4	1	2	3	4				
R. & D. test items [1]																		
Procurement:																		
Fiscal year:																		
1971 and prior	[deleted]	[deleted]																
1972														21	21			
1973	42																	
1974																		
1975																		
1976																		
1977																		
Payback 1972						10												
Balance	[deleted]																	
Inventory losses (during year).		39		50				72										
Assets (end of year).		[deleted]				[deleted]				[deleted]				[deleted]				

[1] As of June 30, 1971.

COST HISTORY COMPARISON

[Dollar amounts in millions]

	Quantity	Amount
Initial planning estimate:		
Procurement	[Deleted]	$139.0
R.D.T. & E.		14.6
Milcon		
Total program cost		153.6
Current estimate total program (fiscal year 1972 budget submission):		
Procurement		NA
R.D.T. & E.		
Milcon		
Total program cost		
Current estimate total program (fiscal year 1973 budget submission):		
Procurement	[Deleted]	154.2
R.D.T. & E.		14.6
Milcon		
Total program cost		168.8

REPLACEMENT OF GUN LOSSES

Chairman McCLELLAN. Are these additional guns to replace actual or projected South Vietnam losses?

General BUSH. These additional guns are to replace [deleted] actual losses and furnish [deleted] guns for augmentation.

Senator YOUNG. Since the beginning of the offensive last spring, have you actually taken any of these guns out of the Active Army inventory or the Reserve inventory and transferred them to the South Vietnamese?

General BUSH. No; assets were in Army depot scheduled for deployment to Active Army and Reserve units in November 1972 and early 1973.

Chairman McCLELLAN. I note that it has been some time since the Army has procured this weapon. Do you have an active production line on this weapon?

General BUSH. There is an active production line at this time which will be active through February 1973.

Chairman McCLELLAN. Is it essential that these funds be provided in the fiscal year 1973 act?

General BUSH. Yes; the production base is presently active but if funds are not made available by end of September 1972 the present producer will not have sufficient time to assemble long leadtime parts to continue the production line beyond February 1973.

M–60A1 TANKS

Chairman McCLELLAN. The request includes $34.8 million for the procurement of an additional 114 M–60A1 combat tanks. The original budget included $55.8 million for the procurement of 166 of these tanks: Therefore, the revised request is for $90.6 million for the procurement of 280 tanks. The revised vehicle data sheet will be included in the record at this point.

(The information follows:)

P–1 line, item No. 7.
Popular name : None.
Service : Army.
Nomenclature : Tank, Combat, FT, 105mm Gun, M60A1.
Description/Mission : The M60A1 tank is an armored full track vehicle, diesel engine powered, and mounting a 105mm gun system as its primary armament. Secondary Armament consist of one .50 cal M85 machine gun mounted in the turret cupola and a 7.62mm M73 machine gun coaxially mounted alongside the 105mm gun. Special kits provide for extreme weather operations and a fording potential up to 13.5 ft. It has improved ballistic protection over the M60 tank, an earlier model. The M60A1 tank is normally employed as the primary weapons system in a combined arms force assigned a land combat mission.

[Costs in millions of dollars]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate total program
Item Proc.:[1]										
Quantity	[Deleted]	300	90	280						
Cost	[2] 864.6	66.4	30.7	85.7						
Less: Advance procurement	0	1.9	1.0	2.0						
Net cost	864.6	64.5	29.7	83.7						
Plus: Advance procurement	1.9	1.	2.	6.9						
Weapon system:										
Total cost	886.5	65.5	31.7	90.6						
Unit cost	[Deleted]	.218	.341	.306						
Initial spares	.5	0	0	0						
R.D.T. & E	2.9	0		0						
Milcon	0	0	0	0						
Program acquisition cost	869.9	65.5	31.7	90.6						
Program unit cost	[Deleted]	.218	.341	.306						
Total additional costs [4]										

[1] Includes programs back through fiscal year 1959.
[2] Includes M60 tank program [deleted].
[3] Includes $29.5 (value of chassis) transferred from M60A2 program.
[4] Includes production base and replenishment spares.

NOTES

An estimated addition of [deleted] tanks will be proposed for procurement during fiscal year 1975 through fiscal year 1978 [deleted].

Basis for fiscal year 1973 request: The fiscal year 1973 procurement is required to continue the Army's program to provide increased mobility and firepower in armor units. Prior to the fiscal year 1973 procurement only [deleted] of the tank authorized acquisition objective is filled with tanks with diesel engines and 105 millimeter guns or better. This quantity of 280 M60A1 tanks in conjunction with the production retrofit of 316 M60A2 tanks maintains a warm production base. A quantity of 114 tanks is required above the initial request of 166 tanks [deleted].

TEST DATA

CONTRACT DATA

Major subsystem, contractor, and type of last contract

Vehicle.—Chrysler Corporation, Detroit, Michigan; FFP.
Engine.—Continental Motors, Muskegon, Michigan; FFP.
Transmission.—Allison Div., GMC, Indianapolis, Ind.; FFP.

Characteristics	Class	Item model, series, class, etc.	
		M60A1	M60
Crew	U	4	4.
Engine HP/fuel	U	750/diesel	750/diesel.
Length	U	273 inches	273 inches.
Width	U	143 inches	143 inches.
Height	U	128 inches	1˝6 inches.
Range (vehicle)	U	310 miles	310 miles.
Speed, land	U	30 miles per hour	30 miles per hour.
WT combat loaded	U	105, 000 lbs	101, 000 lbs.

FISCAL YEAR 1973 PRESIDENT'S BUDGET ESTIMATE—REQUIREMENTS, PROGRAM DATA DELIVERIES, LOSSES ASSETS

INVENTORY OBJECTIVE/REQUIREMENTS—END OF FISCAL YEAR 73 FDP

Program data	Total procurement	Deliveries, fiscal year—																
		1971 and prior	1972 (quarters)				1973 (quarters)				1974 (quarters)				1975	1976	1977	1977 beyond
			1st	2d	3d	4th	1st	2d	3d	4th	1st	2d	3d	4th				
R.&D. test items [1]																		
Procurement: [1]																		
Fiscal year:																		
1971 and prior	[deleted]	[deleted]																
1972	90																	
1973	280						[deleted]											
1974																		
1975																		
1976	[deleted]																	
1977																		
Balance																		
Inventory losses (during year)			[deleted] [6]				[deleted] [7]				[deleted] [4]							
Assets (end of year) (M60, M60A1, M60A2 and M48A3)		[deleted]																
			[deleted] [10]				[deleted] [11]				[deleted]							
M60A1E2 tanks not retrofitted			[deleted] [13]				[deleted] [13]											

[1] Includes M60, M60A1 tanks (105mm gun or better).
[4] Projected loss of [deleted] tanks to [deleted] payback deliveries in FY 75.
[6] Loss of [deleted] tanks to FMS/GA.
[7] Loss of [deleted] tanks to FMS/GA.
[8] Assets: [deleted] M60/M60A1 tanks, [deleted] M60A2 retrofitted tanks and, [deleted] M48A3 tanks.
[10] [Deleted] M48A3 losses from U.S. inventory to RVN during FY 72; (74 in country transfer to buildup; [deleted] tanks to replace losses).
[11] [Deleted] M48A3 tanks project as losses to U.S. inventory to RVN during FY 73. ([Deleted] M48A3 tanks for augmentation will be in RVN by Nov 72; [deleted] additional losses from U.S. inventory projected to replace RVN losses during FY 73.) Assets: [Deleted] M60/M60A1 tanks; [deleted] M60A2 tanks; and [deleted] M48A3 tanks.
[13] [Deleted] chassis diverted to M60A1 production; 210 M60A1E2 tanks programmed to be retrofitted by FY 72 funds.
[13] [Deleted] remaining M60A1E2 tanks to be retrofitted by FY 73 funds during production/retrofit of 316 tanks; [deleted] electric turret test tanks washed out of inventory.

COST HISTORY COMPARISON

[Dollar amounts in millions]

	Quantity	Amount
Initial planning estimate: The M60/M60A1 was planned for procurement to modernize the M48 tank fleet and therefore a planning/development estimate is not appropriate.		
Current estimate total program (fiscal year 1972 budget submission):		
Procurement	[1] [Deleted]	1,080.6
R.D.T. & E		2.9
Milcon		0
Total program cost		1,083.5
Current estimate total program (fiscal year 1973 budget submission):		
Procurement	[1] [Deleted]	1,594.6
R.D.T. & E		2.9
Milcon		0
Total program cost		1,597.5

[1] Difference between fiscal year 1972 and fiscal year 1973 budget submission quantities is due to program decision changes cuased by termination of the XM803 program and the replacement of inventory losses to satisfy the RVN augmentation requirement.

Note: An estimated addition of [deleted] tanks will be proposed for procurement during fiscal year 1975 through fiscal year 1978 [deleted].

M–60 TANKS

Chairman McClellan. It is my understanding that these additional M–60 tanks will be to replace the older M–48 tanks given to the South Vietnamese. Am I correct about this?

General Bush. Yes, sir. The new M–60A1 tanks will be provided to NATO active army units, thereby releasing M–60 tanks for issue to the Reserve Components as replacements for the M–48A3 tanks which were diverted from assets planned for delivery to the Reserves.

Chairman McClellan. Inasmuch as we have an active production base on this tank, just why do you feel it is necessary to have this increase during 1973?

General Bush. Procurement of the preferred M–60 series tanks to replace the M–48A3's is considered prudent in recognition of the NATO-oriented mission of these Reserve Component units. Deferral of this buy would postpone the delivery of this quantity of M–60 tanks to the Reserve Components by approximately 1 year.

Senator Young. How many tanks have the South Vietnamese actually lost since the beginning of the spring offensive?

General Bush. During the period March 30, 1972, through September 9, 1972, the field commander has reported Army of Vietnam (ARVN) losses of [deleted] light tanks (M–41) and [deleted] medium tanks (M–48A3). [Deleted] of the [deleted] tanks reported lost have been recovered from the battlefield reducing net losses to [deleted] light tanks.

SUPPORT EQUIPMENT

Chairman McClellan. Just what do you plan to do with the $1.6 million you are requesting for "support equipment and facilities for tracked combat vehicles"?

General Bush. The $1.6 million is requested for items having a procurement value of less than $500,000 each and which are necessary to meet essential requirements of Army units. Items include tool sets, shop sets, and organizational maintenance kits required for maintenance operations in the field.

20-MILLIMETER VULCAN AIR DEFENSE GUNS

Chairman McCLELLAN. The original budget included $5.9 million for the procurement of 31 of the 20-millimeter Vulcan air defense guns, and you are requesting $12.1 million for the procurement of 64 additional. Just what is the need for these additional 64 guns?

General BUSH. The request for 64 additional Vulcans has been withdrawn. The RVN requirement has been met by allocating other air defense equipment in the Army's inventory which is currently available at less cost.

105-MILLIMETER HOWITZER

Chairman McCLELLAN. The revised request includes $22.7 million for the procurement of 412 M–102 105-millimeter howitzers. The weapons data sheet will be included in the record at this point.

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE DATA SHEET

Service: Army—Nomenclature: Howitzer, Light Towed, 105-mm, 101A1, 102. P–1 Line Item No. 22a;

Description/Mission.—A towed, lightweight 105-mm. Howitzer for employment by direct Support Artillery Units in support of airborne assault and transport helicopter borne operations.

COST

[In millions of dollars]

	Fiscal year—								Cost to complete	Curren estimate total program
	1970 and prior[1]	1971	1972	[1] 1973	1974	1975	1976	1977		
Item proc.:										
Qty	[Deleted.]			412						[Deleted.]
Cost	36.2			22.7						58.9
Less: Advance proc	NA			NA						NA
Net Cost	36.2			22.7						58.9
Plus: Adv proc	NA			NA						NA
Weapon system:										
Total cost	36.2	[Deleted.]		22.7	[Deleted.]					58.9
Unit cost	[Deleted.]			.055						[Deleted.]
Initial spares	3.6			NA						3.6
R.D.T. & E	3.4			NA						3.4
Milcon	NA			NA						NA
Program acquisition cost	43.2			22.7						65.9
Program unit cost	[Deleted.]			.055						[Deleted.]
Total additional costs										

[1] Procurement data reflected is for the 105 mm. M102 howitzer. Last procurement for the M101A1 was fiscal year 1953 and there are no records available from which to obtain accurate history.

Basis for fiscal year 1973 request.—$22.7 is requested for the procurement of 412 each 105-mm. Howitzers. The production base (Aberdeen Proving Ground) will become warm during fiscal year 1973 to fill foreign sales requirements. The fiscal year 1973 buy would allow the warm base to continue without a break in production (which would be costly).

Test Data: P–1 Line No. 22a; ET/ST—1962; Type classification: Dec. 1963

CONTRACT DATA

Major subsystem	Contractor	Type of last contract	Fiscal year
Carriage and recoil mechanism	Rock Island Arsenal	In-house	1970
Cannon	Watervliet Arsenal	do	1970
Fire control	Frankford Arsenal	do	1970

Characteristics	Classification	Item model, series, class, etc. M101A1	M102
Range:			
Unboosted		11.0	11.5.
Boosted	U	15.0	15.0.
Weight (lbs.)	U	4,920	3,200.
Rate of fire	U	3 rds./min	3 rds./min.
Traverse capability	U	809 mils	6,400 mils.

REQUIREMENTS—PROGRAM DATA DELIVERIES—LOSSES ASSETS

Inventory objective/requirements: End of fiscal year 1973 FDP; P–1 Line No 22a

R. & D. TEST ITEMS—DELIVERIES

Fiscal year	Total procurement	Fiscal year 1971 and prior	Fiscal year 1972 (quarters)				Fiscal year 1973 (quarters)				Fiscal year 1974 (quarters)				Fiscal year—			Beyond Fiscal year 1977
			1st	2d	3d	4th	1st	2d	3d	4th	1st	2d	3d	4th	1975	1976	1977	
Procurement (fiscal year):																		
1971 and prior	[Deleted]	[Deleted]																
1972																		
1973	412												57	75	280			
1974																		
1975																		
1976																		
1977																		
Balance	[Deleted]																	
Inventory losses (during year)		157		772				19										
Assets (end of year)		(1)			[Deleted]				[Deleted]				[Deleted]		[Deleted]			
M101A1, M102		[Deleted]																

[1] As of 30 June 1971.

COST HISTORY COMPARISON

	Quantity	Amount (millions)
Initial planning estimate:		
Procurement	[deleted]	$36.2
R.D.T. & E		3.4
Milcon		
Total		39.6
Current estimate total program (Fiscal year 1972 budget submission):		
Procurement		(1)
R.D.T. & E		
Milcon		
Total		
Current estimate total program (fiscal year 1973 budget submission):		
Procurement	[deleted]	22.7
R.D.T. & E		(1)
Milcon		
Total		22.7

[1] Not available.

REPLACEMENT OF WEAPON LOSSES

Chairman McClellan. Just what is the need for these additional weapons?

General Bush. The 412 additional weapons are needed to replace Army assets used to fill unanticipated losses in SEA. The requirements within Army are:

Active Army	[Deleted]
National Guard	[Deleted]
Mobilization Reserve	[Deleted]
Total	[Deleted]

Active Army requirement includes weapons for [deleted] and combat consumption requirement for Active Army units in USAREUR and USARPAC.

Senator Young. I note that this particular weapon has not been funded in recent years. Do you have an active production line going on this weapon?

General Bush. Yes, there is an active production line at Aberdeen Proving Ground. The line has been activated to fill allied funded requirements.

Senator Young. Why is it essential that these funds be provided in the 1973 act?

General Bush. Procurement in fiscal year 1973 permits the Army to take advantage of the currently active production facilities, thus affording the opportunity to secure needed replacements at the lowest unit cost. If procurement is deferred to fiscal year 1974 a break in production would occur causing increased production and weapons costs and extending the time of the Army's weakened readiness position by 1 year.

M–60 MACHINEGUN

Chairman McClellan. The revised request includes $800,000 for the procurement of 1,141 M–60 machineguns. Please comment on this request.

General Bush. The Army is taking advantage of the warm production line existing for the M–60 machinegun to request a buy of 1,141 to support RVN loss replacements.

Senator Young. Please comment on the need for the $3.3 million for the procurement of 1,208 M–19 60-millimeter mortars.

General Bush. The Army request for $3.3 million to procure 1,208 mortars is essential to continue support of RVN ground forces. The requirement became especially acute during the spring offensive when Army's inventory was reduced to a critically low level as a result of RVN combat losses and increased demands by other allies in Southeast Asia.

XM–806 RECOVERY VEHICLE

Chairman McClellan. The revised request includes $1 million for the procurement of 12 XM–806 recovery vehicles. Please describe this vehicle and comment on the need for the 12 for which you are requesting funds.

General Bush. The XM–806E1 is a basic M–113A1 modified to include a recovery winch mounted on the inside of the vehicle and a hydraulic 2-ton crane mounted atop the vehicle. The power train is a GMC 215 horsepower diesel engine coupled to an Allison transmission. At each rear corner of the vehicle is a hinged spade designed to stabilize the vehicle during recovery operations. The Army's request for $1.0 million to procure 12 vehicles is predicated on an increased loss forecast for RVN forces. The increase in the forecast stems from the increased loss during the spring offensive during which time RVN forces lost a total of [deleted] vehicles. The other [deleted] vehicles were forecast losses.

Chairman McClellan. Is this vehicle used by our Regular Army?

General Bush. No, sir.

Senator Young. Do you deem it essential that these funds be provided in the 1973 act?

General Bush. Yes, in order that the savings may be realized, as a result of tying in to an operating production line.

M–16A1 RIFLE

Chairman McClellan. $3.6 million is requested for the procurement of 37,533 M–16A1 rifles. It is my understanding that these rifles are needed to satisfy RVN losses and to maintain Army assets at its current authorized acquisition objective for this weapon. Have I stated your position correctly?

General Bush. You have, Mr. Chairman. Procurement of the rifles would attain those objectives and would be added to confirmed fiscal year 1973 other customer orders to meet the minimum economic buy of approximately 120,000 each.

Chairman McClellan. What is the current status of the production line for this rifle?

General Bush. Current production of the M-16A1 rifle through November 15, 1972 is to fill a Marine Corps buy of 115,000. The balance of production consists of 131,176 rifles for pay back to the Army's inventory. An additional quantity of 80,000 is planned to be placed on contract for grant aid and foreign sale purposes during the fiscal year

1973 time frame. Existing production contracts, based on a rate of approximately 20,000 rifles per month, will be completed by June 1973.

Senator YOUNG. In order to keep this production line active, do you deem it necessary to have these funds provided in the 1973 act?

General BUSH. The request for fiscal year 1973 funds is considered necessary in that the additional buy of 37,533 rifles will satisfy RVN loss replacements, keep the production active through December 1973, and help maintain Army assets for this essential combat weapon at its current authorized acquisition objective level.

SUPPORT EQUIPMENT

Chairman MCCLELLAN. The last item is a request of $500,000 for support equipment and facilities for weapons and other combat vehicles. Just what do you plan to do with this $500,000?

General BUSH. The $0.5 million is requested for procurement of items having a procurement value of less than $500,000 each and which are necessary to meet essential requirements of Army units. Items include tool sets, shop sets for armament and fire control and organizational maintenance kits required for maintenance operations in the field.

AUTHORIZATION REQUIREMENT

Chairman MCCLELLAN. General, with respect to a number of these items about which you have testified in regard to your budget request, is it correct that the authorization for them has not yet been enacted?

General KJELLSTROM. That is correct, sir.

Chairman MCCLELLAN. Will you identify those for which you have no authorization?

General KJELLSTROM. Yes, sir.

Quickly, I might say that we have no authorization for aircraft, for missiles, or for procurement of weapons and tracked combat vehicles.

Authorization is not required for procurement of ammunition which I will discuss now and "Other procurement, Army."

Chairman MCCLELLAN. The three you mentioned are the principal ones for which you still need authorization?

General KJELLSTROM. That is correct, sir. All of the items that I have discussed in the procurement category have not yet passed authorization. They have been deferred by the Armed Services Committee of the Senate without prejudice and they were not acted upon by the House Armed Services Committee.

Chairman MCCLELLAN. Off the record a moment.

(Discussion off the record.)

Chairman MCCLELLAN. On the record.

PROCUREMENT OF AMMUNITION, ARMY

PROGRAM AND FINANCING

Chairman MCCLELLAN. The next item is the recent request of $221.2 million for "Procurement of ammunition, Army." The original request for this appropriation was $1,129.2 million, and the revised request is $1,350.4 million. Pages 127, 128, and 130 of the justifications will be included in the record at this time.

(The information follows:)

Procurement of Ammunition, Army

Program and Financing
(in Thousands of Dollars)

	Fiscal Year 1973					
	Budget Plan			Obligation Plan		
	Pending Request	SEA Adjustment	Revised Request	Pending Request	SEA Adjustment	Revised Request
Program by Activities:						
Ammunition	899,500	221,200	1,120,700	852,000	188,100	1,040,100
Ammunition Production Base Support	229,700	---	229,700	240,000	---	240,000
Total direct	1,129,200	221,200	1,350,400	1,092,000	188,100	1,280,100
Reimbursable (total)	649,000	---	649,000	566,000	---	566,000
Total	1,778,200	221,200	1,999,400	1,658,000	188,100	1,846,100
Financing:						
Receipts and reimbursements from:						
Federal Funds	-544,200	---	-544,200	-544,200	---	-544,200
Trust Funds	-104,800	---	-104,800	-104,800	---	-104,800
Non-Federal sources	---	---	---	---	---	---
Unobligated balance available, start of year:						
For completion of prior year budget plans	---	---	---	-279,100	---	-279,100
Available to finance new budget plans	---	---	---	---	---	---
Reprograming from prior year budget plans	---	---	---	---	---	---
Unobligated balance transferred from other accounts	---	---	---	---	---	---
Unobligated balances available, end of year:						

Procurement of Ammunition, Army

Program and Financing
(In Thousands of Dollars)

	Fiscal Year 1973					
	Pending Request	SEA Adjustment	Revised Request	Pending Request	SEA Adjustment	Revised Request
For completion of prior year budget plans	---	---	---	399,300	33,100	432,400
Available to fiannce subsequent year budget plans	---	---	---	---	---	---
Budget Authority	1,129,200	221,200	1,350,400	1,129,200	221,200	1,350,400
Budget Authority:						
Appropriation						
Pay raise (PL 91-305)						
Transferred to other accounts						
Appropriation (adjusted)						

PROCUREMENT OF AMMUNITION, ARMY—1. AMMUNITION

	Thousands
Request pending	$899,500
Net adjustment	221,200
Revised request	1,120,700

SECTION 1—PURPOSE AND SCOPE

These funds provide for procurement, manufacture, and conversion of ammunition and associated equipment and for procurement of reparable major components for special ammunition. The program includes artillery, tank, mortar and small arms ammunition as well as fuzes, mines, demolitions, grenades, pyrotechnic signals, incendiaries, and rockets.

SECTION 2—JUSTIFICATION OF FUNDS REQUESTED

a. The [augmentation] includes funds for the following: Cartridge 5.56mm. [deleted] Cartridge, 60mm Mortar, [deleted] Cartridge, 20mm Vulcan, [deleted] Charge Propellant, 175mm, [deleted] and First Destination Transportation, $.2 million.

b. [Loss replacement] includes funds for the following: Cartridge, 5.56mm, [deleted] Cartridge, 40 mm, HE, Low Velocity, [deleted] Rocket, 66mm, HEAT, [deleted] Cartridge, 60mm Mortar, [deleted] Cartridge, 81mm Mortar, [deleted] Cartridge, 105mm [deleted] Projectile, 155mm, including Charge Propellants WB, [deleted] Fuze, PD for Artillery, [deleted] Bulk Ammunition, [deleted] Cartridge, 76mm, HEAT-T, [deleted] and First Destination Transportation $7.9 million.

BUDGET REQUEST

General KJELLSTROM. The fiscal year 1973 amendment request for ammunition totals $221.2 million.

This total is comprised of two separate categories:

(a) Augmentation of the Republic of South Vietnam's combat capability—$15.8 million.

(b) Support for ARVN increased combat consumption—$205.4 million.

The augmentation portion provides for ammunition consumption support of the increased weapons issued to ARVN. The forecast consumption for these additional weapons covers the period through the fiscal year 1973 funded delivery period. The $205.4 million was to support the increased ARVN consumption due to the NVA invasion.

This estimate was based on expected continued high consumption through September 1972 over that level used to develop the fiscal year 1973 budget request.

Actual consumption experience through August is even higher than the intensity we had forecast in the development of the amendment. It is now expected that the highly intense consumption will continue through December. Under this expectation, we estimate that ammunition consumption support requirements will be $367 million over that planned in the basic budget. This is the most urgent requirement in the procurement request, and is an area where we initially underestimated the duration of the high consumption. We may have to request additional funds later.

PRODUCTION BASE SUPPORT

Chairman MCCLELLAN. Is any portion of this additional request of $221.2 million for the budget activity entitled "Ammunition, production base support"?

General Bush. The additional request of $221.2 million relates only to ammunition procurement and contains no funds for production base support.

COMPUTATION OF REQUIREMENTS

Chairman McClellan. How did you go about computing this additional requirement of $221.2 million for the procurement of ammunition?

General Bush. The additional requirement of $221.2 provides for $15.8 million for ARVN augmentation and $205.4 million for ARVN increased consumption. The ammunition for ARVN augmentation is to meet forecasted consumption in support of the increased weapons for ARVN. The forecasted consumption covers the period through the fiscal year 1973 funded delivery period. The $205.4 million supports the estimated increased ARVN consumption due to the NVA invasion over that level used to develop the fiscal year 1973 budget request. This estimate is based upon consumption data available as of June 1, 1972, and forecasts the high consumption continuing only through September 1972. Actual consumption experience through August 1972 is higher than the basis used in our amendment request, which may be the basis for a later increased request in fiscal year 1973.

AUGMENTATION REQUIREMENT

Chairman McClellan. I note that the total of $221.2 million includes $15.8 for augmentation and $205.4 million for replacement. Just what is involved in this $15.8 million for augmentation ammunition?

General Bush. The augmentation quantity is required to support the upgrading of the RVNAF capabilities in selected areas to help counter the increased enemy threat. Specifically, it would provide a one-time stock of ammunition to support the increased weapons densities in such systems as tanks, machineguns, 60-millimeter mortars, and 175-millimeter guns.

Other Procurement, Army

PROGRAM AND FINANCING

Chairman McClellan. The next request is a net increase of $5.2 million for the appropriation entitled "Other procurement, Army." Here we have an increase of $6.2 million for additional cost in Southeast Asia that is offset by a reduction of $1 million requested in the original budget for communications and electronic equipment for the support of the Safeguard system. Pages 137 and 138 and 140 and 141 of the justifications will be included in the record at this point.

(The information follows:)

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Program and Financing
(In Thousands of Dollars)

Program by Activities:	Fiscal Year 1973									
	Budget Plan					Obligation Plan				
	Pending Request	SAIT Adjust	SEA Adjust	Net Adjust	Revised Request	Pending Request	SAIT Adjust	SEA Adjust	Net Adjust	Revised Request
Tactical and Support Vehicles	229,900	---	---	---	229,900	211,000	---	---	---	211,000
Communications and Electronic Equip.	193,100	-1,000	5,400	4,400	197,500	125,500	-600	3,500	2,900	128,400
Other Support Equipment	225,800	---	800	800	226,600	190,800	---	500	500	191,300
Total direct	648,800	-1,000	6,200	5,200	654,000	527,300	-600	4,000	3,400	530,700
Reimbursable (total)	144,000	---	---	---	144,000	123,700	---	---	---	123,700
Total	792,800	-1,000	6,200	5,200	798,000	651,000	-600	4,000	3,400	654,400
Financing:										
Receipts and reimbursements from:										
Federal Funds	-115,200	---	---	---	-115,200	-115,200	---	---	---	-115,200
Trust funds	- 28,800	---	---	---	- 28,800	- 28,800	---	---	---	- 28,800
Non-Federal sources	---	---	---	---	---	---	---	---	---	---
Unobligated balance available, start of year:										
For completion of prior year budget plans	---	---	---	---	---	-229,800	---	---	---	-229,800
Available to finance new budget plans	- 13,500	---	---	---	- 13,500	- 13,500	---	---	---	- 13,500
Reprograming from prior year budget plans	---	---	---	---	---	---	---	---	---	---
Unobligated balance transferred from other accounts	---	---	---	---	---	---	---	---	---	---
Unobligated balances available, end of year:										
For completion of prior year budget plans	---	---	---	---	---	371,600	-400	2,200	1,800	373,400
Available to finance subsequent year budget plans	13,500	---	---	---	13,500	13,500	---	---	---	13,500
Budget authority	648,800	-1,000	6,200	5,200	654,000	648,800	-1,000	6,200	5,200	654,000
Budget authority:										
Appropriation										
Pay raise (PL 91-305)										
Transferred to other accounts										
Appropriation (adjusted)										

OTHER PROCUREMENT, ARMY—2. COMMUNICATIONS AND ELECTRONICS EQUIPMENT

	Thousands
Request pending	$193,100
Net adjustment	4,400
Revised request	197,500

SECTION 1—PURPOSE AND SCOPE

These funds provide for the procurement, manufacture, first destination transportation, modification and production base support of communications and electronics equipment and high dollar value depot reparable assemblies/components for initial provisioning and replenishment requirements. Funds are included for radio, radar, countermeasures, combat wire communications, meteorological, night vision, photographic, combat surveillance, target acquisition, strategic and other tactical and security communications and electronics equipment .

SECTION 2—JUSTIFICATION OF FUNDS REQUESTED

Radio Set AN/PRC-25/77.—The radio is a lightweight, frequency modulated (FM) radio employed at platoon and company level for short range communications. [Deleted] million is requested for procurement of [deleted] of these radio sets to provide assets to meet current and projected distribution shortages in the Army resulting from providing this augmentation and loss replacement to the RVNAF.

Radio Set AN/VRC-12.—The AN/VRC-12 is a family of modular constructed, vehicular mounted, largely transistorized frequency modulated (FM) radios used at company, battalion and brigade level. [Deleted] million is requested for procurement of [deleted] of these radio sets to enable the Army to replace the RVNAF augmentation and loss replacement and maintain a level of [deleted] of the acquisition objective.

SAFEGUARD Support Materiel.—The initial request to the Congress included funds for the procurement of communication equipment for the Warren site. Funds of $1.0 million for the Warren site have been deleted from the revised request in accordance with the SALT agreement.

Items Less Than $500,000.—[Deleted] million is requested for replacement of Field Telephone TA-312/PT and combat vehicle Intercommunication Sets AN/VIC-1 for RVNAF augmentation and loss replacements.

OTHER PROCUREMENT, ARMY—3. OTHER SUPPORT EQUIPMENT

	Thousands
Request pending	$225,800
Net adjustment	800
Revised request	226,600

SECTION 1—PURPOSE AND SCOPE

These funds provide for procurement, manufacture and conversion of construction, materials handling and other heavy equipment and initial and replenishment spare parts and support materiel. The program includes items such as excavating and grading equipment, fork lift trucks, generator sets, assault bridges and bridge components, mine detection equipment and other major support equipment. The funds also provide for the procurement and installation of modification kits.

SECTION 2—JUSTIFICATION OF FUNDS REQUESTED

$0.8 million additional funds are requested for Items Less Than $500,000 required for RVNAF augmentation and loss replacements. Items include [deleted] AN/PRS-7 Mine Detector Sets for a total of [deleted] million, [deleted] 1.5 KW, 28 volt generator sets for a total of [deleted] million, [deleted] M17A1 protective masks for a total of [deleted] million, and [deleted] 10,000 gallon, POL tank assemblies for a total of [deleted] million.

COMMUNICATIONS AND ELECTRONIC ITEMS

General KJELLSTROM. The "Other Procurement, Army" appropriation request for $6.2 million increase relates to four communications and electronics equipment line items totaling $5.4 million and four other support equipment items totaling $0.8 million.

The communications and electronics items consist of [deleted] for the AN/VRC–12 vehicular mounted FM radio [deleted] for the AN/PRC–25/77 manpack FM radio [deleted] for the AN/VIC–1 intercommunications set, and [deleted] for TA312/PT field telephones.

The other support equipment request consists of mine detector sets totaling [deleted]; 1.5 kilowatts, 28 volt generator sets at [deleted]; 10,000 gallon POL tank assemblies for [deleted]; and [deleted] for M–17A1 protective masks.

The replacement of losses, amounting to $5.6 million, predominates the increased requirements, with $0.6 million requested to support the procurement of comparatively small quantities of each of the communications and electronics items and the AN/PRS–7 mine detector and the 1.5 kilowatt generator set for the Vietnamese augmentation program.

SAFEGUARD REDUCTION

Chairman MCCLELLAN. I assume the $1 million reduction in the funds required for communications and electronic equipment for the Safeguard includes the $200,000 set out on line 73 of the P–1 exhibit and a reduction of $800,000 in the request of $2.5 million set out in line 75 of the P–1 exhibit. Am I correct about this?

General BUSH. You are correct, sir. However, the $2.5 million in line 75 identified $1.2 million for Safeguard by footnote on the P–1 exhibit. The balance, $1.3 million, is for other Army requirements; $800,000 of the $1.2 million has been identified as a reduction. The House Appropriations Committee has recommended that the remaining $400,000 for Safeguard in line 75 not be appropriated.

PROCUREMENT OF RADIOS AND TELEPHONES

Chairman MCCLELLAN. The request includes [deleted] for the procurement of substantial numbers of the AN/PRC–25/77 and AN/VRC–12 radio sets and $300,000 for the procurement of field telephones and vehicle intercommunications sets. During recent years, we have provided funds for the procurement of very large quantities of this type of equipment. Isn't it possible for you to meet this requirement from your existing inventory of this type of communications equipment?

General BUSH. Yes, sir. We have met the more urgent requirements from existing assets as far as practicable. These radios and telephones are high-density items used down through squad level in SVN and, therefore, suffer a high-combat loss rate. Within the U.S. Army, we are currently below the authorized inventory objective for these items and, even with this amendment, will still be short. The fiscal year 1973 request is therefore necessary to acquire these assets earlier in consonance with ongoing contract deliveries and procurements and preclude an unacceptable continued drain on the Army's readiness posture.

OTHER SUPPORT EQUIPMENT

Chairman McCLELLAN. Please comment on the request of $800,000 for other support equipment.

General BUSH. The $800,000 additional funds are requested for items less than $500,000 required for RVNAF augmentation and loss replacement. Items include [deleted] AN/PRS-7 mine detector sets for a total of [deleted] million [deleted] 1.5 kilowatts, 28-volt generator sets for a total of [deleted] million [deleted] M17A1 protective masks for a total of [deleted] million, and [deleted] 10,000 gallon, POL tank assemblies for a total of [deleted] million.

SIGNIFICANT CHANGES IN THE FISCAL YEAR 1973 PROGRAM

At this point, I would like to review several other significant developments affecting the Army's requirements which have occurred since submission of the fiscal year 1973 President's budget.

Program reductions exceed program increases, but I would earnestly request that a portion of these savings be applied to fund these programs which are vital to the Army.

MANPOWER—ACTIVE AND RESERVE FORCES

The Army's military manpower program has changed significantly since preparation of the President's budget. Some actions have decreased the fund requirements and others have increased the requirements.

We are now projecting a reduction of 26,000 military man-years for fiscal year 1973, which will produce estimated savings of $217.5 million—$155.6 million in MPA and $61.9 million in O. & M.A.

[Deleted.]

A revised projection of enlistments and reenlistments reduces fund requirements $38.5 million in MPA. Adjustments in officer grade structure, support of free world forces, and changes to operational permanent change of station travel have decreased fund requirements $17.3 million.

Chairman McCLELLAN. You have enumerated each item in the total?

General KJELLSTROM. Yes, sir; I have.

Chairman McCLELLAN. What is that total?

General KJELLSTROM. Sir, the net decrease in military personnel account is $119 million.

Mr. HUTCHISON. $119 is the net decrease?

Chairman McCLELLAN. What is the amount of the total increase and adjusted decreases? What are your total reductions?

General KJELLSTROM. In the "Military personnel" account, sir——

Chairman McCLELLAN. In everything.

General KJELLSTROM. Sir, to determine the adjustments in the South Vietnamese area, I would have to go through the individual line items.

BUDGET REDUCTIONS AND INCREASES

Chairman McCLELLAN. Well, proceed the way you were.

You are requesting increases in certain items and making requests which you said were not included in the earlier budget. That is why it

is running into so many millions of dollars. You also said the ARVN have made requests for certain items that you enumerate here that we no longer need. Therefore I would like to get the total of the two: the total of new requirements included in this amended budget request, and the reductions made in the original budget submission for items that are no longer needed.

General KJELLSTROM. The total reductions previously reported to your staff are $460 million.

Chairman MCCLELLAN. That is total reductions you are requesting?

General KJELLSTROM. That is correct.

This is offset by increases in the "Military Personnel" account of $128 million. There are also decreases in our "Reserve Personnel" accounts of approximately $130 million, and decreases of $75 million offset by increases of $35 million in our procurement appropriations.

General Sears will you summarize the increases and decreases in the O. & M.A. account?

General SEARS. The budget amendment for O. & M.A. initially totaled $239 million—$250 million for SEA requirements offset by $11 million due to the SAL agreement. Subsequently, the SEA portion of the amendment has been revised downward by $10 million, reducing the net O. & M.A. amendment request to $229 million.

In Army programs, other than those in the amendment there have been decreases of $143.6 million related to strength reductions and revaluation of the piaster, offset by increases of $176.9 million in hardcore unfinanced requirements. The net effect of all these changes is a plus $262.5 million—$229.2 in the budget amendment plus net increases in other Army programs of $33.3 million.

Chairman MCCLELLAN. If you will, give me the total increases; that is what I have been asking for. What is the total increase you are requesting?

General KJELLSTROM. $266 million in total increases, sir.

Our hardcore increased requirements total $356 million. However, total decreases, excluding the downward adjustment of $41 million in the amendment, amount to $629 million for a net savings of $273 million. Mr. Chairman, with your permission I would like to insert a statement in the record summarizing the increases and decreases by appropriation.

Senator MCCLELLAN. Yes; I think that will clarify the record.

(The information follows:)

FY 1973 Program Changes
($ in Millions)

	Budget Amendment			Significant Changes in Other Army Programs			Overall Net Requirement Amendment & Other Changes
	Revised SEA Requirements	SAL Agree	Net Amend	Hardcore Increases	Decreases	Net Change	
MPA	9.0	-4.0	5.0	+128.2	-247.6	-119.4	-114.4
Res & NG Personnel	-	-	-	-	-130.0	-130.0	-130.0
O&M,A	240.2	-11.0	229.2	+192.9	-176.6	+16.3	+245.5
Aircraft Proc	13.5	-	13.5	+1.7	-1.7	-0-	+13.5
Missile Proc	4.3	-265.0	-260.7	+5.3	-5.3	-0-	-260.7
Proc of Weap & Tr Com Veh	103.5	-	103.5	-	-	-	+103.5
Proc of Ammo	221.2	-	221.2	-	-	-	+221.2
Other Proc	6.2	-1.0	5.2	+28.1	-28.1	-	+5.2
PEMA (Prior Year)	-	-	-	-	-40.0	-40.0	-40.0
RDT&E	-	+26.0 b/	26.0	-	-	-	+26.0
MCA	-	-390.0	-390.0	-	-	-	-390.0
Subtotal	597.9 a/	-645.0	-47.1	+356.2	-629.3	-273.1	-320.2
Army Fam Housing	-	-6.4	-6.4	-	-	-	-6.4
Total	597.9 a/	-651.4	-53.5	+356.2	-629.3	-273.1	326.6

a/ Adjusted downward by $41.0 million from original request.
b/ Represents +$60 million for Site Defense offset by $34.0 million reduction in SAFEGUARD Program.

HOUSE ACTION ON BUDGET REQUEST

Senator YOUNG. Did the House Appropriations Committee reduce this further?

General KJELLSTROM. Yes, sir. We have significant reductions by House action; yes, sir.

Chairman MCCLELLAN. Beyond what you suggested voluntarily?

General KJELLSTROM. Yes, sir.

Chairman MCCLELLAN. Very well.

You may proceed.

BUDGET INCREASES

General KJELLSTROM. Offsetting these decreases are program and rate changes, largely fact-of-life changes, that require additional funds. More officers will be separated and more enlisted personnel will be entering the Army than projected in the President's budget. These changes in gains and losses require $22.7 million additional funds in MPA. Daily subsistence rates have increased at a cost of $16.4 million. Military Airlift Command raised rates 15.3 percent on July 1, and other average cost rates for permanent change of station have increased, requiring an additional $37.5 million. Additional personnel receiving basic allowance for subsistence, as well as some adjustment to the enlisted grade structure and longevity projected to an additional $39.9 million. Miscellaneous additions such as continuation pay for dentists, the dollar revaluation, and changes in subsistence programs are $11.7 million. The total additions in MPA due to program and rate changes since the budget submission are $128.2 million. The net decrease in MPA requirements is $119.4 million.

We have also experienced a manpower shortfall in the Reserve components with estimated savings of approximately $70 million. The revision of the official exchange rate of the piaster from 118 to 420 to the dollar will provide savings estimated at $37.3 million.

The total reductions which have been reported to your committee staff for all appropriations is $460 million.

CIVILIAN MESS ATTENDANTS

The fiscal year 1973 President's budget reflects a $99 million funding requirement for this program. This requirement has been adjusted downward to $66 million due primarily to firm cost data being received from our field commands, and our contract requirements.

The purpose of highlighting these changes is twofold:

First, to provide this committee with current information concerning O. & M. requirements; and

To direct special attention to the Army program for civilianization of mess attendants.

In 1968, the Office of the Secretary of Defense established the policy for civilianization of mess attendants for the Military Services Food Programs. Army implementation was initiated in fiscal year 1971 in Korea and in fiscal year 1972 in all other oversea commands and selected Modern Volunteer Army test installations in Continental United States. Effective July 1, 1972, the program was completed within the CONUS.

As you know, the Air Force and the Navy had previously implemented this program and we must have the program to remain competitive in the recruiting market.

The purposes of the program are to:

Increase readiness and professionalism.

Improve food preparation and dining facility operations.

Remove a major Service irritant and provide job satisfaction.

The Army's evaluation clearly indicates that the purposes of the program are being fulfilled. Large numbers of soldiers are being released daily for duty and training. The program applies to all elements of the Army except for basic combat training.

For example, in Continental Army Command, the following data has been provided: 32,275 man-days of training time per month are saved in training centers other than basic combat training; 16,794 more man-days of student class time are available per month in service schools; 10,789 man-days of instructor and staff time are available per month in training centers and service schools; 11,631 man-days of soldiers' time per month are applied to normal MOS-related duties.

The program sustains soldier morale and is providing better food service. There is no indication that soldiers relieved from mess attendant detail have too much time on their hands. Unit commanders are exploiting this opportunity to upgrade the overall proficiency of their units.

There is clear-cut evidence that the elimination of the mess attendant program will reduce enlistments and reenlistments and cause a most severe blow to the morale of the Army and deter progress toward an all-volunteer force. A survey of commanders substantiates this evaluation.

The program offers significant employment opportunities for low-income and minority groups. Within the CONUS there will be approximately 70 contracts in 31 States totaling $47 million, most to small business, with the majority of approximately 10,000 contract employees being from minority and very low-income groups.

I solicit the committee's support of this program, which is the Army's most urgent requirement for an all-volunteer force.

Chairman McClellan. Well, that last thing you said appealed to me. It might be conducive to securing more volunteers.

PROJECTION OF CIVILIAN MESS ATTENDENT PROGRAM

General Kjellstrom. The Army has a very serious credibility gap facing it with the enlisted men and junior officers of the Army if we lose this program.

Last year, as part of our modern volunteer Army efforts, we projected the mess attendant program, worldwide for this year. We did this in good conscience, understanding that this was the highest priority requirement within the Army for the all-volunteer effort.

Our survey of commanders, and I have surveys from all of our installation commanders throughout CONUS and throughout the world, indicates that this particular program is more important now than any other for morale of men. If we were to be given a chance of losing this program or giving up more money, we would give up money elsewhere in the budget to support this program.

We have had surveys from enlisted personnel, Mr. Chairman, private, first class and E–4's, the men who normally pull the KP. They just feel this is a violation of their agreement with the Government, to be threatened with return to KP because many of them are in recruiting programs based for the last 12 or 18 months on the elimination of the mess attendant requirement.

Chairman McClellan. Do we carry on this program in the field?

MESS ATTENDANTS IN COMBAT AREAS

General Kjellstrom. We do not take the civilian mess attendants out in the field.

Chairman McClellan. Who does the work there?

General Kjellstrom. Sir, in combat areas, the enlisted men do not normally pull it. In combat areas, in Vietnam, except where we have close contact with the enemy, we normally have civilians who pull it in the base camps.

In our training here in CONUS, when our units go out in the field they pull their own KP and our contracts——

Chairman McClellan. For the record, identify what you mean by "pull their own KP"?

General Kjellstrom. They perform KP. I was using an Army term. They perform KP while in the field.

The same is true in Europe; when we go out in the training centers, our enlisted men perform KP; while in garrison throughout the Army at the present time we have no enlisted men performing KP with the exception of basic combat training.

It was the determination of the Secretary of the Army, as approved by the Secretary of Defense, that we would give the young man coming into the service during his period of basic combat training the KP program. We have had them pull KP during this short period of basic training.

ESTIMATED COST OF CIVILIAN MESS ATTENDANT PROGRAM

Chairman McClellan. What is the total cost of civilianizing the KP program?

General Kjellstrom. Last year, it cost us $34 million.

Our initial budget request for this year was $99 million. On receipt of our firm price estimates and contracts, we have lowered the estimate to $66 million.

Chairman McClellan. In terms of total defense costs, that is a relatively small amount, but I have some reservations about it nevertheless. It seems as though everybody wants to get out of work.

General Kjellstrom. Sir, I would agree with you.

I would suggest that people like myself in the 50 bracket who pulled KP at one time have a different approach to life than our young men of today. My son, who is a first lieutenant in the Army in Augsburg, Germany, has a unit. They do not pull KP. He saw this unit before and after. He has fewer disciplinary problems in his unit now because of the problems of failure to repair, and failure to respond to the mess sergeant's directions. The food is better in his mess hall. We potentially have wide acceptance of this throughout the army. We do have a major credibility gap on our hands.

Chairman McClellan. Speaking of sleeping, I guess every soldier would like to sleep on a feather bed, but a soldier's life is not one of comfort.

General Kjellstrom. The soldier is being prepared to fight in combat and perform his assigned duty. A rifleman is being trained to perform as a rifleman. A section leader in a tank must have his full tank section available to train. Automatic data processing operations, finance clerks, are not——

Chairman McClellan. I wonder how in the world we won World War I and World War II without these services. I declare it is a puzzle. Those boys who fought performed those services themselves. It may be that things have changed. I am trying to reconcile myself to some of this, if I can.

General Kjellstrom. It is very difficult, Mr. Chairman. All of our surveys indicate that——

Chairman McClellan. I don't doubt that any survey would indicate we should hire civilians to do KP.

You have given me a figure of $66 million.

General Kjellstrom. $66 million, sir.

Chairman McClellan. That is just for the Army?

General Kjellstrom. This is just for the Army, sir.

Chairman McClellan. For all of the services, that would run $250 million to $275 million.

General Kjellstrom. Sir, I believe those figures are based upon the original budget figures. I suggest that the other services have undoubtedly reduced their requirements, also.

Or original requirement, as I mentioned, was $99 million. We have now adjusted it downward to $66 million.

Senator Young. If you pursued this program, the cost would be probably three times as high.

General Kjellstrom. Not in the Army, sir. We have this implemented throughout the Army now. We feel that the only cost increases would be the normal inflation which has been running 3 to 5 percent per year.

Chairman McClellan. How does this make a better soldier?

General Kjellstrom. Sir, it makes him available for training with his squad. It allows the squad leader, platoon leader, company commander, to have a team available all the time. It enables him to apply these resources toward training for developing the combat readiness.

Chairman McClellan. In other words, instead of doing KP duty, he does training duty?

General Kjellstrom. That is correct.

Chairman McClellan. That is the advantage of it.

CIVILIAN MESS ATTENDANT PROGRAM EVALUATION

General Kjellstrom. Sir, I have the evaluation of the commanders. If I may, may I insert it in the record?

Chairman McClellan. It may be inserted.

(The evaluation follows:)

Installation Commanders Comments on the
Army KP Program

Ft. Hood, Tx.

Elimination of KP duties has been a great morale factor and has contributed greatly toward Service attraqtiveness. The civilian KP contracts have released enlisted men for training and mission accomplishment. This is particularly noteworthy in that Ft. Hood has many units requiring training as a crew or team. Weekends are not lost by last minute substitution of KPs due to unforseen absenteeism and conflict in other requirements. Civilianization of KPs has provided for consistency in food service due to the permanent employees as compared to the daily changes resulting from roster-type duty personnel. Civilian KPs generally work with pride as cohesive team members of the dining facilities to which assigned. This program has opened employment opportunities in the local communities.

Ft. Polk, La.

Civilian KP contracts provide employment for those who would either be unemployed or receiving welfare. The work force includes minority groups and students (high school and college) on both a full-time and part-time basis. Curtailment of this program would result in a credibility gap and negate much of the effect of the Modern Volunteer Army Program.

Ft. Benjamin Harrison, In.

Civilianizing KP duty has had a positive effect on the morale of the individual soldier. Courses of instruction have been shortened, consistent with the average time required for this detail. Close supervision required of roster-type duty personnel is not required of contract KP personnel and supervisors are released to perform more essential food preparation tasks. The civilian KP program provides a continuous professional work force. This work force is more proficient in the care, operation and maintenance of food service equipment. A noticeable decrease

in breakage of dinnerware has been evident since inception of the program.

Ft. Sheridan, Il.

Prior to civilian KP contracts at this small installation, duty personnel were removed from staff offices such as finance, personnel, administration, medical, transportation and supply. Due to reductions in personnel strengths, eligible personnel were detailed more frequently and work backlogs were created in their primary activities. Alternative to loss of contracts would be the levying of the US Army Veterinary School for students during the course of instruction.

Ft. Leavenworth, Ks.

The small troop population requires a civilian KP contract to release enlisted men to priority staff and faculty assignments. Alternative to loss of contract would be closing the Student Officers Field Ration Mess.

Ft. Sill, Ok.

Civilianization of KPs rated third in a group of 39 Modern Volunteer Army programs in a recent survey by the Commander of this installation. This program is one of the strongest points in the MVA program. Almost half of the civilian workforce comes from minority groups, some of whom were on welfare prior to the inception of the civilian KP contracts.

Ft. Sam Houston, Tx.

Missed training has an adverse effect on academic achievement at the US Army Medical Training Center. Since initiation of civilian KP contracts instructors do not spend excessive periods on make-up instruction and instruction has been enhanced. Less supervision is required of civilian KPs and food service personnel are able to devote more time to improving the quality of the food. Civilian KPs are more effective and efficient because they are completely familiar with their duties. They have provided a better atmosphere in the dining facilities, improved the service and the cleanliness.

Ft. Leonard Wood, Mo.

Supervision of KPs by mess personnel has been minimized. Cooks can devote more time and attention to the preparation and serving of meals. The quality of the finished product is improved with more satisfied diners. Civilian KPs provide continuity from day to day with pride and professionalism. The sanitation of the dining hall is considerably improved.

Ft. Bliss, Tx.

Performance and efficiency of military mess personnel have improved. Food service personnel are freed from supervision of military KPs and have more time to devote to food preparation. Food quality and sanitation of mess facilities have improved. Military personnel have been relieved from KP duties and returned to full time training status. The use of dining facilities by eligible personnel has increased.

Ft. Benning, Ga.

Surveys conducted by this installation show that the civilianization of KPs is the most favorable of all Modern Volunteer Army programs. The major selling factor for recruiting personnel under the unit of choice in the 197th Infantry Brigade and 931st Engineer Group has been this program.

Ft. Bragg, N.C.

Military Personnel have been made available for full time participation in training and classroom instruction due to the civilianization of KPs, reflecting extremely high morale.

Ft. Campbell, Ky.

This program is the most important Modern Volunteer Army Program on this post. The loss of this program will seriously degrade the air and unit training at this installation. Reinstitution of KP duty would be counterproductive to the goal of achieving a modern, highly professional All Volunteer 101st Airborne Division (Airmobile). The loss of the civilian KP contracts would preclude the accomplishment

of a very challenging training program soon to be initiated. A basic principle of this training program is that units train at 100% strength. This is absolutely necessary to provide realistic and meaningful training for combat units and leaders. The loss of this program would quickly destroy unit training integrity as well as preclude many soldiers from participating in on-duty educational and vocational classes.

Ft. Gordon, Ga.

A definite improvement in the attitude and morale of personnel interviewed for possible reenlistment has been observed. The men look upon civilianization of KPs as a step towards allowing them to perform MOS oriented duties or attend school. Mess stewards prefer civilian KPs, because it provides them with a stable work force. Professionalism is required in the mess halls if we are to have an All Volunteer Army. The prime factor in improved morale is less student details during duty hours and more free time for those otherwise eligible for KP. If the enlisted men were required to resume KP duty after having been relieved, the image of the Modern Volunteer Army would suffer.

Ft. Jackson, S.C.

The operation of dining facilities becomes more efficient as civilian KPs become proficient in a relatively short period of time and require little, if any, supervision. This allows mess personnel to devote more time to the preparation of food. A noted improvement in morale has been made by reducing individual interruption of training and allowing the soldier more free time.

Ft. McClellan, Al.

Results of local surveys indicate that the civilian KP program is one of the most favorable aspects of the Modern Volunteer Army program.

Ft. Rucker, Al.

The use of civilian KPs resulted in more efficient utilization of personnel in combat units and school support. The release from KP duties

is one of the most significant contributions to improved morale among a number of related items. Stability of personnel performing KP services under contract has improved the care and utility of equipment, adding quality and quantity to services performed.

Ft. Stewart, Ga.

Civilian KP services has resulted in more efficient utilization of military personnel in their MOS in that this station has a shortage of military personnel. Stability of civilian personnel performing KP services has resulted in a marked improvement in the sanitation of dining facilities. The morale of the enlisted man has improved since the use of civilian KPs.

Ft. Dix, N.J.

Civilianization of KP had the highest positive influence in motivating soldiers to reenlist.

Carlisle Barracks, Pa.

Carlisle Barracks has an unusually high ratio of NCOs to lower ranking enlisted men which caused the enlisted men to be detailed for KP a disproportionate number of times. Civilianization of KPs has eliminated this problem as well as releasing critically-short enlisted medics back to their duties at the post hospital.

Ft. Eustis, Va.

Soldiers have been released from KP duty to attend scheduled training and classes. The readiness posture of many units has improved, especially in the area of equipment maintenance.

Ft. Devens, Ma.

KP civilianization is a big plus in decisions affecting re-enlistment. The civilian KP contract was awarded to a minority group contractor and gainful employment has been provided civilians in the local area who might have not had the opportunity to work.

The School Brigade, Ft. Monmouth, N.J.

The quality of instruction has increased significantly.

Ft. Meade, Md.

Since KP has been civilianized, enlisted men have been returned to duty, administrative punishment for "failure to repair" has decreased and courtesy and dress in mess facilities have improved.

Ft. Belvoir, Va.

Civilianization of KPs has resulted in a significantly favorable impact on troop morale and productivity within duty sections.

Ft. Knox, Ky.

Enlisted men have been returned to their primary duties as a result of the KP civilianization program.

Camp Drum, N.Y.

Military mess personnel have more time to effect improvements in mess services due to civilian KPs not requiring close supervision.

Ft. Ord, Ca.

Prior to civilian KP contracts, make-up training was conducted to compensate for lost time due to performing KP duties. This duty seriously distracted from career attractiveness and impacted adversely on soldier morale.

Ft. Lewis, Wa.

The current recruiting objective for unit-of-choice recruiting would be jeopardized by not providing civilian KPs. Surveys revealed that the civilianization of KPs would improve attitudes towards the Army as a career and that KP was a major negative factor in the achievement of soldier job satisfaction. It is significant that among soldiers unwilling to reenlist, there was a belief that the Army might talk a lot about improving job satisfaction but would actually accomplish very little. When a soldier

pulls non-mission details, equipment stands idle, mission assignments fall behind and valuable training time is lost. If another operator is placed on the piece of equipment, the soldiers' pride in "his" equipment is lost. KP contracts would assist to alleviate the unemployment rate in the Takoma, Washington area. Failure on the part of the Army to provide civilian KPs will generate skepticism concerning the credibility of the Army and detract from Ft. Lewis' ability to recruit, train and retain young men.

Presidio of San Francisco, Ca.

Morale among enlisted personnel has improved immeasurably. Motivation and self-improvement are now a reality. More effective NCO/enlisted relationships are resulting in improved accomplishment of mission tasks.

Ft. MacArthur, Ca.

The civilian KP contracts have resulted in better service and less supervision, increased morale, reduced sick-call and has allowed the mess steward more time for planning and supervising the preparation of the meal.

Ft. Carson, Co.

The elimination of military KP duty is very appealing to the modern volunteer soldier and has improved his effectiveness and morale.

ALL VOLUNTEER ARMY

Senator SYMINGTON. In support of what the chairman said, in the past, we were told that for every three soldiers in the Soviet Army, two were combat soldiers and one was logistics, whereas in our Army two were logistics and one was combat. I was very much interested in what Senator McClellan said on that score.

Let me ask you this question: If we proceed with this voluntary army concept, and I am for it, although becoming apprehensive about the price, what was the cost of a private 15 years ago and what is the cost of a private today?

General KJELLSTROM. I have that here. For our enlisted man, our basic pay, E–4, 1946 base pay was $1,200. In 1972, his base pay is $4,162.

REPLACEMENT OF ENLISTED MEN ON MAINTENANCE DUTIES

Mr. WOODRUFF. I was going to suggest that you might want to comment on a comparable program for which the Army is requesting $35 million. It is to hire civilian employees so that enlisted personnel would be relieved of garbage detail, cigarette policing and such items. It is comparable to the KP program, but it is another element.

General KJELLSTROM. This program to replace enlisted men on detail in retrospect is a misnomer.

What we have in our field, our posts, camps, and stations, is the responsibility of our post engineer to maintain our community areas, the administrative buildings, to provide custodial support within our common areas, and parade area, to mow the grass, in our common areas to pick up the trash and things that are thrown around.

For garbage hauling and disposal, the normal procedure is either to hire direct-hire civilians or hire contract personnel to take care of our trash.

As a result of the use of resources for support of the Vietnamese war, we have reduced our base operations in Conus to the point where we did not have the civilian personnel or the funds for contracts to hire this service that was performed. Accordingly, we have had to detail significant numbers of military personnel in what has been called menial task areas.

Our effort in this area is to restore our levels of effort to the point where we were prior to the Vietnamese war.

Now, we have $35 million in the budget for 1973, of which most of that will go into our engineering area, some of it in our motor pool operation. Again, it will return our personnel to duty.

Senator YOUNG. It would enable personnel to perform military duty rather than KP?

General KJELLSTROM. That is correct.

BASE PAY PRIVATE: 1946 AND 1972

Senator SYMINGTON. Am I correct that in 1946 the base pay of a private was $100 a month?

General KJELLSTROM. $100 a month for an E–4; $75 a month for a private.

Senator SYMINGTON. In 1972 the base pay is $340 a month?
General KJELLSTROM. Yes, sir; $346 for an E–4 and $288 for a private.

COMBAT SUPPORT DISTRIBUTION: CIVIL WAR TO SOUTHEAST ASIA

General KJELLSTROM. Sir, you mentioned the combat support ratio. I would like to insert in the record a brief discussion of combat support. I have some data going back to the Civil War which is very enlightening, in my estimation, going through World War I, II, Korea, and Vietnam, and arrayed by division, battalions, and by military specialty.
Senator YOUNG (presiding). That may be supplied.
General KJELLSTROM. Thank you.
(The information follows:)

COMBAT/ SUPPORT PERCENTAGES AND CASUALTY DATA

BASED ON TOTAL ARMY STRENGTH

	CIVIL WAR (NORTH)	WWI	WWII	KOREAN WAR	VIETNAM WAR (FY 68)
COMBAT	93.2	34.1	36.2	33.0	22.2
SUPPORT	6.8	65.9	63.8	67.0	77.8

THE RISING LEVEL OF SUPPORT IS A REFLECTION OF TECHNOLOGICAL ADVANCES AND TECHNIQUE IMPROVEMENTS WHICH HAVE RESULTED IN A VASTLY MORE EFFECTIVE INDIVIDUAL COMBAT SOLDIER THUS REQUIRING FEWER SOLDIERS EXPOSED TO ENEMY FIRE.

BATTLE CASUALTIES	121.4	83.5	30.6	22.7	19.8
BATTLE DEATHS	42,9	16.1	9.2	6.4	3.6

} RATES EXPRESSED AS CASES PER 1,000 AVERAGE ARMY STRENGTH PER YEAR

COMBAT TO SUPPORT RATIOS

Senator SYMINGTON. What is the percentage?

General KJELLSTROM. In the Civil War, the combat percentage was 93 percent. In World War I, it was 34 percent. In World War II, it was 36 percent. In Korea, it was 33 percent. In Vietnam, it was 22 percent.

Senator SYMINGTON. I would like to have the chairman, who just came in, hear those figures. Please read them again.

General KJELLSTROM. Sir, Senator Symington brought up the question of combat to support ratios throughout the period of World Wars I and II. I just happened to have some data which goes back to the Civil War. I suggested this is subject to some interpretation, but in the Civil War, 93 percent of our people were combat types.

In World War I, 34 percent. In World War II, 36 percent. In Korea, 33 percent; and in Vietnam, 22 percent.

Chairman MCCLELLAN. Actually engaged in combat?

General KJELLSTROM. Yes, sir. During this period, we have had a high degree of sophistication of weapons. With the more powerful and more sophisticated weapons, there is a greater requirement for support.

Chairman MCCLELLAN. You are less exposed to injury and casualties?

General KJELLSTROM. Yes, sir.

Chairman MCCLELLAN. Our weapons are far more potent now. Yet the wars are prolonged. We can't bring a war to an end.

General KJELLSTROM. Yes sir.

BATTLE DEATHS: CIVIL WAR TO VIETNAM

When you mentioned deaths, I have battle deaths. In the Civil War, their battle casualties were 121 per 1,000. In World War I, they were 83.5 per 1,000. In World War II, 30.6 per 1,000. Korea, 22.7 per 1,000. In the Vietnam war, 19.8 per 1,000.

Chairman MCCLELLAN. These are percentages of our casualties?

General KJELLSTROM. U.S. battle casualties; yes, sir; the battle death data which is comparable from war to war.

Chairman MCCLELLAN. So, as wars have become more sophisticated, it has been not so much casualties of persons as it has been casualties of property and weapons?

General KJELLSTROM. Conceivably, sir. The more sophisticated weapons require greater backup support, so there are fewer people exposed to the actual frontline combat.

Chairman MCCLELLAN. That is quite interesting. Proceed with your statement.

ADVANCED ATTACK HELICOPTER PROGRAM

General KJELLSTROM. The advanced attack helicopter is the Army's highest priority development program. Following an intensive 6-month review to determine the "best buy" to meet this vital requirement, it was the Army's decision to terminate the Cheyenne attack helicopter program and initiate a new program on a competitive basis with the objective of obtaining for the Army the most cost-effective advanced attack helicopter practicable in the 1970's.

Basically, the desired aircraft would be more maneuverable, smaller, somewhat slower, and would possess less sophisticated fire control and

navigation equipment than the requirement against which the Cheyenne was developed.

To meet the necessary costs in initiating this development, the Army is requesting $40 million in fiscal year 1973. As a result of a joint conference of the Armed Services Committees, $33.5 million was authorized. And $3.5 million will be required for the termination of the Cheyenne contracts. The balance of $30 million is for program initiation costs and to fund the contractors through their initial months of effort in this new Army program.

Chairman McClellan. I was intrigued by what Senator Symington said a while ago that some $400 million has gone down the drain on the Cheyenne program.

CHEYENNE PROGRAM

General Gribble. Some $400 million were expended on the Cheyenne program.

Chairman McClellan. Describe the Cheyenne program.

General Gribble. The Cheyenne was being developed against a stated requirement for an Advanced Aerial Fire Support System. It was written back in 1964. That is when the Army expressed its need for this type of weapons system.

A contract was awarded in 1966 to the Lockheed Corp. to meet the performance requirements that were described in a request for proposals.

In 1969, technical difficulties were encountered in that program, which led to added sophistication and added costs. Last spring I appeared before this committee and made a budget request for $53.6 million for an advanced attack helicopter. That request was broken down into two components:

Of that $53.6 million, $17 million was stated as being required to complete fully the development of the Cheyenne helicopter and the remaining $36.5 million was to be used for one of two alternative purposes: Either to initiate the procurement of these articles of the Cheyenne weapon system for introduction later into the inventory, or to initiate a development program for a different type of attack helicopter than the Cheyenne represented.

The reason that my testimony took that alternative course was that the Army had planned and had already initiated a comprehensive effort to revise and update its attitude toward a requirement for an advanced attack helicopter.

We were concerned about the rising cost and sophistication of weaponry. We were particularly concerned about the rising cost of the Cheyenne.

We had two contracts with Lockheed at that particular time. One was a productibility and cost reduction contract, to try to get the contractor to point out ways where the cost of that particular system could be reduced.

We had another contract with Lockheed which was to complete the development work on the control system that enables it to fly with agility.

Our program in the spring months of this calendar year consisted of exhaustively testing the flying articles of the Cheyenne weapon system and, in addition to that, evaluating two industry-sponsored advanced attack helicopter concepts.

BLACKHAWK AND KING CORBA HELICOPTERS

One was the Blackhawk, which was sponsored by the Sikorsky Aircraft Corp.; one was the King Cobra, sponsored by the Bell Helicopter Co. These aircraft were aircraft that had been developed with the independent research and development funds of those companies based on modifications, major modifications, of aircraft they had earlier produced.

CHEYENNE PROGRAM TERMINATION

The results of that evaluation and our reassessment of what would constitute the best buy for the Army and for the Nation in this field of weapons system resulted in a decision in early August to terminate the Cheyenne program and to request Congress to approve our initiating the development of a new attack helicopter. Therefore, I am here modifying last spring's request.

In lieu of the $17 million which I then requested to complete the Cheyenne development, I am asking for $3.5 million to terminate that effort.

Chairman McCLELLAN. Are we developing something else to replace it?

General GRIBBLE. Yes, sir, we are.

Chairman McCLELLAN. The Cheyenne project was a failure?

General GRIBBLE. The Cheyenne project technically gave us an amount of new knowledge applicable to other weapon systems and a deeper understanding of compound helicopter and rigid rotor aerodynamic qualities.

Chairman McCLELLAN. You were unable to consummate the objective?

General GRIBBLE. We were unable to consummate the objective. We have determined not to purchase it.

Chairman McCLELLAN. You contend that the $400 million that it has cost is not a complete loss, by any means?

General GRIBBLE. Yes, sir.

Chairman McCLELLAN. The technological information you gained from it, and the experience, you think, will be helpful in the development of the next one you are pursuing?

General GRIBBLE. It certainly will.

Senator YOUNG. I understand it is a good helicopter. The problem is the cost.

General GRIBBLE. Yes, sir. It is a very fine helicopter. It travels at high speed. It delivers highly accurate firepower. It is just a fine aircraft that is too costly. We do feel that with lesser capability, and associated with that lesser capability a lesser cost, we will be able to present a better buy as far as introduction into the inventory.

Senator SYMINGTON. Didn't you have some trouble with the blades?

General GRIBBLE. Yes, sir, we did. We had substantial difficulty beginning in 1969. We have been working our way out of that. I might

add by way of further explanation that in terminating the Cheyenne effort we intend to do that at the completion of several hours of testing of the new rotor control system, so that that technology will be brought to an orderly completion and be available then to us and to the industry.

JOINT UNITED STATES-WEST GERMAN TANK VENTURE

Senator YOUNG. The Army's joint venture with the Germans to build a new tank has been abandoned?

General GRIBBLE. Yes, sir.

Senator YOUNG. How much money was spent on that program?

General GRIBBLE. Approximately $300 million.

Chairman MCCLELLAN. Let us proceed.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION; ARMY PROGRAM AND FINANCING

The next item is the request of an additional $26 million for "Research, Development, Test, and Evaluation, Army." Pages 253 to 256 of the justifications will be included in the record at this point.

(The information follows:)

Program and Financing (in thousands of dollars)

	FY 1973 Amendment Now Proposed					
	Budget Plan			Obligations		
	Request Pending	SALT Adjustment	Revised Request	Request Pending	SALT Adjustment	Revised Request
Program by Activities:						
Direct:						
3. Missiles and Related Equipment	964,280	26,000	990,280	963,980	26,000	989,980
Other Budget Activities	1,132,436	...	1,132,436	1,132,736	...	1,132,736
Total Direct	2,096,716	26,000	2,122,716	2,096,716	26,000	2,122,716
Reimbursable (total)	115,770	...	115,770	115,770	...	115,770
Total	2,212,486	26,000	2,238,486	2,212,486	26,000	2,238,486
Financing:						
Receipts and reimbursements from:						
Federal Funds	-114,770	...	-114,770	-114,770	...	-114,770
Non-Federal Sources	-1,000	...	-1,000	-1,000	...	-1,000
Unobligated balance available, start of year:						
For completion of prior year budget plans	...	...	...	-200,000	...	-200,000
Unobligated balance available, end of year:						
For completion of prior year budget plans	...	...	...	200,000	...	200,000
Budget authority	2,096,716	26,000	2,122,716	2,096,716	26,000	2,122,716
Budget Authority:						
Appropriation	2,079,100	26,000	2,105,100	2,079,100	26,000	2,105,100
Transferred to other accounts	...	...	...	...	...	...
Transferred from other accounts	...	...	...	...	...	...
Appropriation (adjusted)	2,079,100	26,000	2,105,100	2,079,100	26,000	2,105,100
Jan 1972 Pay Increase Amendment	17,616	...	17,616	17,616	...	17,616

3. Missiles and Related Equipment

In thousands of $
Request Pending $964,280
Net Adjustment $ 26,000
Revised Request $990,280

As a result of the SAL agreement, deployment of the SAFEGUARD Defense System (element code 1.25.14.A) has been limited to the Grand Forks Site and a defense of the National Command Authorities (NCA). The FY 73 SAFEGUARD RDTE program has been adjusted both as a result of the SAL agreement and due to surplus FY 72 RDTE funds. These funds became available because of the successful SAFEGUARD system tests achieved to date and changes in requirements for Modified SPARTAN development. Changes in the FY 73 RDTE program, assuming application of surplus FY 72 RDTE funds against FY 73 program year requirements, result in a net reduction of $34.0 million in New Obligational Authority for the FY 73 SAFEGUARD RDTE program.

The FY 73 RDTE budget request for the Prototype Hardsite Development Program (since renamed "Site Defense") (element code 6.33.08.A) is increased by $60.0 million. The objective of this program is to develop and preserve the option to deploy responsively terminal defense of our ICBM force. When the FY 1973 budget was prepared, the outcome of SALT I was not known, thus it was necessary to program funds for both the ongoing SAFEGUARD deployment program and the Site Defense research and development program. In that situation, the Site Defense schedule was deliberately slowed, holding the FY 1973 fund request to the minimum needed to continue this development. Now, with curtailment of the SAFEGUARD program, the Site Defense program should be brought back to normal schedule. The schedule now proposed will provide for earlier availability of developmental hardware, development of software, and test and demonstration. The previous plan would have provided in FY 1973 only for the finalization of the radar design and ordering of the long lead time hardware for the developmental radar. The increased funds will provide for the ordering in FY 1973 of the entire developmental radar, thereby providing for its earlier availability for test and evaluation. Correspondingly, the data processor and software development programs will be paced to obtain earlier availability of data processing hardware and earlier development of the software. The SPRINT II development program schedule will be advanced also to provide for earlier test and evaluation. The program planning, analysis, test and evaluation efforts will be increased to obtain earlier firm estimates on possible schedules and costs. This schedule is consistent with maintaining the option for possible deployment of Site Defense at a time near the expiration date of the Interim Offensive Agreement.

PROJECT LISTING

Missiles and Related Equipment

ELEMENT CODE	PROJECT NUMBER	TITLE	FY 1971 Actual	FY 1972 Budget	FY 1973 Request Pending	FY 1973 Proposed Amendment	FY 1973 Revised Estimate
1.25.14.A		SAFEGUARD DEFENSE SYSTEM	364,000	357,960	340,540	-34,000	306,540
	D990	SAFEGUARD Defense System	364,000	357,960	340,540	-34,000	306,540
6.33.08.A		SITE DEFENSE (formerly PROTOTYPE HARDSITE DEVELOPMENT)	25,000	59,730	80,060	60,000	140,060
	D991	Site Defense	25,000	59,730	80,060	60,000	140,060
		Total Supplemental Estimate				26,000	

SAFEGUARD ABM PROGRAM

General KJELLSTROM. I will turn now to other significant changes in the fiscal year 1973 budget. The fiscal year 1973 SAFEGUARD and Site Defense program changes stem directly from the ABM Treaty which was signed on May 26, 1972; and ratified by the Senate on August 3, 1972. Treaty implementation requires that our SAFEGUARD ABM program be changed to:

Cancel plans for a full 12-site deployment.

Suspend construction at the SAFEGUARD site near Malmstrom AFB, Mont., prepare to dismantle the site, and suspend all advanced preparation work on the Whiteman AFB, Mo., and Warren AFB, Wyo., sites.

Limit ABM deployment to two sites, Grand Forks, N. Dak., and the National Command Authorities (NCA) site in the Washington, D.C., area.

WHITEMAN AIR FORCE BASE, MO.

Senator SYMINGTON. With respect to Whiteman Air Force Base, Mo., if the treaty is now going through, why do you suspend instead of canceling preparation work?

General LEBER. Because the ratification action is pending.

General KJELLSTROM. The Army has been instructed to take certain interim steps to implement the provisions of the treaty but also to avoid taking any irreversible action until exchange of instruments of ratification. Accordingly, we have proceeded with construction and installation at the Grand Forks site without change in its scheduled completion date. We have suspended the construction at the Malmstrom site and the preparation work at the Whiteman and Warren sites. We have continued production already under way of the tactical equipment for the Malmstrom and later other sites since, depending on the configuration that is finally approved, we could use most of this equipment at the NCA site.

We are continuing permitted ABM research, development, test, and evaluation programs to preserve options for later possible needs and to stay abreast of ABM technology. The site defense prototype demonstration program is being continued with, as I shall describe later, provision for undertaking full engineering development.

SALT-RELATED REDUCTION FOR SAFEGUARD

Changes stemming from the ABM treaty result in an overall reduction of our fiscal year 1973 budget request for ABM program funding by a little over $651 million. The SALT-related reduction of $711 million for SAFEGUARD and SAFEGUARD-related family housing was partially offset by a requested increase of $60 million for site defense.

The revised Safeguard fiscal year 1973 request is $644 million for the continuing effort toward the Grand Forks deployment and $246 million to preserve the option to deploy the NCA site. We are not in fiscal year 1973 requesting deployment authority for NCA. We have withheld a request for this authority until fiscal year 1974, when we will have completed advanced preparation, including necessary site surveys to confirm specific locations for the NCA defense components

locations. We are requesting in fiscal year 1973 to undertake certain R.D.T. & E. effort associated with a future NCA deployment; to continue procurement of equipment, originally placed on contract for the Malstrom and later MINUTEMAN defense sites, but which will be needed for an NCA deployment; and to undertake advance preparation for NCA using $6 million in SAFEGUARD MCA funds appropriated for that purpose in fiscal year 1972. I would like to emphasize that funds for development and production in support of NCA and authority for NCA advanced preparation are both required in fiscal year 1973 to retain the option for a fiscal year 1974 decision to deploy to NCA. Without these funds and authority, in fiscal year 1973, a later decision to deploy NCA would result in significant schedule delays and total program cost increases.

SITE DEFENSE PROGRAM

The site defense program provides a hedge against the need to deploy responsively a strategically significant defense of U.S. ICBM retaliatory forces. When the fiscal year 1973 budget was prepared we did not know the outcome of SALT, and thus were faced with the problem of funding both the onging SAFEGUARD four-site deployment program to provide the earliest defense of MINUTEMAN and the site defense research and development program to provide an augmentation to the SAFEGUARD defense if warranted by future threats. In that situation, we deliberately slowed the site defense schedule, holding the fiscal year 1973 fund request to the minimum needed to continue this development.

Now, with prohibition of the four-site Safeguard program, the site defense prototype demonstration program previously described at a total estimated cost of $800 million, should be extended to provide for a full engineering development program at an estimated cost of $1.6 billion.

Mr. Chairman, that completes my statement.

SAFEGUARD ABM SYSTEM

Chairman McClellan. The original fiscal year 1973 budget included $340,540,000 for the continuation of the development of the Safeguard ABM system. The revised request is $306,540,000—a reduction of $34 million. Selected paragraphs from the revised descriptive summary will be included in the record.

(The information follows:)

Category Operational Systems Development

BACKGROUND: President Nixon, on March 14, 1969 announced the following defense objectives for SAFEGUARD: (a) "Protection of our land-based retaliatory forces against a direct attack by the Soviet Union," (b) "Defense of the American people against the kind of nuclear attack which Communist China is likely to be able to mount within the decade," (c) "Protection against the possibility of accidental attacks from any source." He further elaborated that: (a) "We will provide for local defense of selected MINUTEMAN missiles sites and an area defense designed to protect our bomber bases and our command and Control authorities," (b) "By approving this system, it is possible to reduce U.S. fatalities to a minimum level in the event of a Chinese nuclear attack in the 1970s, or in the event of an accidental attack from any source." Rather than focusing on a single purpose, SAFEGUARD has been and continues to be designed to achieve several objectives against a combination of Soviet and Chinese threats. The President also stated on March 14, 1969 that "This program will be reviewed annually from the point of view of (a) technical developments, (b) the threat, and (c) the diplomatic context including any talks on arms limitations." He further stated that, "each phase will be reviewed to insure that we are doing as much as necessary but no more than required by the threat existing at that time." Soviet tests of modifications of the SS-9, SS-11 and SS-13 have continued. Even if the Soviets add no more Intercontinental Ballistic Missiles (ICBM) to their forces, qualitative improvements, to include Multiple Independent Re-entry Vehicles for the existing force levels could pose a threat to the survivability for U.S. land-based ICBM's unless defensive measures are taken. There has been no slowdown in the deployment of Soviet Y-class submarines and a new long-range Sea-Launched Ballistic Missile is being tested. These could threaten the survivability of our strategic bomber force. The Chinese have continued to make progress towards the development of an ICBM system. Estimated earliest possible initial ICBM capability is 1973 with the more likely time being the mid-1970s. This year a complete and comprehensive review was conducted in accordance with the President's commitment of March 14, 1969 for a measured and orderly deployment of SAFEGUARD, taking only the minimum steps necessary to preserve our ability to meet the threat as it evolves. Since this review, the President signed a Strategic Arms Limitation Agreement with the Soviet Union on 26 May 1972. This agreement limits ABM system deployments to one location containing ICBM silo launchers and to one location in the national capital area. In addition an Interim Strategic Offensive Agreement was also signed which prohibits construction of new fixed ICBM launchers, thereby limiting the Soviets to 1618, those now operational and under construction. The Soviets are also limited by the Interim Agreement to a maximum of 950 modern submarine-launched ballistic missiles providing they elect to dismantle existing older SLBM or ICBM launchers. It should be noted, however, that although these limits have been established, the Interim Agreement has not lessened the threat to the U.S. National Command Authorities (NCA), as the number of SLBMs allowed would give the Soviets the added flexibility for a simultaneous attack on the NCA and the bomber bases. Also, the agreement has not significantly affected the possibility of an accidental launch or third country attack against the NCA.

RELATED ACTIVITIES: The Army Advanced Ballistic Missile Defense Agency (ABMDA), Program Element # 6.33.04A, performs advanced development in ballistic missile defense (BMD) technology to define new concepts and components to attain significant improvements in BMD effectiveness; to extend the lifetime and upgrade the capabilities of SAFEGUARD components; to reduce component costs; to reduce lead times of new hardware; to demonstrate real-time discrimination; to provide techniques to accommodate high traffic rate threats; to solve radar blackout; and to upgrade general BMD technology to provide an important hedge against technological surprise. Defense system concepts responsive to the spectrum of possible ballistic missile threats are selected, synthesized and evaluated to identify the advanced development activities to be pursued and to specify system performance to be achieved. Progress and experimental results are exchanged between ABMDA and SAFEGUARD System Organizations. SAFEGUARD System Organization, ABMDA, Kwajalein Missile Range (KMR), U.S. Navy and U.S. Air Force cooperate in an Intercontinental Ballistic Missile and Sea-Launched Ballistic Missile re-entry vehicle measurement porgram. The initial SAL agreements halt further increases in the numbers of Soviet ICBMs. However, since the SAL agreements do not prohibit qualitative improvements to the ICBM forces and due to the uncertainty

associated with follow-on SAL discussions, it is important that a hedge program capable of maintaining MINUTEMAN survivability be pursued. Recognizing this, the SAFEGUARD System Manager has been assigned the task to develop prototype Site Defense components such as new lower power radars and their associated data processors (Program Element # 6.33.08A).

WORK PERFORMED BY: Management: The SAFEGUARD System Manager, Office of Chief of Staff, U.S. Army, Washington, D,C.; with subordinate elements including the SAFEGUARD System Command, Huntsville, Alabama, and the SAFEGUARD System Evaluation Agency, White Sands Missile Range (WSMR), New Mexico, and including staff supervision over Department of Army commands and agencies for SAFEGUARD activities. Prime Contractor: Western Electric Company, New York (Bell Telephone Laboratories, Whippany, N.J.). Major Subcontractors: Martin-Marietta Corporation, Orlando, Florida; General Electric Company, Syracuse, New York; McDonnell-Douglas Corporation, Santa Monica, California; Raytheon Company, Bedford, Massachusetts.

FY 1972 Program: Thirteen integrated system tests using the MSR, its data processor and SPRINT and SPARTAN missiles have been completed at KMR. Of these tests, 12 were fully successful and 1 partially successful. These tests included SPRINT remote launch firings from Illeginni. PAR and Missile Site Radar (MSR) FY 72 efforts were directed toward TSCS integration testing and software evaluation, site test, and site activation planning. Essentially all SAFEGUARD procurement items (over 99 percent) required for MINUTEMAN Defense deployment were released to production at the end of FY 1972. Software development was continued. The software package in use at Meck Island was augmented to bring in additional tactical-like functions. Installation of the full-size TSCS except for a few digital racks, was completed at Madison, New Jersey. Studies were initiated to determine optimum configuration of an NCA defense. Construction of the Illeginni Island (KMR) SPRINT Remote Launch facility was completed and a successful SPRINT firing was conducted from this facility.

FY 1973 Planned Program: The SAFEGUARD System Test Program will continue at KMR with [ ] tests tentatively scheduled for FY 1973. Software development, testing and evaluation will continue. The primary effort in FY 1973 will be checkout and integration of the tactical software on the full-size TSCS and the design, testing and shipment to Grand Forks of major portions of the installation and test software as well as parts of the MSR and PAR weapons process. FY 1973 will see the completion of the SPRINT missile R&D fabrication program with delivery of the final 7 R&D missiles. The last 6 missiles of the SPARTAN missile R&D fabrication program will also be delivered. FY 1973 effort for the MSR includes continued operation of the MSR prototype at Meck Island and incorporation of changes to the tactical MSR dictated by results of Meck Island testing. FY 1973 PAR funds are for

Classified material which has been deleted is indicated by brackets.[ ]

engineering effort associated with the installation, testing and interfacing of PAR equipment at the Grand Forks site and associated design changes as necessary. The Modified SPARTAN funds will be for further definition of the interceptor configuration and will keep open the option of deploying this interceptor as part of the NCA defense. Modified SAFEGUARD Area Defense system definition will be initiated. Design changes will be initiated for the TSCS hardware/software interface to make this facility compatible with the software required for an NCA defense. In FY 1973 SPRINT and SPARTAN warhead section testing will be conducted as a joint effort (Atomic Energy Commission/Bell Telephone Laboratories/Picatinny Arsenal). Design release of the SPARTAN and SPRINT adaption kits will be in FY 1973. [ ]

. Program to Completion: Integrated system tests with SPARTAN, SPRINT, and the Missile Site Radar (MSR) at Meck Island will continue against live Intercontinental Ballistic Missile (ICBM) and Sea-Launched Ballistic Missile targets. [ ] additional system tests are tentatively scheduled at Kwajalein Missile Range (KMR) to complete the SAFEGUARD System Test Program required for MINUTEMAN defense deployment. Joint Atomic Energy Commission/Army underground nuclear tests will be continued to study vulnerability of selected SAFEGUARD components. Software testing at the Tactical Software Control Site (TSCS) will continue. Perimeter Acquisition Radar (PAR) research and development tests will be conducted at the first tactical PAR site. This program is scheduled to support a late 1974 Equipment Readiness Date for the Grand Forks site. Additional software development as well as hardware design changes in adapting SAFEGUARD components for an optimum NCA defense will be required. A further series of SAFEGUARD System Tests will be conducted in conjunction with the NCA Defense.

RESOURCES: ($ in Millions)

	FY 1971 and Prior	FY 1972	FY 1973 5/	Additional to Completion 1/	Total Estimated Cost 1/
RDTE Funds	1457.8	358.0 2/	306.5 3/		
Procurement	1478.6	640.0	488.0		
Military Construction Funds	685.8	119.0	0		
RDTE Man Years	945 4/	1083	1033		

1/ The estimated cost for a Grand Forks plus NCA deployment is sensitive to the final configuration selected for the NCA defense. Since this configuration has not yet been determined, to completion and total costs can not be estimated at this time.
2/ An additional $42.4 million from prior years was released for use against FY 1972 RDTE program year requirements.
3/ Excludes $60.0 million in FY 1972 RDTE funds to be used against FY 1973 program year requirements.
4/ FY 1971 only.
5/ Includes FY 73 adjustments due to ABM treaty.

Classified material which has been deleted is indicated by brackets. [ ]

USE OF 1972 FUNDS

Chairman McClellan. On page 260 of the descriptive summary, I have the following note with respect to the $306.5 million revised program for fiscal year 1973, "Excludes $60 million in fiscal year 1972 R.D.T. & E. funds to be used against fiscal year 1973 program year requirements." It would seem to me that this means that, instead of a reduction in R. & D. funds for the SAFEGUARD system of $34 million, you actually have an increase of $26 million when you consider this additional $60 million. Would you please comment on this, and indicate if the original budget program of $357,960,000 was based on the use of this $60 million available from prior years?

General Leber. The revised SAFEGUARD fiscal year 1973 R.D.T. & E. funding requirements are greater than those in the original request. This increase results from the addition to the development program of a technical response to a threat to NCA which varies somewhat from the threat to MINUTEMAN sites. However, the availability of $60 million in SAFEGUARD fiscal year 1972 R.D.T. & E. funds for carryover to meet fiscal year 1973 requirements permits a $34 million net reduction in SAFEGUARD fiscal year 1973 R.D.T. & E. NOA as compared to the original request. The $60 million in fiscal year 1972 funds became available since the presentation this spring of the original budget request, because of the successful SAFEGUARD system tests achieved to date (which made possible a reduction in requirements for test targets and test support) and changes in requirements for modified Spartan development.

The derivation of the amended budget request is as follows:

	Millions
Original budget request:	
Grand Forks and Malmstrom	$330.5
NCA preliminary R. & D	10.0
Total	340.5
Amended budget requests:	
Delete Malmstrom	−15.0
Additional NCA requirements	+41.0
Total	366.5
Less fiscal year 1972 carryover	−60.0
Revised fiscal year 1973 NOA	306.5

SITE DEFENSE

Chairman McClellan. The budget amendment includes an additional $60 million for the program entitled "Site Defense." The revised descriptive summary will be included in the record at this point.

(The information follows:)

RDTE Category: Advanced Development

BACKGROUND: Based on increases in the quantity and quality of the Soviet ballistic missile force during the late 1960's, the Department of Defense directed the Army to conduct studies of defensive systems to augment the protection of MINUTEMAN against this increasing threat. The Army in FY 1970 examined the feasibility of a range of concepts including adaptation of air defense components, dedicated single silo defenses, and dedicated mobile and fixed base multiple defense systems. Another feasible option, that of proliferation of SAFEGUARD components, was also examined. These analyses have shown that a dedicated Site Defense system using new lower power radars and their associated commercial data processors, when increased defenses are needed, would be the most cost effective defense.

DESCRIPTION: The Site Defense (SD) Program provides a hedge for maintaining MINUTEMAN survivability in case the follow-on SAL negotiations do not provide an adequate solution. Although there is an interim agreement on strategic offensive weapons which limits the number of launchers that may be deployed, it does not limit qualitative improvements which could pose a threat to the survivability of MINUTEMAN. The SD Program also provides an option for possible deployment at a time near the expiration of the Interim Offensive Agreement. The Site Defense program is in the early stages of development. A state-of-the-art phased array radar will be developed. A third generation commercial data processor and the SAFEGUARD SPRINT interceptor missile will be adapted for SD use. Software will be developed concurrently with the hardware items. The ABM Treaty permits development, test and partial deployment of Site Defense.

RELATED ACTIVITIES: The Army Advanced Ballistic Missile Defense Agency (ABMDA), Program Element #6.33.04A, performs advanced development in ballistic missile defense (BMD) technology to define new concepts and components to attain significant improvements in BMD effectiveness, to extend the lifetime and upgrade the capabilities of SAFEGUARD components; to reduce component costs; to reduce lead times of new hardware; to demonstrate real-time discrimination; to provide techniques to accomodate high traffic rate threats; to solve radar blackout; and to upgrade general BMD technology to provide an important hedge against technological surprise. Defense system concepts responsive to the spectrum of possible ballistic missile threats are selected, synthesized and evaluated to identify the advanced development activities to be pursued and to specify system performance to be achieved.

WORK PERFORMED BY: Management: The SAFEGUARD System Manager, Office of Chief of Staff, US Army, Washington, DC, with subordinate elements including the SAFEGUARD System Command, Huntsville, Alabama and the SAFEGUARD System Evaluation Agency, White Sands Missile Range, New Mexico, and including staff supervision over DA commands and agencies for SAFEGUARD activities.

Contractors: The Brown Engineering Company (subsidiary of Teledyne, Inc) was competitively selected as the System Engineering and Technical Assistance Contractor (SETAC) during FY 71. A prime contractor team composed of Mc Donnell Douglas Astronautics Company with major subcontractors, (TRW, Inc., General Electric Co., Braddock, Dunn and Mc Donald, Inc., GTE, Sylvania, Inc. and Control Data Corporation) was competitively selected 28 February 1972 at the conclusion of the contract definition phase. The Martin Marietta Corporation (Orlando Division) is developing the SPRINT II interceptor under separate contract to be provided to the prime contractor as Government Furnished Equipment (GFE).

FY 1971 and Prior Accomplishments: Concept formulation of a Site Defense system began in May 70 under the US Army Advanced Ballistic Missile Defense Agency (USA ABMDA) starting with information derived from earlier studies by the Advanced Research Project Agency's Project Defender and SAFEGUARD. USA ABMDA completed concept formulation in Sep 70. Deputy Secretary of Defense, in Jan 71, assigned to the Army the mission of planning and carrying out a Hardsite Defense prototype demonstration program. The Secretary of the Army assigned the mission to the SAFEGUARD System Manager. In Jun 71, a System Engineering and Technical Assistance Contractor (SETAC) was competitively selected to advise and assist the Government. Also in Jun 71, procurement action for a three contractor competitive contract definition (CD) phase was initiated.

FY 1972 Program: Selection of a prime contractor from the CD competitors was made in February 1972. The prime contractor team began work on the radar, data processor and software development. The interceptor (SPRINT II) contract definition and advanced design was completed and advanced development was initiated in late FY 1972. The SETAC provided system engineering, management and development support to the Government.

FY 1973 Planned Program: The prime contractor will initiate software development on a non-tactical computer and complete design and development of system specifications which began in FY 1972, along with ordering the developmental hardware for the Site Defense radar. Development of the interceptor design and specifications with principal effort on the autopilot and missile borne guidance unit will continue. The discrimination program to provide information for evaluation of discrimination and bulk filter design will continue. System engineering and trade-off studies will continue to assure appropriate interface of the Site Defense (SD) system components and interface of the SD system design with the SAFEGUARD and MINUTEMAN systems.

Program to Completion: Design, fabrication and testing in the Continental United States (CONUS) of the radar and data processor will continue into [- -]. Flight tests of the SPRINT II interceptor will be conducted at the Kwajalein Missile Range (KMR) in [- -] and will continue into [- -]. System integration testing and evaluation will be conducted at KMR beginning in [- -]. The indicated RDTE funding provides for the extension of the limited Prototype Demonstration Program to complete the development of Site Defense components and supports an earliest deployment of the first components in [- -] if required.

Classified material which has been deleted is indicated by brackets. [ ]

RESOURCES: ($ in Millions)

	FY 1971	FY 1972	FY 1973	Additional to Completion	Total Estimated Cost
RDTE: Funds	25	59.7	140.1[1/]	1325-1375	1550-1600
Procurement: Funds	None	None	None	None	None
Military Construction Funds	None	None	20.4	None	20.4
RDTE Man Years	42	69	104	NA	NA

NOTE: The indicated RDTE funds provide for the extension of the limited Prototype Demonstration Program to complete the development of the Site Defense system.

1/ Includes SAL related increase of $60.0 million.

SITE DEFENSE

Senator YOUNG. The original budget request includes $80.1 million for this effort, and the revised request is $140.1 million. Tell us exactly what you will do with this additional $60 million.

General LEBER. The additional $60 million required in fiscal year 1973 is to be distributed as follows: The prime effort by the McDonnell Douglas Astronautics Co. will be increased by [deleted] million, including Government furnished equipment. This will include ordering the entire developmental radar in fiscal year 1973 to provide for its earlier availability and testing at an increased fiscal year 1973 cost of about [deleted] million. The data processing and software development will be paced to obtain earlier availability through a fiscal year 1973 increase of approximately [deleted] million. The test and evaluation planning, system engineering and other similar efforts of the prime contractor will be increased [deleted] million in fiscal year 1973 for the work to integrate the development of the several subsystems. The SPRINT II fiscal year 1973 effort by the Martin Marietta Corp. will be increased by approximately [deleted] million including Government furnished equipment and its schedule will be advanced to provide for earlier test and evaluation. No increase in fiscal year 1973 funding will be applied to the System Engineering and Technical Assistance Contract with the Brown Engineering Co., a subsidiary of Teledyne, Inc. Government efforts on program planning, test, and evaluation will be increased in fiscal year 1973 by some $7.2 million to obtain earlier firm estimates on schedules and costs. It is to be pointed out that in each case the additional funds reqeusted do not reflect an increase in total program cost.

Chairman MCCLELLAN. How does this program—Site Defense—fit in with the SAFEGUARD system, and if we are limited to two sites under the ABM Treaty, where would we deploy this new system?

General LEBER. The site defense (SD) program provides an option to deploy responsively a strategically significant defense of U.S. retaliatory forces. SD components could be deployed at either of the sites permitted under the ABM Treaty. At Grand Forks, N. Dak., a site defense deployment would augment the SAFEGUARD defense of Minuteman and physically be integrated with that defense.

Under the interim agreement, the Soviets are not constrained in qualitative improvements to their ballistic missile force. As a consequence it is important that we pursue a hedge program capable of maintaining Minuteman survivability if needed. Our principal option for doing this is the site defense program.

QUESTIONS BY SENATOR THURMOND

Chairman MCCLELLAN. Senator Thurmond was unable to be here today but has asked that questions submitted by him be answered for the record. The questions and the responses will appear at this point.

(The information follows:)

SECOND DESTINATION TRANSPORTATION

Senator THURMOND. General Kjellstrom, in your statement on Page 5 you note that the Army is faced with a shortage in second destination transportation funds for Southeast Asia in FY 1973 of $66 million. How could increased shipping costs account for $50 million of this figure?

General KJELLSTROM. The increase in shipping costs is primarily due to a change in cargo mix and traffic pattern, although the overall worldwide workload requirement has not substantially increased, there has been an increase in shipments to certain high cost areas. For example:

(1) The forecast of ammunition requirements to Southeast Asia shipped primarily from the East Coast increased 79,200 M/T. The unit cost attributed to the change of mix is approximately 3 times above that of normal cargo.

(2) The retrograde requirements for shipments from Southeast Asia/Far East increased 100,000 measurement tons. The mix of cargo and the high cost areas combined to increase over all unit cost.

(3) Special cargo inter/intra theater movements increased 50,000 M/T. This category moves at a higher cost per measurement ton which increases overall unit cost.

AIRCRAFT LOSS REPLACEMENT

Senator THURMOND. How would the recent losses since you prepared this amendment be replaced?

General KJELLSTROM. Sir, we have not experienced an increased loss of AH–1G aircraft beyond those additional losses projected (22 aircraft) at the time this amendment was prepared.

COBRA INCREASES

Senator THURMOND. General, you mentioned in your statement that more COBRAs would be needed. How many?

General KJELLSTROM. Sir, based upon increased enemy activity since 1 April 1972, we will need an additional 22 AH–1G aircraft. The recent Bien Hoa incident had no effect upon the COBRA fleet.

TANK LOSSES

Senator THURMOND. How many tanks have been lost by Allied Forces in Vietnam since the Communist Offensive started last spring?

General KJELLSTROM. The field commander has reported Army of Vietnam (ARVN) losses of [deleted] M41 tanks and [deleted] M48A3 tanks. [Deleted] of the[deleted] M41 tanks reported lost have been recovered from the batlefield reducing net losses to [deleted] light tanks.

SOUTH VIETNAMESE TANKS

Senator THURMOND. General, have we given the South Vietnamese any M60 tanks? How many M48's do they have?

General KJELLSTROM. We have not provided any M60 tanks to the South Vietnamese. The South Vietnamese are authorized a total of [deleted] M48 tanks. They have approximately [deleted] on hand. We are in the process of furnishing the shortfall.

ADVANCED ATTACK HELICOPTER

Senator THURMOND. General, how would the Army attack helicopter program suffer if this Committee did not approve the $33.5 million?

General GRIBBLE. If the Army does not receive funds in FY 73 for a new program, the minimum impact will be a delay, of at least one year, in fielding the Advanced Attack Helicopter. In addition to this delay this action compounds an already severe shortfall in the total asset position of attack helicopters. The current combined force structure requirement for the AH–1G COBRA and the Advanced Helicopter totals [deleted] aircraft. In February 1973, the Army accepts its last COBRA delivery (FY 71 procurement). At that time we will be approximately [deleted] short of the stated requirement. Without procurement of additional attack helicopters we face a [deleted] shortage by the end of [deleted].

Senator THURMOND. In what ways will the proposed helicopter be downgraded from features scheduled for the Cheyenne?

General GRIBBLE. The advanced attack helicopter requirements have been reduced from those against which the Cheyenne was developed in the following areas. The new helicopter will not be armed with the 40mm/7.62mm weapons found in the chin turret of the Cheyenne. The cruise speed of the new helicopter will only be about three fourths that of the Cheyenne. The ferry range of the new aircraft will be less. A less sophisticated and less accurate fire control and

navigation subsystem will be installed on the new attack helicopter. The new advanced attack helicopter will also have a lesser payload and endurance and thus smaller size than the Cheyenne.

Senator THURMOND. Why does the Army place such a high priority on this program?

General GRIBBLE. I would like to provide that for the record. Information follows: The formidable land combat threat posed to the United States and our NATO allies is the armor/mechanized forces of the Warsaw Pact nations. Our field commanders in Europe are faced with the problem, in the event of hostilities, of coping with a numerically superior enemy. In addition to superior numbers, the potential enemy possesses the advantage of surprise and initiative. An effective way to offset the advantages possessed by the potential enemy is to provide a highly mobile and lethal weapons system to the tactical commanders for complete integration into his combat formations. The Advanced Attack Helicopter (AAH) planned by the Army is the weapon system designed, which will provide this critically needed capability to our combat commanders. The AAH will possess the necessary power, agility, armor protection, speed, effective night vision, precise navigation, accurate weapons, and on-board survivability features to operate effectively day or night and in adverse weather conditions. Because it capitalizes on new technology and is optimized for the armor heavy battlefield in Europe, the AAH is the number one priority developmental item for the Army. The introduction of the advanced attack helicopter is the Army's highest priority development program to improve its fighting quality in this time of declining force strength.

Senator THURMOND. When does the Army hope to get this new aircraft in its inventory?

General GRIBBLE. The Army is attempting to provide the much needed system to field commanders as soon as possible commensurate with a thorough test and evaluation program. Should we elect to develop the Advanced Attack Helicopter with one contractor, the first production delivery is planned for [deleted]. If a competitive prototype approach is selected and a fly-off conducted, this date would slip approximately 20 months, to [deleted].

Chairman MCCLELLAN. Thank you very much.

Are there any further questions, gentlemen?

This afternoon we shall hear testimony from the Navy and from the Air Force tomorrow. We may want to recall you gentleman for some further information or explanation, so stand by.

In the meantime, we appreciate your presence here this morning and the fine statement you have submitted.

General KJELLSTROM. It has been a pleasure to appear before you.

ABM HOUSING IN NORTH DAKOTA

Senator YOUNG. I would like to take this opportunity to commend General Leber for his handling of the ABM installation in North Dakota.

General LEBER. Thank you very much.

Senator YOUNG. I appreciate his personal relations and contacts and cooperation.

General LEBER. I appreciate your comment.

SUBCOMMITTEE RECESS

Chairman MCCLELLAN. Thank you, gentlemen.

The subcommittee will stand in recess until 2:15.

(Whereupon, at 11:55 a.m. the subcommittee was recessed, to reconvene at 2:15 p.m. the same day.)

(Afternoon Session, 2:15 O'Clock, Tuesday, September 12, 1972)

DEPARTMENT OF DEFENSE

Department of the Navy

Military Personnel, Navy

STATEMENT OF VICE ADM. D. H. BAGLEY, U.S. NAVY, CHIEF OF NAVAL PERSONNEL

ACCOMPANIED BY:

REAR ADM. E. W. COOKE, U.S. NAVY, DIRECTOR OF BUDGET AND REPORTS, OFFICE OF THE NAVY COMPTROLLER

H. F. NUTTMANN, DIRECTOR, MILITARY PERSONNEL BUDGET DIVISION, BUREAU OF NAVAL PERSONNEL

BUDGET REQUESTS

Chairman McClellan. The subcommittee will come to order.

This afternoon we will consider the June 30 budget amendments for the Navy appropriations totaling $993.8 million, of which $872.8 million represents increases for Southeast Asia and $21 million is for increases stemming from the Strategic Arms Limitation agreements. These funds are included in the following appropriations:

Military personnel, Navy	$29,000,000
Operation and maintenance, Navy	219,400,000
Procurement of aircraft and missiles, Navy	247,400,000
Other procurement, Navy	478,000,000
Research, Development, test and evaluation, Navy	20,000,000

PROGRAM AND FINANCING

At this point in the record there will appear certain programing and financing information from the justifications, reflecting the requests in the proposed amendment. A total of $29 million is requested as a result of increased activity in Southeast Asia.

(The information follows:)

FY 1973 BUDGET AMENDMENT
PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

		Amendment Now Proposed		
		Request Pending	SEA Adjustment	Revised Request
	Program by activities:			
	Direct program:			
	1. Strategic forces	155,344	-	155,344
	2. General purpose forces	2,698,257	+26,700	2,724,957
	3. Intelligence and communications	237,382	-	237,382
	4. Airlift and sealift	4,715	-	4,715
	5. Guard and reserve	147,746	-	147,746
	6. Research and development	70,949	-	70,949
	7. Central supply and maintenance	120,073	-	120,073
	8. Training, medical, and other general personnel activities	1,768,524	+2,300	1,770,824
	9. Administration and associated activities	100,766	-	100,766
	10. Support of other nations	48,993	-	48,993
	Total direct program	5,352,749	+29,000	5,381,749
	Reimbursable (total)	36,000	-	36,000
10	Total obligations	5,388,749	+29,000	5,417,749
	Financing:			
	Receipts and reimbursements from:			
11	Federal funds	-19,697	-	-19,697
13	Trust funds	-118	-	-118
14	Non-Federal sources 1/	-16,185	-	-16,185
	Budget authority	5,352,749	+29,000	5,381,749
	Budget Authority:			
40	Appropriation	5,077,800	-	5,077,800
44	Proposed Amendment	-	+29,000	29,000
44.95	January 1972 Pay Amendment	274,949	-	274,949
43	Appropriation Adjusted	5,352,749	+29,000	5,381,749

STATEMENT OF REAR ADM. E. W. COOKE, USN, DIRECTOR OF BUDGET AND REPORTS, OFFICE OF NAVY COMPTROLLER

Chairman McClellan. The summary statement of Rear Adm. Edward W. Cooke, Director of Navy Budget and Reports, will be included in the record.

(The statement follows:)

Mr. Chairman and Members of the Committee: I am Rear Admiral Cooke, Director of Budget and Reports in the Office of the Navy Comptroller. I appreciate this opportunity to appear before you for the first time to present the Department of the Navy's portion of the amendment to the budget for Fiscal Year 1973. The budget amendment is for $993.8 million of which $21 million is related to the recent Strategic Arms Limitation Agreements and $972.8 million to ensure the combat readiness of our forces currently deployed in Southeast Asia.

Since April of this year, we have been directed to augment our air and Naval forces and their capabilities in Southeast Asia. The Seventh Fleet has been increased by over 50 ships and the Marines have deployed both fighter and attack squadrons to Southeast Asia. The operations now underway involve the deployment of six attack carriers. In addition to the support of our forces, we are taking measures to provide the necessary logistic support to the forces of the Republic of Vietnam.

Our Fiscal Year 1973 budget amendment for $21 million relating to the Strategic Arms Limitation Agreements will be utilized for additional research, development and test of a strategic cruise missile in an amount of $20 million, and $1 million in operating funds to improve our verification and compliance capabilities.

In summary, the initial Department of the Navy budget request for Fiscal Year 1973 was $24,627.1 million. Amendments for military and civilian pay increases and for research and development have revised this figure upward by $533.7 million to $25,160.8 million. The budget amendment now proposed for $993.8 million will bring the total request to $26,154.6 million.

For the convenience of the Committee, I will summarize the proposed budget amendment to place in perspective the individual appropriations, the detailed justifications for which will be presented by the appropriation sponsors.

MILITARY PERSONNEL, NAVY

The funding request for this appropriation was $5,352.7 million The proposed amendment to this appropriation in Fiscal Year 1973 is to provide $29.0 million to cover additional costs related directly to the increased force levels and operations in Southeast Asia. Specifically, these funds will be used for the payment of unbudgeted amounts in Pay and Allowances, Subsistence of Enlisted Personnel and Permanent Change of Station Travel due primarily to the retention of officer personnel planned for early release, involuntary enlisted extensions for personnel considered necessary to man deployed ships, and Hostile Fire Pay for unplanned additional deployed forces.

OPERATION AND MAINTENANCE, NAVY

The amended Fiscal 1973 request for this appropriation is $5,354.0 million, an increase of $219.4 million associated with program developments occurring subsequent to the basic submission now pending before Congress. These developments relate to recent agreements on Strategic Arms Limitation and increased levels of operation in Southeast Asia.

An additional $1.0 million is required under Intelligence and Communications activities to provide for an Augment Verification Capability in connection with the Strategic Arms Limitation Treaty provisions.

The bulk of the proposed amendment, $218.4 million, reflects operational support for increased SEA activity levels.

Included in the request is an adjustment of $108.7 million for the General Purpose Force Program due to the increased demands of present SEA activity. This basically relates to increased aircraft and ship operating costs; including the cost of those units which would not otherwise have been deployed, as well as

substantial efforts for ship repair arising from greater utilization, battle damage, and the effects of reduced self-maintenance performed by ships' force personnel.

A minor increase of $.2 million is required under Intelligence and Communications for the exploitation of SEA photography.

The request for Central Supply and Maintenance entails an adjustment of $91.4 million. This is comprised of $61.9 million for Air Systems Technical Support, including rework of combat aircraft; $17.7 million for the movement, rework and support of naval ordnance; $1.2 million for increased component repair of ships' machinery and electrical equipment; $3.0 million for support and return transportation of one deployed Naval Mobile Construction Battalion; and $7.6 million related to increased demands being placed upon the supply system.

As a result of current SEA activity, an additional $18.1 million will be required for Support of Other Nations. This is both for the repair and maintenance of boats and service craft as well as Vietnamese Navy base maintenance material and equipment.

PROCUREMENT OF AIRCRAFT AND MISSILES, NAVY

The President's Budget contained a request for $3,871.2 million. This amendment will increase the funding requirement by $247.4 million to a revised request of $4,118.6 million.

The request of $247.4 million provides for the restoration of aircraft to replace actual and anticipated aircraft combat losses and missile consumption in Southeast Asia. New procurement of 9 A–6E INTRUDER aircraft and 24 A–7E CORSAIR II aircraft is requested at $115.3 million. Aircraft modifications requested at $40.2 million include upgrading to the current fleet configuration of F–4, F–8, RA–5 and A–4 aircraft being withdrawn from storage or secondary fleet roles to replace Southeast Asia combat attrition. Additionally, modifications to provide electronic countermeasures and infrared countermeasures are requested to meet new or emerging threats. Increased flying hours necessitate additional replenishment spares procurement of $11.0 million and $8.1 milion is required for initial spares for outfitting the 33 new production aircraft being requested. $72.8 million is requested for the procurement of missiles to replace actual and projected Southeast Asia consumption. Included in this request are SPARROW, SIDEWINDER, SHRIKE, and STANDARD ARM missiles.

OTHER PROCUREMENT, NAVY

The requested amendment of $478.0 million for the Other Procurement, Navy appropriation increases the initial budget request from $2,023.2 million to $2,501.2 million. These additional funds are primarily for air launched ordnance and ship gun ammunition currently being used in Southeast Asia at much greater rates than planned in the initial FY 1973 President's Budget. This amendment requests $254.9 million for air launched ordnance and $129.3 million for ship gun ammunition. In addition, $34.3 million is requested for other consumables such as sonobuoys, mine components, gun mount components, and $7.0 million for Anti-Shipping Missile Defense/Electronic Warfare, communications and cryptographic improvements to ships deployed to SEA. The remaining $52.5 million is requested to restore non-SEA programs that were deferred from FY 1972 and FY 1973 in order to reprogram FY 1972 funds to meet the initial surge in production required to support the increased SEA effort. A total of $99.7 million was reprogrammed in FY 1972 to fund SEA requirements; another $47.2 million has been absorbed.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

The President's Budget before the Congress requests $2,793.8 million of new obligational authority for Research, Development, Test and Evaluation, Navy. Of this amount, $1,006.3 million was requested for the budget activity, Missiles and Related Equipment. We are now requesting an additional 20 million in this budget activity for advanced development of the Strategic Cruise Missile for a revised appropriation total of $2,813.8 million.

Mr. Chairman, this concludes my formal statement. I will be pleased to attempt to answer any questions you may have with respect to the overall financial aspects of this proposed amendment.

JUNE 30 BUDGET REQUEST

Chairman McClellan. We will begin with the additional request of $29 million for military personnel, Navy which will be presented by Vice Adm. David H. Bagley, Chief of Naval Personnel. The original request for this appropriation was $5,352,749,000, and the revised request is $5,381,749,000.

You may proceed, Admiral.

Admiral Bagley. Thank you, Mr. Chairman.

SOUTHEAST ASIA

I am Vice Adm. David H. Bagley, Chief of Naval Personnel and Deputy Chief of Naval Operations for Manpower and Naval Reserve. The purpose of my appearance before you today is to testify in support of the amendment to the fiscal year 1973 Military Personnel, Navy budget request, which is necessary due to the increased deployments and operating tempo in the SEASIA area which have occurred since the submission of the President's budget. Since April 1, 1972, the number of ships and aircraft squadrons deployed to SEASIA has increased by over 60 and over 20 respectively. These augmented forces are manned by 36,369 personnel. Personnel planning and funding requirements have been reviewed, and the additional SEASIA requirements cannot be absorbed within the funds previously requested for fiscal year 1973.

AUSTERITY AND INCREASED COSTS

At this point, I would like to summarize MPN budget planning since the President's budget was submitted to Congress as well as to indicate the austerity built into the budget as originally submitted.

First, due to the management constraints imposed on us by a declining force, need to maintain accession flow, and the budget review process, it was necessary to direct early release in July of 624 officers whose regular release from active duty dates varied from April to September 1973.

In fact, it has been necessary to reduce 2,850 man-years below the level reflected in the President's budget just to accommodate increased costs since submission of the budget. Such increased costs include those associated with increased entitlements in basic allowance for quarters, more people entitled to higher unused leave payments, higher food prices, and fewer than predicted retirements.

Other actions were taken which have resulted in cost avoidance include:

(1) increased time in grade for lieutenant and lieutenant junior grade from 3 to 3½ years and 15 to 18 months, respectively.

(2) deferred accession for 880 officers to the end of fiscal year 1973,

(3) delayed advancement of about 10,000 petty officers between 2 to 5 months, over and above a planned slowdown,

(4) 65 percent of officer promotions to the grades of lieutenant commander through captain will occur in June, the last month of the fiscal year, and

(5) the early release of about 1,500 additional junior officers.

IMPACT OF COST AND PERSONNEL REDUCTIONS

The impacts of the cost avoidance and man-year reductions required to live within the initial budget submission and to accommodate subsequent cost increases have been extremely severe in terms of personnel readiness and the welfare and morale of Navy military personnel. These include:

(1) undermanning, on the average, of officer requirements by 430 and enlisted requirements by 2,420 throughout the year,

(2) delayed advancement of enlisted personnel in effect is a denial of entitlement in that qualified personnel are working in billets and on tasks graded higher than those for which they are being paid.

(3) Early releasing officers continues personnel turmoil resulting in lower morale and a feeling of breach of contract on the part of officers released after serving as little as one-half of their obligated service. In addition to not fully amortizing training investments, this does not afford many officers sufficient time to make intelligent decisions regarding a Navy career, and has a negative effect on retention with attendant implications concerning the fulfillment of our all-volunteer-force goals.

(4) Readiness is degraded due to significant losses in officer experience levels throughout the Navy, gapped billets and the need for those remaining to double up on work. The continuity in managerial leadership is broken.

(5) Two-thirds of all surface and one-third of all aviation fiscal year 1973 release from active duty eligibles must be early released resulting in severe impact on our ability to man the Aviation Training Command, OCS, NROTC units, Tactical Air Replacement Air Groups and Fleet Training Activities.

(6) Junior officer grades in the surface community will be virtually depleted of reserve officers, further eroding the already small surface retention base and aggravating the shortage of surface lieutenants.

(7) Permanent change of station costs must increase to cover unplanned replacements where billets cannot be gapped or deleted.

Such required management actions and resulting impacts on Navy personnel and their dependents render optimum personnel management objectives impossible of attainment and are counterproductive to our efforts toward successfully attaining an all-voluntary force.

BUDGET INCREASES

This budget amendment indicates a total additional requirement for the fiscal year 1973 Military Personnel, Navy account of $29 million, which represents the estimated additional costs of pay and allowance items accruing to members in SEASIA and our plan to involuntarily extend those enlisted personnel whose expiration of enlistment would occur during the period of their deployment.

More specifically, additional funds are required for hostile fire pay entitlements above the budgeted level in the planned and incremental force; family separation allowances and additional flight deck hazardous duty pay for personnel in the augmenting units; additional permanent change of station subsistence and reenlistment bonus costs

related to personnel serving in the combat zone augmentation rather than in the continental United States; additional cost, including the 25 percent premium in basic pay required by law, for enlisted personnel involuntarily extended; and the cost of an adjustment in a planned officer early release program. Many of these additional costs accrue automatically by virtue of service in the combat zone. All of the above are beyond my ability to absorb in the budget currently before the Congress.

Mr. Chairman, that concludes my summary statement. I will try to answer your questions and discuss the current status of these estimates.

Chairman McClellan. It looks like the more we reduce personnel, the more costly it is to maintain the Navy.

Admiral Bagley. It is in the near term, sir.

Chairman McClellan. Sir?

Admiral Bagley. In the near term it certainly is. As we reduce we cannot realize savings in 1 year, in a span of a year, without very severe turmoil and additional costs incident to replacing those people who are taken out.

Chairman McClellan. In the beginning you said there could be undermanning of average officer requirements by 430 and enlisted requirements by 2,420 throughout the year. I should think undermanning would save money instead of requiring an increase in the budget amount.

Admiral Bagley. No, sir. Mr. Chairman, I think the easiest way to explain this is: First, that is an average undermanning throughout the Navy. The second is that there are certain billets which we cannot underman and therefore when somebody is taken away from the service or is released from active duty, he must be replaced.

MINIMUM PAY OF ENLISTEE

Chairman McClellan. What is the minimum annual pay of a Navy enlistee?

Admiral Bagley. Approximately $3,500, sir, for a recruit.

Chairman McClellan. How much increase in pay would he receive if he were to go into a hostile area?

Admiral Bagley. He gets $65 a month,sir.

Chairman McClellan. More?

Admiral Bagley. Yes, sir.

Chairman McClellan. An enlistee in the Navy, if he gets into a hostile area, receives $5,680 a year minimum?

Admiral Bagley. If he were in a combat zone the entire year; yes, sir.

Chairman McClellan. For the period he is there.

Admiral Bagley. Yes, sir.

Chariman McClellan. There is another method by which his compensation is increased besides being in the hostile zone. Is that deck duty on a carrier?

Admiral Bagley. There is something we call hazardous duty flight pay; that is, on a flight deck of a carrier, which is very hazardous duty: They are paid extra for that.

Chairman McClellan. How much extra do they get for that?

Admiral Bagley. $55 a month for an enlisted man.

Chairman McCLELLAN. Would that be in addition to the $780 a year, or $65 a month?

Admiral BAGLEY. Yes, sir. It would be in addition to that, if in the combat zone.

Chairman McCLELLAN. That would make over $6,300 that a newly recruited enlisted man receives, if he is in a hostile area working on a carrier.

Admiral BAGLEY. Yes, sir; on a carrier deck. Everyone on a carrier doesn't get that. It is a small number.

ESTIMATED COST REDUCTION

Chairman McCLELLAN. There is $29 million, I believe, in the supplemental budget. Do you know where you can reduce it any?

Admiral BAGLEY. Yes, sir.

Chairman McCLELLAN. How?

Admiral BAGLEY. We have gone over this. A number of assumptions made when we submitted this amendment request in the MPN account have changed, one, because our plans have not materialized regarding involuntary extension of enlisted personnel in the combat zone, and then other minor changes due to change in numbers of ships and numbers of people in the 7th Fleet. Our current estimate is that it would be $15.2 million.

Chairman McCLELLAN. You reduce the $26 million to $15.2 million?

Admiral BAGLEY. The $29 million to $15.2 million.

Chairman McCLELLAN. It is almost 50 percent.

Admiral BAGLEY. Almost; yes, sir.

Chairman McCLELLAN. Congratulations. You are doing very well. Senator Young, do you have any questions?

PERSONNEL OF 7TH FLEET

Senator YOUNG. Admiral, what are your personnel shortages in the 7th Fleet?

Admiral BAGLEY. Well, sir, we have both a quality and quantity shortage in the 7th Fleet. Our manning out there now is approximating 94 percent of allowance. This includes not only young petty officer shortages but the nonrated personnel, the seamen, the firemen, and the airmen. These shortages are directly traceable to our recruit shortfall of last year when we fell about 8,000 short of our objectives in 1972. Because of renewed emphasis on an enlarged, more vigorous recruiting program, we are now well on our way back to achieving the necessary end strength.

We expect to accrue 40,000 enlisted accessions for the first 3 months of fiscal year 1973. However, this opportunity to regain authorized strength—and we predict the attainment of 525,000 in January—is jeopardized by the proposed House appropriation cut that was announced today. We estimate the impact of that cut is going to mean approximately 35,000 enlisted recruiting accessions deleted from our plan which would leave us, instead of an average of 9,000 to 12,000 recruits a month through the year, an average of 5,000 to 5,500 recruits coming into the Navy in any 1 month for the last 9 months of the fiscal year.

Additionally, to meet the dollar figure which has been specified it will require us to start in 2 weeks, on the 1st of October a 3-month early release program for enlisted personnel which we estimate will result in at least 16,000, unplanned enlisted departures in October in addition to the normal expirations of enlistments and then a loss of approximately 7,000 a month for the rest of the fiscal year.

Chairman McClellan. Why did you release them before their enlistment had expired?

Admiral Bagley. This is to meet the dollar cut which has been proposed.

Chairman McClellan. You have to release personnel because of the cuts in the budget?

Admiral Bagley. Yes, sir. Our cut was a little under $122 million. Mr. Chairman, this is a sort of unique situation which, perhaps, some people are not aware of but when we are given a cut in the Navy we can't take it ashore because ashore is where our more senior officers are and our career enlisted personnel are all of whom have tenure. So, we have to go to the young reserve junior officer and the young enlisted man on his first enlistment, and the great majority of those are serving at sea.

Chairman McClellan. You would release personnel, yet you must continue recruiting.

Admiral Bagley. Yes, sir, I said I would have to do this if the House appropriation mark becomes law.

Chairman McClellan. Would you release them before their enlisted term had concluded but at the same time enlist others?

Admiral Bagley. No, sir. We would have to cut our enlistment program that we planned for fiscal year 1973, by at least 35,000 accessions in addition to the early release of petty officers.

Chairman McClellan. You would have to do both. You would have to let these officers out earlier in order to come within the budget and save $120 million?

Admiral Bagley. $121.7 million; yes, sir.

As I say, we stop the recruits in the Navy and we take out the young officer and young enlisted man who is serving in the fleet. We are analyzing the impact of this but clearly it is going to result in such a severe degradation of fleet readiness that I suspect we will be unable to sustain operations until we can get additional people to the fleet.

Senator Young. Will this have an effect on the morale of the 7th Fleet?

Admiral Bagley. Yes, sir. As I mentioned, we are 94 percent of allowance now, which means we are undermanned by some 8,000 people out there, and if we instituted, for example, the early release program we would have to release 16,000 people in October, of which I would think 6,000 to 8,000 would come out of the 7th Fleet, sir.

Senator Young. What percent is that?

Admiral Bagley. I can't estimate that, sir, but it would be well under 90 percent of manning out there while we are conducting combat operations.

EFFECT OF HOUSE ACTIONS ON RESERVES

Senator YOUNG. Would this effect obtain if the House cut were sustained? Are you speaking of the House cut?

Admiral BAGLEY. This is as if the House cut were sustained.

Senator YOUNG. What effect does this have, if any, on the Reserve?

Admiral BAGLEY. None so far as enlisted personnel are concerned, sir. Officer reserves on active duty, as I pointed out, are the only officers that we can release from active duty in a short period of time. The lieutenant commanders and above of course all have tenure by law and the regular officers, the Naval Academy, and the NRTOC graduates also are protected by law and cannot be released from active duty until they have been passed over twice.

Senator YOUNG. Are there unfilled billets now in the Reserves?

Admiral BAGLEY. The Reserve officer billets both surface and air are almost up to strength.

Senator YOUNG. If you wanted to call them up, what should it require?

Admiral BAGLEY. It would require the action of Congress, sir.

Chairman MCCLELLAN. Senator Hruska.

PERSONNEL SEPARATION COSTS

Senator HRUSKA. You have indicated, Admiral, that there would be no near-term saving for the first year or 2 in the personnel practices in which you have been engaged toward an all-volunteer force goal. Where will this saving appear, and in what fashion ultimately?

Admiral BAGLEY. I may have misunderstood the chairman's question on this. Clearly, if we release enlisted personnel or officer personnel ahead of their planned date, we will realize some savings. However, it is not a clear savings, depending first on what time of the year they are made. In the latter part of the year not only are there no savings, but it costs money to get an officer or an enlisted man out of the Navy. Insofar as before the last quarter of the year, the savings that you realize by having them released from active duty are offset in varying amounts by the PCS cost involved, an unplanned move to get them home and, incidentally, the PCS cost, again unplanned, to get an officer out to relieve that particular person, plus the separation cost. This includes the pay for unused leave and this type of thing.

It looks on paper like a very attractive option but it is not a very large saving and this goes back to the effect of the House Appropriations Committee proposed cut. If this becomes law, for example, around the first of October, and if we gave our personnel some kind of advance notice, we are in effect doubling the impact of the cut which has been ordered, because you save a half-year instead of a whole year and thus must double the number released.

Senator HRUSKA. That is all I have, Mr. Chairman.

PILOTS: DEPLOYMENT AND INVESTMENT

Chairman MCCLELLAN. Senator Young.

Senator YOUNG. Do you have a shortage of pilots on your carriers?

Admiral BAGLEY. Not in the junior ranks, sir. We have the squad-

rons deployed at full allowance. We have a significant shortage in the medium grade ranks of the aviation community. Admiral Houser may be able to give you additional information. He is Deputy Chief of Naval Operations for Air.

Admiral HOUSER. We do not have a shortage at this time, Senator.

Senator YOUNG. What investment does the Navy have in a pilot when you get him into active service?

Admiral HOUSER. I would like to provide that for the record. There are some who take various types of training. Helicopter-type training is cheaper than the jet flying. There is a wide range. I would like to provide that for the record.

(The information follows:)

Pilot training costs

Training category:	*Cost*
Jet	$675,000
Prop	240,000
Helo	178,000

SUMMARY OF OBLIGATIONS

Chairman MCCLELLAN. At this point in the record there will appear a "Summary of obligations" from the justifications indicating by budget activity the breakdown of the amendment for Southeast Asia activity and its effect on the earlier request.

(The information follows:)

SUMMARY OF OBLIGATIONS

[In thousands]

B/A No.	Budget activity title	Amendment now proposed		
		Request pending	SEA adjustment	Revised request
1	Pay and allowances of officers	$1,225,347	$+2,571	$1,227,918
2	Pay and allowances of enlisted personnel	3,594,147	+22,129	3,616,276
3	Pay and allowances of cadets	16,769		16,769
4	Subsistence of enlisted personnel	278,295	+2,000	280,295
5	Permanent change of station travel	266,009	+2,300	268,309
6	Other military personnel costs	8,182		8,182
	Total obligations	5,388,749	+29,000	5,417,749
	Reimbursable obligations	−36,000		−36,000
	Total direct obligations	5,352,749	29,000	5,381,749

SUMMARY OF OBLIGATIONS: PAY AND ALLOWANCES OF OFFICERS

Chairman MCCLELLAN. The "Summary of obligations" previously provided for the record is further broken down by budget project. There will be included in the record at this point the summary for budget project 1, "Pay and allowances of officers."

BUDGET ACTIVITY 1: PAY AND ALLOWANCES OF OFFICERS
SUMMARY OF OBLIGATIONS

(In thousands)

	Budget Project Title	Request Pending	Amendment Now Proposed SEA Adjustment	Revised Request
1	Basic Pay	$912,985	$+1,402	$914,387
2	Incentive pay for hazardous duty	54,726	+9	54,735
3	Special pay	26,320	+800	27,120
4	Basic allowance for quarters	119,148	+271	119,419
5	Basic allowances for subsistence	41,834	+127	41,961
6	Station allowances overseas	2,883	-	2,883
7	Uniform allowances	2,061	-75	1,986
8	Family separation allowance	2,481	+277	2,758
9	Separation payments	27,686	-320	27,366
10	Social security tax - employer's contribution	35,223	+80	35,303
	Total obligations	1,225,347	+2,571	1,227,918
	Reimbursable obligations	-3,921	-	-3,921
	Total direct obligations	1,221,426	+2,571	1,223,997

PAY AND ALLOWANCES OF OFFICERS

Chairman McClellan. The total request of $29 million is related to Southeast Asia activities; $2,571,000 is for "Pay and allowances of officers." Generally speaking, these additional funds are required to man additional deployed units. Is that correct?

Admiral Bagley. Yes, sir.

DEPLOYMENTS

Chairman McClellan. Please describe the magnitude of the additional deployed units, both in terms of ships and in personnel.

Admiral Bagley. Yes, sir. I have a table with me.

[Classified information was furnished to the subcommittee.]

EARLY RELEASE PROGRAM

Chairman McClellan. I note that $1.4 million is requested for what is described in the justifications as the "Officer early release program." If I understand correctly, certain officers were programed for early release from the service, but as a result of this increased requirement these officers will be retained. Have I stated the situation properly?

Admiral Bagley. Yes, sir.

Senator Young. How many officers are included in this programed change?

Admiral Bagley. Sir, 341 officers originally planned to be released will be retained in SEASIA units and not subject to the early release program.

Senator Young. What is the approximate length of time these officers would be retained?

Admiral Bagley. Mr. Chairman, officers serving in Southeast Asia units will be retained 3 to 6 months past their separation dates as planned in the President's budget.

Chairman McClellan. What is being done to replace these retained officers as quickly as possible?

Admiral Bagley. Senator, we are making every effort to assure that officers are released as close to their normal release dates as possible, considering the operating circumstances in individual cases.

Chairman McClellan. Please describe the early release plans, both those originally contemplated and those still in effect, if any.

Admiral Bagley. The fiscal year 1973 officer early release is taking place in two phases. The first, a planned early release of 624 Reserve officers in July has been completed and 530 have been released. The second phase, an early release necessary to achieve a 500-man year purely cost avoidance savings was originally planned for execution in September through December with the early release of 1,521 Reserve officers. This plan has been slipped 1 month to insure those officers being early released received the consideration of a 90-day notice. The release plan now in effect will early release 1,529 Reserve officers during the period October through December 1972.

MINE WARFARE SHIP PERSONNEL

Chairman McCLELLAN. The justifications indicate a request of $100,000 for five officer man-years to man two mine warfare ships originally scheduled for decommissioning in fiscal year 1972. I believe this request is no longer considered necessary. Is that correct?

Admiral BAGLEY. Yes, sir.

Chairman McCLELLAN. So there is no request for the $100,000?

Admiral BAGLEY. That is correct, sir.

HOSTILE FIRE PAY

Chairman McCLELLAN. The hostile fire pay requirement of $800,000 is based on the deployment to Southeast Asia of the officer personnel we discussed above, is it not?

Admiral BAGLEY. Mr. Chairman, the hostile fire pay requirements include the officers not early released as discussed before and also other officers in the deployed units of those augmented ships in SEASIA.

FAMILY SEPARATION ALLOWANCE

Chairman McCLELLAN. Please describe the family separation allowance request for an additional $300,000. I assume that this also relates to the above officer personnel, does it not?

Admiral BAGLEY. Mr. Chairman, the family separation allowance requirement is for the same people as those entitled to hostile fire pay. It includes the officers not early released and also those others in the augmented ships.

SUMMARY OF OBLIGATIONS: PAY AND ALLOWANCES OF ENLISTED PERSONNEL

Chairman McCLELLAN. The "Summary of Obligations" for budget activity 2, "Pay and allowances of enlisted personnel," will be included in the record at this point.

(The information follows:)

BUDGET ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SUMMARY OF OBLIGATIONS

(In thousands)

	Budget Project Title	Request Pending	Amendment Now Proposed SEA Adjustment	Revised Request
1	Basic pay	$2,686,083	$+8,729	$2,694,812
2	Incentive pay for hazardous duty	37,356	+123	37,479
3	Special pay	53,238	+10,142	63,380
4	Proficiency Pay	43,176	-	43,176
5	Reenlistment bonus	105,560	+851	106,411
6	Basic allowance for quarters	347,523	+960	348,483
7	Station allowances overseas	7,347	-	7,347
8	Clothing allowances	69,232	+77	69,309
9	Family separation allowance	11,509	+875	12,384
10	Separation payments	88,235	-	88,235
11	Social security tax - employer's contribution	144,888	+372	145,260
	Total obligations	3,594,147	+22,129	3,616,276
	Reimbursable obligations	-6,606	-	-6,606
	Total direct obligations	3,587,541	+22,129	3,609,670

REQUEST FOR ADDITIONAL ENLISTED PERSONNEL

Chairman McClellan. For "Pay and allowances of enlisted personnel," the request is for $22,129,000. The justifications indicate that there is a requirement for 1,154 man-years of enlisted personnel above those originally contemplated. Is that correct?

Admiral Bagley. Yes, sir; that was our initial requirement.

Senator Young. The funds requested in this activity are for the pay and entitlements of those personnel, are they not?

Admiral Bagley. Mr. Chairman, $10.1 million of the $29 million budget amendment is related to the pay and allowances of these members, including the 25-percent premium over the normal base pay. The remainder was planned to support entitlements accruing to the total augment force.

ACTIVITY INCREASES

Senator McClellan. Please include in the record a description of each of the items in this budget activity for which increases are requested, together with the amounts.

Admiral Bagley. Yes, sir.

(The information follows:)

INVOLUNTARY ENLISTED EXTENSIONS—$9.5M

These requirements are for pay and allowances related to involuntary extensions for personnel considered necessary to man deployed units. This item includes a 25% premium over normal basic pay, as required by law.

MINE WARFARE SHIP ADD-ON—$.6M

This requirement relates to the pay and allowances of 60 enlisted personnel to man two MSO's originally scheduled to be decommissioned in FY 1972.

HOSTILE FIRE PAY—$10.1M

This requirement is based on the payment of Hostile Fire Pay for those additional deployed forces that were not in the planned force at the time of the President's Budget submission.

FAMILY SEPARATION ALLOWANCE—$.9M

This requirement is based on the payment of Family Separation Allowance for those additional deployed forces that were not in the planned force at the time of the President's Budget submission.

FLIGHT DECK HAZARDOUS DUTY PAY—$.1M

This requirement is based on the payment of Flight Deck Hazardous Duty Pay for those additional deployed forces that were not in the planned force at the time of the President's Budget submission.

REENLISTMENT BONUS—$0.9M

These requirements are for reenlistment bonus payments to the increased numbers of first term reenlistees who are estimated will take advantage of tax free bonuses in the combat zone.

MINE WARFARE SHIP REQUEST

Chairman McClellan. In view of our previous discussion, would you indicate whether you are still requesting the 60 enlisted man-years for the two mine warfare ships, whether you are requesting the $600,-

000 for that purpose, and whether there are other funds that will now be needed?

Admiral BAGLEY. Mr. Chairman, the two mine warfare ships have been deleted and the $600,000 requested under this budget activity is not required. Additionally, as you know, the enlisted involuntary extension, estimated at $9.5 million, is not required now. Based on revised force levels since the budget admendment was submitted, there are additional savings in the following areas: Special pay, $1.2 million; reenlistment bonuses, $0.2 million; and family separation allowance, $0.1 million. The total now required in this budget activity is $10.6 million vice the $22.1 million in the budget amendment.

INVOLUNTARY ENLISTMENT EXTENSION

Senator YOUNG. Describe the legal process by which you involuntarily extend enlistments.

Admiral BAGLEY. Yes, sir. The Navy has limited authority to retain enlisted members in foreign waters on active duty until their ships return to the United States, under section 5540, title 10, United States Code, which states:

(a) The senior officer present afloat (SOPA) in foreign waters shall send to the United States by Government or other transportation as soon as possible each enlisted member of the naval service who is serving on a naval vessel, whose term of enlistment has expired, and who desires to return to the United States. However, when the senior officer present afloat considers it essential to the public interest, he may retain such a member on active duty until the vessel returns to the United States.

(b) Each member retained under this section—

(1) shall be discharged not later than 30 days after his arrival in the United States; and

(2) except in time of war is entitled to an increase in basic pay of 25 percent.

(c) The substance of this section shall be included in the enlistment contract of each person enlisted in the naval service.

If the Congress is not in session, the President may, when he determines that the national interest so requires, authorize the Secretary of Defense to extend enlistments for not more than 6 months. The authority for this action is 10 U.S.C. 671b.

Chairman MCCLELLAN. Does this require congressional action?

Admiral BAGLEY. No, sir; under neither statute. However, extensions pursuant to 10 U.S.C. 671b expire 60 days after Congress convene or reconvene, unless Congress acts to extend them beyond that point.

Chairman MCCLELLAN. Over how long a period may you involuntarily extend enlistments?

Admiral BAGLEY. Mr. Chairman, enlisted personnel may be involuntarily extended on active duty only until the vessel returns to the United States. Each member retained under this statute must be discharged not later than 30 days after his arrival in the United States.

Extensions under 10 U.S.C. 671b are for no more than 6 months or 60 days after Congress convenes or reconvenes, whichever occurs first.

Senator YOUNG. What is the present thinking of the Navy in regard to the length of time enlisted personnel will be involuntarily extended?

Admiral BAGLEY. Mr. Chairman. At present, there are no plans to involuntarily extend Navy personnel.

REDUCTION IN MAN-YEARS

Chairman McCLELLAN. Does the Navy contemplate being at full strength during the year, or could funds generated through understrength be utilized for the present purposes?

Admiral BAGLEY. Sir, we will not reach the average strength indicated in the President's budget during the year. As I have stated, we have reduced the man-years in the President's budget by 2,850 in order to cover increased costs. We will attain our currently planned strength and will require all funds currently in the President's budget.

REENLISTMENT BONUS

Chairman McCLELLAN. I note that $900,000 is requested for reenlistment bonuses. Is this amount requested in the belief that first-term enlistees who are involuntarily extended will reenlist?

Admiral BAGLEY. Sir, our original estimate of $900,000 was made entirely independently of any involuntarily retention considerations. Likewise, the revised reenlistment bonus request of $0.7 million has no involuntary aspects. Rather, the estimate is based on a policy that virtually all variable reenlistment bonus eligible first-term reenlistments in the SEASIA augment forces would be paid lump-sum bonuses instead of the normal 50-percent variable reenlistment bonus lump-sum policy.

SUMMARY OF OBLIGATIONS: SUBSISTENCE OF ENLISTED PERSONNEL

Chairman McCLELLAN. The "Summary of Obligations" for budget activity 4, "Subsistence of enlisted personnel" will appear in the record at this point.

(The information follows:)

BUDGET ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL
SUMMARY OF OBLIGATIONS

(In thousands)

	Budget Project Title	Request Pending	Amendment Now Proposed SEA Adjustment	Revised Request
1	Basic allowance for subsistence	$122,597	-	$122,597
2	Subsistence in kind	155,698	$+2,000	157,698
	Total obligations	278,295	+2,000	280,295
	Reimbursable obligations	-19,393	-	-19,393
	Total direct obligations	258,902	+2,000	260,902

1973 Request Pending - $258,902
1973 Net Adjustment - +2,000
1973 Revised Request - 260,902

SUBSISTENCE OF ENLISTED PERSONNEL

Senator YOUNG. For "Subsistence of enlisted personnel," the additional request is for $2 million. Please describe what these funds are needed for.

Admiral BAGLEY. Yes, sir. These funds are required to provide subsistence in kind for additional enlisted personnel deployed in the augment force. The deployment of such personnel reduces inport time and absenteeism rates, and results in higher subsistence requirements than previously budgeted for when a SEASIA augmentation was not contemplated.

SUMMARY OF OBLIGATIONS: PERMANENT CHANGE OF STATION TRAVEL

Chairman MCCLELLAN. The "Summary of obligations" for budget activity 5, "Permanent change of station travel," will appear in the record at this point.

(The information follows:)

BUDGET ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL—SUMMARY OF OBLIGATIONS

[In thousands]

B/A No.	Budget project title	Amendment now proposed		
		Request pending	SEA adjustment	Revised request
1	Accession travel	$37,527		$37,527
2	Training travel	28,427		28,427
3	Operational travel	60,325	+$2,300	62,625
4	Rotational travel	82,613		82,613
5	Separation travel	46,557		46,557
6	Travel of organized units	10,560		10,560
	Total obligations	266,009	+2,300	268,309
	Reimbursable obligations	−6,080		−6,080
	Total direct obligations	259,929	+2,300	262,229

PERMANENT CHANGE OF STATION TRAVEL

Chairman MCCLELLAN. For "Permanent change of station travel," the additional request is for $2.3 million. Please describe the need for these additional funds.

Admiral BAGLEY. Yes, sir. The additional PCS funding requirement results from the estimated additional cost per move for individuals reporting to or detaching from augmentation units in the 7th Fleet rather than in a U.S. homeport as originally planned in the President's budget. The additional funds are estimated to permit one twenty-fourth of the incremental force personnel to rotate each month, and that in the month of return to homeport, one vice two overseas movements will be required for each individual rotating.

Operation and Maintenance, Navy

STATEMENT OF VICE ADM. C. S. MINTER, JR., U.S. NAVY, DEPUTY CHIEF OF NAVAL OPERATIONS (LOGISTICS)

ACCOMPANIED BY:

REAR ADM. E. W. COOKE, U.S. NAVY, DIRECTOR OF BUDGET AND REPORTS, OFFICE OF THE COMPTROLLER
REAR ADM. J. M. BARRETT, U.S. NAVY, DIRECTOR, FISCAL MANAGEMENT DIVISION, OPNAV
REAR ADM. D. H. JACKSON, U.S. NAVY, DIRECTOR, SHIPS MATERIAL READINESS DIVISION, OPNAV
REAR ADM. T. J. CHRISTMAN, U.S. NAVY, VICE COMMANDER, NAVAL ORDNANCE SYSTEMS COMMAND
CAPT. M. C. COOK, U.S. NAVY, DEPUTY FOR BUDGET, FISCAL MANAGEMENT DIVISION, OPNAV
CAPT. R. BOYKIN, JR., U.S. NAVY, HEAD, OPERATIONS BRANCH, FISCAL MANAGEMENT DIVISION, OPNAV
CAPT. D. J. WOODARD, U.S. NAVY, DIRECTOR, FINANCIAL MANAGEMENT DIVISION, NAVAL AIR SYSTEMS COMMAND
COMDR. C. R. BOWLING, U.S. NAVY, AVIATION PROGRAMS DIVISION, OPNAV
LT. COMDR. C. T. BOYLAN, SC, U.S. NAVY, ASSISTANT FOR APPROPRIATION SPONSOR SUPPORT, FISCAL MANAGEMENT DIVISION, OPNAV
LT. COMDR. J. T. McCARTHY, U.S. NAVY, SERVICEWIDE RESOURCES SECTION, FISCAL MANAGEMENT DIVISION, OPNAV
C. H. CLARK, OFFICE OF NAVY COMPTROLLER

BUDGET REQUESTS

Chairman McClellan. Admiral Minter, will you come around, please.

The next request is for an additional sum of $219.4 million for "Operation and maintenance, Navy." The original request for this appropriation was $5,134,568,000, and the revised request is $5,353,968,000.

PROGRAM AND FINANCING

At this point in the record there will appear certain programing and financing information from the justifications, showing the effect of the proposed amendment. The total amount requested is $219.4 million. This is made up of an increase of $1 million resulting from the Strategic Arms Limitations Agreements and another increase of $218.4 million resulting from increased activity in Southeast Asia.

(The information follows:)

FY 1973 Budget Amendment
Program and Financing (In Thousands of Dollars)

Identification Code 07-10-1804-0-1-051

	Request Pending	Amendment Now Proposed SALT Adjustment	SEA Adjustment	Net Adjustment	Revised Request
Program by Activities					
Direct Program					
1. Strategic Forces	305,179	-	-	-	305,179
2. General Purpose Forces	1,611,670	-	108,700	108,700	1,720,370
3. Intelligence and Communications	313,569	1,000	200	1,200	314,769
5. Guard and Reserve	136,119	-	-	-	136,119
7. Central Supply and Maintenance	1,859,598	-	91,400	91,400	1,950,998
8. Training, Medical, and Other General Personnel Activities	675,902	-	-	-	675,902
9. Administration and Associated Activities	173,834	-	-	-	173,834
10. Support of Other Nations	58,697	-	18,100	18,100	76,797
Total Direct Program	5,134,568	1,000	218,400	219,400	5,353,968
Reimbursable (Total)	1,107,790	-	-	-	1,107,790
Subtotal	6,242,358	1,000	218,400	219,400	6,461,758
Intrafund Obligations	- 500,000	-	-	-	- 500,000
10 Total Obligations	5,742,358	1,000	218,400	219,400	5,961,758
Financing					
Receipts and Reimbursements from					
11 Federal Funds	- 547,790	-	-	-	- 547,790
13 Trust Funds	- 16,000	-	-	-	- 16,000
14 Non-Federal Sources	- 44,000	-	-	-	- 44,000
22 Unobligated Balance Transferred from Other Accounts	-	-	-	-	-
25 Unobligated Balance Lapsing	-	-	-	-	-
Budget Authority	5,134,568	1,000	218,400	219,400	5,353,968
Budget Authority					
40 Appropriation	5,060,820	-	-	-	5,060,820
41 Transferred to Other Accounts	-	-	-	-	-
42 Transferred from Other Accounts	-	-	-	-	-
43 Appropriation (Adjusted)	5,060,820				5,060,820
44.10 Proposed Supplemental for Wage Board Increases	-	-	-	-	-
44.95 Jan 1972 Pay Increase Amendment	73,748	-	-	-	73,748
44 Proposed Amendment	-	1,000	218,400	219,400	219,400

BUDGET REQUESTS

Chairman McCLELLAN. This request will be presented by Vice Adm. Charles S. Minter, Deputy Chief of Naval Operations for Logistics.

You may proceed, Admiral.

Admiral MINTER. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you to discuss the fiscal year 1973 "Operation and maintenance, Navy" budget amendment. This amendment is urgently required to fund the major increase in 7th Fleet operations to conduct the successful counteraction against the North Vietnamese invasion of South Vietnam. Over 50 additional ships, including three CVA's and attached airwings, additional USMC aircraft, one antisubmarine carrier; two cruisers; 25 destroyers, seven amphibious ships, and 15 additional logistic support ships were deployed to Southeast Asia to augment 7th Fleet air and surface units committed to support of South Vietnamese forces.

The fiscal year 1973 request for "Operations and maintenance, Navy" pending before this committee is $5,134,568,000. The budget amendment totals $219.4 million, of which $218.4 million is for Southeast Asia and the remaining $1 million is in support of the Strategic Arms Limitations Agreements.

I will now present a functional breakdown of our revised requirements.

SUMMARY OF OBLIGATIONS

Chairman McCLELLAN. At this point in the record there will appear a "Summary of obligations" from the justifications, indicating by budget activity the breakdown of the amendment, showing that portion related to the Strategic Arms Limitations Agreements, the portion related to the increase in activity in Southeast Asia, and their effect on the earlier budget request.

(The information follows:)

FY 1973 Budget Amendment

SUMMARY OF OBLIGATIONS
(In Thousands)

Budget Activity No.	Budget Activity	Request Pending	Amendment Now Proposed			Revised Request
			SALT Adjustment	SEA Adjustment	Net Adjustment	
1	Strategic Forces	$ 305,179	-	-	-	$ 305,179
2	General Purpose Forces	1,611,670	-	108,700	108,700	1,720,370
3	Intelligence and Communications	313,569	1,000	200	1,200	314,769
5	Reserve Forces	136,119	-	-	-	136,119
7	Central Supply and Maintenance	1,859,598	-	91,400	91,400	1,950,998
8	Training, Medical and Other General Personnel Support	675,902	-	-	-	675,902
9	Administration and Associated Activities	173,834	-	-	-	173,834
10	Support of Other Nations	58,697	-	18,100	18,100	76,797
Total direct obligations in budget document		$5,134,568	1,000	218,400	219,400	5,353,968

SUMMARY OF OBLIGATIONS

Chairman McCLELLAN. The "Summary of obligations" previously provided for the record is further broken down by budget program. There will be included in the record at this point the summary for budget activity 2, "General purpose forces."

(The information follows:)

FY 1973 Budget Amendment

BUDGET ACTIVITY 2: GENERAL PURPOSE FORCES
SUMMARY OF OBLIGATIONS
(In Thousands)

Budget Program	Request Pending	Amendment Now Proposed			Revised Request
		SALT Adjustment	SEA Adjustment	Net Adjustment	
A Aircraft Forces	$ 225,142	-	14,300	14,300	$ 239,442
B Ship Forces	830,001	-	91,500	91,500	921,501
C Base Operations	387,027	-	1,800	1,800	388,827
D Special Combat Support Forces	24,046	-	1,100	1,100	25,146
E Training	55,968	-	-	-	55,968
F Unified and Operational Commands	78,541	-	-	-	78,541
G Undersea Surveillance System	10.406	-	-	-	10,406
H JCS Directed and Coordinated Exercises	539	-	-	-	539
Total direct obligations in budget document	$1,611,670	-	108,700	108,700	$1,720,370

GENERAL PURPOSE FORCES

Admiral MINTER. We are requesting an increase of $108.7 million for general purpose forces; $14.3 million is requested in the aircraft forces program to support increased sortie rates of Navy and Marine Corps units above the budgeted level in the first quarter of fiscal year 1973, and to provide for return travel and per diem costs for the additional Marine squadrons deployed to Southeast Asia. The Navy sorties are being flown from six deployed CVA's as compared to the previous level of three.

An increase of $91.5 million is requested in the ship forces program. The estimate for ship operating expenses is $13.3 million, which reflects increased numbers of ships and tempo of operations in the 7th Fleet. We are requesting $76.7 million for ship repair costs which are related to: the preparation of 1st and 2d Fleet ships for WESTPAC deployment; the performance of emergent repairs including minor battle damage in WESTPAC for ships deployed to Southeast Asia and providing for increased repair costs associated with the loss of maintenance performed by ships force personnel.

As a result of redeployments to the 7th Fleet, there is an increased requirement of $1.5 million for the lease of a commercial tanker from the Military Sealift Command to meet operational commitments in LANTFLT.

Additional resources of $1.8 million are required to provide for overtime costs in order to meet surge requirements associated with the movement and processing of ammunition and general cargo at Guam and Subic Bay.

An amount of $1.1 million is requested in the special combat support forces program to support the redeployment of one Naval construction battalion to Southeast Asia.

Chairman MCCLELLAN. For budget activity 2, "General purpose forces" the increase in the 1973 request is $108.7 million. The first item included in this total is $14.3 million for "Aircraft forces." What are the types of costs associated with this request?

Admiral MINTER. The "Aircraft forces" request of $14.3 million is comprised of $13.5 million for aircraft operating costs and $0.8 million for flight operations support.

The $13.5 million provides for Navy and Marine Corps sorties above the budgeted level. The Navy sorties are being flown from six CVA's with [deleted] on station and [deleted] Marine fighter-attack squadrons deployed in Southeast Asia. Included are costs for aircraft fuel, oil and lubricants, organizational and intermediate level maintenance, and flight crew personnel support items such as flight suits and survival equipment.

The $0.8 million requested for flight operations support finances return travel and per diem costs for the [deleted] Marine squadrons deployed to Southeast Asia on TAD status.

SORTIE RATES

Chairman MCCLELLAN. Please provide for the record a tabulation illustrating the sortie rates previously maintained as compared with present rates.

Admiral MINTER. I will be happy to provide it.
(The information follows:)

The Fiscal Year 1973 Budget Submission provided for [deleted] monthly Navy attack sorties. The SEA amendment is based on a planned [deleted] monthly Navy and [deleted] USMC attack sorties.

SORTIE ESTIMATES, BY TYPE AIRCRAFT

	[Deleted] attack rate	[Deleted] attack rate
Navy aircraft:		
A-6	[Deleted]	[Deleted]
A-7		
A-4		
F-4		
F-8		
Total		
Marine aircraft:		
F-4		
A-6		
A-4		
Total		

TRAVEL AND PER DIEM

Senator YOUNG. $800,000 is requested for return travel and per diem costs for additional Marine squadrons deployed to Southeast Asia. Is it not possible to absorb this amount within the $20.4 million budgeted previously?

Admiral MINTER. The $20.4 million provided primarily for per diem and travel costs of military personnel assigned to fleet squadrons, and maintenance and operating costs of targets and drones used in fleet exercises. This is a constrained estimate and we are structuring our program in consonance with these available resources. The redeployment of [deleted] Marine squadrons to Southeast Asia represents an unbudgeted expense; and if the Navy is required to absorb the travel and per diem costs, then budgeted items, already reduced, must be either further reduced or eliminated from fiscal year 1973 funding consideration.

SHIP FORCES

Chairman MCCLELLAN. For "Ship forces," the amendment includes $91.5 million. Please provide for the record a breakdown by element of the items making up this amount, together with a brief explanation as to the requirement.

Admiral MINTER. The increase of $91.5 million to support ship forces is composed of the following:

Increase for "Ship operations" of $13.3 million includes $11.1 million for fuel and $2.2 million for supplies and equipage to support 7th Fleet carrier operations, shore bombardment, naval gun fire support, naval interdiction, antisubmarine patrol, and replenishment at SEA. The ships fuel requirement is comprised of $1.4 million for return transit of augment ships and $9.7 million to finance [deleted] increase in tempo of operations. The $2.2 million for supplies and equipage covers increased requirement for consumable supplies and repair parts such as electron tubes, bearings, valves, and compressor components resulting from increased wear and tear of higher tempo of operations.

Increase for "Ship overhauls" of $23.5 million includes overhaul of three ships deferred from the fiscal year 1972 overhaul schedule due to SEASIA operational commitments; ($12.7 million) and ($10.8 million) to cover increased costs on 27 other ships overhauling on return from SEASIA. The type of additional work required are extensive boiler cleaning and repair of tubes and casings, pump in-depth repairs due to full-power operations and operations at high temperatures for prolonged periods, increased repairs to propulsion plants (turbines, forced draft blowers, and feed pumps), increased wear on high pressure air compressors due to increased demands of ordnance and electronics equipments, increased repairs to weapons systems due to extensive use, and added maintenance on electronics equipments (radars, computers, designation systems, communication systems, and navigation systems).

The increase of $53.2 million for nonscheduled repairs includes $4.3 million for a selected restricted availability of Ticonderoga (CVS 14) deferred from fiscal year 1972 due to SEASIA operational commitments, increased cost of $1 million for each of six other carrier selected restricted availabilities ($6 million total) due to accelerated tempo of operations, and increased emergent repair requirements and minor battle damage costs of 103 operating ships due to increased tempo.

The $1.5 million support requirement is for lease of a commercial tanker from the Military Sealift Command in order to meet operational commitments.

SHIP OVERHAULS

Chairman McClellan. In regard to "Ship overhauls" for which $23.5 million is requested, $12.7 million of that relates to a slippage in schedule for overhaul as a result of Southeast Asia activity. Why cannot the $12.7 million be taken from the fiscal year 1973 budget for those items for which the funds were utilized for 1972 when the slippage in ship availability took place?

Admiral Jackson. The funds in fiscal year 1972 were utilized as an asset to induct two previously scheduled overhauls as well as to induct a destroyer that was not scheduled for overhaul in fiscal year 1973, but which required an overhaul based upon its material condition.

Specifically, U.S.S. *Tiru* (SS 416) and U.S.S. *Johnston* (DD 873) were scheduled for overhaul in fiscal year 1972, but were deferred because of increased requirements on other overhauls. These two ships were to receive minimal repairs during a restricted availability. Upon induction into the yard for repairs, the overhaul deferrals proved to be unacceptable. The U.S.S. *Rogers* (DD 876), last overhauled in fiscal year 1969, was also inducted based upon its material condition.

NONSCHEDULED SHIP REPAIRS

Senator Young. $53.2 million is requested for nonscheduled ship repairs related to SEA activities. To what degree do inflation and underestimation of previous estimates affect the urgency of this request?

Admiral Minter. Funds for inflation are not requested here, sir, inasmuch as funds for wage-board pay raises are requested by a separate procedure. The previous estimates were considered adequate

for the tempo of operations contemplated in the budget. The additional funds requested are for the additional tempo as well as for minor battle damage.

COMMERCIAL FUEL TANKER

Chairman McClellan. I note that $1.5 million is requested for the lease of a commercial fuel tanker to meet operational requirements. Please explain this a bit more fully. Also indicate the number of tankers assigned to the 6th and 7th Fleets, and the adequacy of the present fleet of Navy tankers.

Admiral Minter. [Deleted.]

SHIP OVERHAUL PROGRAM

Chairman McClellan. Please describe the changes made in the 1973 ship overhaul program.

Admiral Minter. In addition to the three ship overhauls added to the fiscal year 1973 program in relation to SEASIA, a net of 16 ship overhauls have been deferred for a total program of 82 overhauls. The net difference of $44 million was used to partially cover increased costs on ships (primarily complex ship types) remaining in the fiscal year 1973 ship overhaul schedule.

MINOR BATTLE DAMAGE

Chairman McClellan. How do you arrive at an estimate of minor battle damage that has not yet taken place in submitting a request for additional funds?

Admiral Minter. The estimate for battle damage, sir, is $1.7 million of the total $53.2 million request. It is based upon an estimate to repair minor battle damage that, for the most part, has already occurred. The list of ships has been provided previously.

BASE OPERATIONS

Senator Young. $1.8 million additional is requested for base operations. What is the additional requirement for this amount?

Admiral Minter. The $1.8 million is required to finance increased costs associated with the movement of general cargo, supplies, and ammunition through the supply depot, ammunition depot, and naval station at Guam and Subic Bay. These costs are directly attributable to the surge in Southeast Asia operations and finance overtime work, salary of temporary hires, rental of material handling equipment, and material consumed in daily operations.

FUNDING REQUIREMENT

Chairman McClellan. The justifications indicate that you have $387,027,000 already in the budget for this activity. Cannot the $1.8 million be absorbed within this amount or within the $325,120,000 budgeted for "Station operations"?

Admiral Minter. Admittedly, the request for $1.8 million is a small fraction of the $325.1 million requested in the fiscal year 1973 budget;

however, this must be placed in the context of the total impact of the increased Southeast Asia operations on our naval bases. The augmentation of the 7th Fleet by 60 ships has generated increased logistic support requirements at many naval stations and activities. Except for the effort at Guam and Subic Bay, where the cost impact is most severe, these increased costs are being absorbed by the fleet activities affected.

NAVAL CONSTRUCTION BATTALION

Chairman McClellan. Please describe the requirement for $1.1 million for the naval construction battalion redeployed from Okinawa.

Admiral Minter. Naval Mobile Construction Battalion Five redeployed from Okinawa to Nam Phong, Thailand, in May 1972 to construct an air facility in support of the redeployed aircraft squadrons of the Third Marine Amphibious Force. The battalion constructed a usable jungle facility including an [deleted]. With the exception of a delay party, the battalion returned to Okinawa in September and expects to be completely out of Nam Phong by the first of October. The $1.1 million provides for the return cost of the battalion personnel, organic equipment, and the refurbishment of construction equipment and the battalion tent camp resulting from heavy usage and accelerated deterioration in the Southeast Asian tropical environment.

INTELLIGENCE AND COMMUNICATIONS

Chairman McClellan. The "Summary of Obligations" for budget activity 3, "Intelligence and communications," will be included in the record at this point.

(The information follows:)

FY 1973 Budget Amendment

BUDGET ACTIVITY 3: INTELLIGENCE AND COMMUNICATIONS
SUMMARY OF OBLIGATIONS
(In Thousands)

Budget Program	Request Pending	Amendment Now Proposed			Revised Request
		SALT Adjustment	SEA Adjustment	Net Adjustment	
A Consolidated Cryptologic Program	$ 31,614	-	-	-	$ 31,614
B General Defense Intelligence Program	102,614	1,000	200	1,200	103,814
C Naval Communications	130,655	-	-	-	130,655
D Oceanograpny	25,402	-	-	-	25,402
E Weather Service	7,347	-	-	-	7,347
F Specialized Support Activities	15,937	-	-	-	15,937
Total direct obligations in budget document	$313,569	1,000	200	1,200	$314,769

GENERAL DEFENSE INTELLIGENCE PROGRAM (GDIP)

Admiral MINTER. In the General Defense Intelligence Program (GDIP), $1 million is requested for non-Southeast Asia costs related to the Strategic Arms Limitation Agreements. These funds will provide for manpower and an improved data processing capability to increase our ability to verify compliance in a timely manner. The remaining $200,000 is required for the exploitation of photography of the Naval Reconnaissance and Technical Support Center.

Chairman MCCLELLAN. A total of $219.4 million is requested in the amendment for "Operation and maintenance, Navy." All of this, except for $1 million, is for South Vietnam activities. The $1 million is related to the Strategic Arms Limitation Agreements and is found in "Intelligence and communications." Please describe more fully what these funds are for.

Admiral MINTER. Strategic Arms Limitation (SAL) verification, in large part, will be based on [deleted]. Navy does not have sufficient resources to conduct this analysis without seriously impairing its current responsibilities in support of [deleted] requirements. Contractual support is required to assist in the analytical effort and to bring all known expertise to bear on this new analytical task.

With increased personnel and contractual support, Navy will apply specific dedicated manpower, resources, and improved analytical techniques to the task of searching out and verifying actual or potential breaches of the SAL agreements.

Chairman MCCLELLAN. In addition to the $1 million previously referred to in connection with the Strategic Arms Limitation Agreements, there is a request for $200,000 in budget category 3, "Intelligence and communications," for the general defense intelligence program to which you have already referred. The original budget request is for $102,614,000. Why cannot this request be absorbed in the larger amount?

Admiral MINTER. The budget request for the general defense intelligence program (GDIP) was submitted at an austere level. This level accommodated only the highest priority intelligence tasking. It must be understood that as the national priorities change, so do the intelligence priorities. Since the submission of the Presidential budget estimates, several situations have arisen to change the intelligence tasking. Until now, the changes have been accommodated within the current request. However, the expenses related to the increased activity in Southeast Asia cannot be absorbed within the current request without eliminating other high-priority tasking.

SUMMARY OF OBLIGATIONS

Chairman MCCLELLAN. The "Summary of obligations" for budget activity 7, "Central supply and maintenance" will appear in the record at this point.

(The information follows:)

FY 1973 Budget Amendment

BUDGET ACTIVITY 7: CENTRAL SUPPLY AND MAINTENANCE
SUMMARY OF OBLIGATIONS
(In Thousands)

Budget Program	Request Pending	Amendment Now Proposed			Revised Request
		SALT Adjustment	SEA Adjustment	Net Adjustment	
A Air Systems Technical Support	$ 728,703	-	61,900	61,900	$ 790,603
B Ordnance Systems Technical Support	227,029	-	17,700	17,700	244,729
C Ship Systems Technical Support	315,814	-	1,200	1,200	317,014
D Electronics Systems Technical Support	82,249	-	-	-	82,249
E Facilities Technical Support	108,845	-	3,000	3,000	111,845
F Supply Support	355,236	-	7,600	7,600	362,836
G Material Command & Support	41,722	-	-	-	41,722
Total direct obligations in budget document	$1,859,598	-	91,400	91,400	1,950,998

CENTRAL SUPPLY AND MAINTENANCE

Admiral MINTER. The request in this activity is for $91.4 million. Within the air systems technical support program, we are requesting $61.9 million to provide the additional aviation support required by increased fleet operations in Southeast Asia.

The increased flying hours to support SEA sorties require a corresponding increase in engine and component repairs. Additional effort is required in WESTPAC for aircraft repair including battle damage. We are requesting $25 million for this effort. As a result of increased sortie and ship deployments, missiles are subject to more aircraft landings and handling which adversely affect missile reliability. An additional $2.4 million is requested for missile rework and to cover costs of additional offloads and loadouts of attack carriers and ammunition ships and to screen, test, and repair missiles. And $31.3 million is requested for second destination transportation to provide ammunition and supplies to Southeast Asia. This estimate is based on planned sortie rates for Navy and Marine Corps aviation squadrons and gunfire expenditures for SEA deployed ships and include the movement of aircraft and equipments, spares, and repair parts. An additional $1 million is needed for overhaul and repair teams accomplishing emergency installation and repairs to catapults, arresting gear, and associated equipment. Funds in the amount of $2.2 million are required for test set calibration, quality evaluation, automatic test equipment maintenance, and other logistics, maintenance, and engineering support.

We are requesting $17.7 million for ordnance-related programs. And $14.2 million is required for receipt, segregation, stowage, and issue of the increased ammunition shipments and for rework of ammunition and repair of gun mounts, fire control systems, and launchers. Also $3.5 million is required for surface missile system rework and maintenance, which includes the installation and maintenance of Army Chaparral missile fire control units aboard ships deployed or deploying to Southeast Asia.

The request of $1.2 million for ship system technical support will fund additional repair requirements resulting from an increase in the failure rates of hull, machinery, and electrical equipment, radar antennas, and assemblies. These increased requirements are accounted for by a combination of battle damage and the high tempo of operations.

A net adjustment of $3 million is requested in the facilities technical support program for transportation of material and other support to the Navy Mobile Construction Battalion deployed to Southeast Asia.

We are requesting $7.6 million under the supply support program. And $3.1 million is applicable to the employment of temporary civilian personnel and overtime required to isolate Southeast Asia material requisitions from the normal flow of operations at supply centers and inventory control points. Also, $4.5 million is required for second destination transportation of repair parts, industrial supplies, and general stores in support of our increased effort in Southeast Asia.

AIR SYSTEMS TECHNICAL SUPPORT

Chairman McClellan. For Budget Activity 7, Central supply and maintenance, the amendment includes a request for $91.4 million. The first item under this request is $61.9 million for Budget Program A, air systems technical support. The justifications indicate that the Navy has found it necessary to break out aircraft from storage and install modification kits on them. Please describe the number of aircraft thus brought out of storage, why the active aircraft were not adequate, and what type of modification was necessary.

Captain Woodward. Since the 1st of April, 30 A–7A and 5 RF–8G aircraft have been taken out of storage. The 30 A–7 aircraft are required to replace actual or estimated combat attrition. The five RF–8G aircraft are required to augment reconnaissance coverage and replace combat attrition. While the total active aircraft inventory includes those aircraft in support of training, research, base operations, command, administrative as well as general purpose forces, within the specific missions of these aircraft there is little flexibility. The aircraft we have activated are specific types to replace combat losses or provide necessary augmentation of existing forces required for the increased Southeast Asia sortie rates.

In addition to the aircraft cited above the following aircraft require rework/modifications: 4 A–4C, 3 RA–5C, 3 F–8K, 2 RF–8G and 13 F–4B. The A–4C aircraft will be modified to replace Marine A–4E aircraft which in turn will be converted to replace Navy A–4F combat attrition losses. The RA–5C, F–8K and RF–8G aircraft, also coming from storage, must be brought up to date to offset combat attrition. The modification of the 13 F–4B aircraft includes a complete rewiring using environmental connectors, a configuration update and structural changes to extend the fatigue life of the airframe.

Chairman McClellan. The funding request relates to first quarter fiscal year 1973 requirements. What provision has been made for the three quarters starting October 1?

Admiral Minter. This addendum provides funding for our effort in Southeast Asia only through September 30, 1972. If the present accelerated level of effort in Southeast Asia continues beyond September 30, additional costs will be incurred which are not covered by this addendum request.

Senator Young. Describe generally the need for the $61.9 million.

Captain Woodard. The requested $61.9 million will enable the Naval Air Systems Command to provide the additional support required by increased Fleet operations in Southeast Asia. The $61.9 million is requested for aircraft rework and maintenance ($25.0 million), second destination transportation ($31.3 million), air-launched weapons rework and maintenance ($2.4 million), and for logistics, maintenance, and engineering support ($3.2 million).

AIR-LAUNCHED WEAPONS REWORK

Chairman McClellan. The second item under this head is $2.4 million for air-launched weapons rework and maintenance. Several missiles are referred to as requiring this rework. Is all this rework and maintenance related to SEA activity?

Captain WOODARD. Yes, the rework and maintenance of the missiles referred to is necessary to fulfill the buildup requirement for Southeast Asia support. These requirements are stated by Commander in Chief Pacific Fleet.

Senator YOUNG. I note in the justification there is reference to "aircraft landings and handling which adversely affect missile reliability." Just how serious is this problem?

Captain WOODARD. Handling and the shock of landings aboard aircraft carriers after those missions when the missile is not fired adversely affect the missile's performance. This is characteristic of all electronic tube devices and although not serious it is a problem. Experience and tests have shown that with each missile type, after a given number of captive flights, the probability that the missile will fail to perform up to design expectations increases. It then becomes necessary to rework the missile to reestablish its performance characteristics. With the increased tempo of operations in Southeast Asia, the limiting number of captive flights is arrived at much earlier, increasing work requirements and cost.

SUPPORTING PROGRAMS

Chairman MCCLELLAN. The request includes $34.5 million for supporting programs. Please describe each of the three supporting programs.

Captain WOODARD. The first of the three supporting programs is catapults, arresting gear and landing aids for which $1.0 million is requested. This amount provides for three emergency repair teams, approximately $0.2 million, and $0.8 million for the additional shipyard repair required on these shipboard equipments due to the extraordinary wear and usage during Southeast Asia deployments.

The second program is second destination transportation; $31.3 million is requested to cover the cost of supporting planned air-launched weapons and ammunition expenditure rates during the first quarter of fiscal year 1973. Tonnage/cost estimates are based on planned sortie rates for Navy and Marine Corps aviation squadrons and gunfire expenditures for Southeast Asia deployed ships. The estimate also includes the movement of aircraft and equipments, spares and repair parts.

Finally, $2.2 million is requested in the category of logistics, maintenance, and engineering support for a variety of programs. These include $.5 million for test set calibration to support carrier and squadron deployments, $.2 million for screening missiles, rocket motors, and ammunition required to be withdrawn from stock inventories, $1 million for additional maintenance and repair of various types of ground support equipment, $.3 million for increased engineering services on fleet in-use equipment, and $.2 million for overhauling aircraft cameras.

ORDNANCE SYSTEMS TECHNICAL SUPPORT

Chairman MCCLELLAN. Budget Program B is Ordnance Systems Technical Support for which $17.7 million is requested. Of this, $14.2 million is for ordnance rework, maintenance, and support. What does this consist of?

Admiral CHRISTMAN. The $14.2 million for ordnance rework, maintenance, and support consists of the following programs:

	Thousands
Ammunition receipt, segregation, stowage, and issue	$7,900
Ammunition rework and maintenance	1,300
Guns, launchers, and fire control systems	5,000
Total	14,200

Chairman MCCLELLAN. How much of this total is for rework of ammunition, guns, launchers, and fire control systems?

Admiral CHRISTMAN. Of the $14.2 million for ordnance rework, maintenance, and support $6.3 million is for rework of ammunition, guns, launchers, and fire control systems, broken down as follows:

	Thousands
Ammunition rework and maintenance	$1,300
Guns, launchers, and fire control systems	5,000
Total	6,300

SYSTEMS DIFFICULTIES

Chairman MCCLELLAN. Does this reflect serious difficulties in any of these systems?

Admiral CHRISTMAN. Funds requested for rework of ammunition, guns, launchers, and fire control systems do not reflect serious difficulties in any system. These funds will provide for increased component failure experienced during the currently higher Southeast Asia effort.

SURFACE MISSILE SYSTEMS REWORK

Senator YOUNG. The other item under this heading is $3.5 million for surface missile system rework and maintenance. Of this, $600,000 relates to the installation of Army Chaparral missile fire systems on Navy ships. Please describe why this is thought necessary.

Admiral CHRISTMAN. The primary threat to naval ships operating in the North Vietnam littoral is the surface-to-surface antiship missile. The U.S. Army Chaparral has demonstrated a capability to acquire and kill a surface-to-surface antiship missile target. Although the Chaparral was not designed for shipboard use, the system is being modified and made otherwise seaworthy to permit operations in a salt water environment.

Chairman MCCELLAN. The remaining $2.9 million is for a number of different items. Please describe the need for each briefly.

Admiral CHRISTMAN. Under surface missile systems rework and maintenance, $2.9 million is requested for the following items:

	Thousands
Repair of battle damage	$300
Deployment of additional missiles	80
Special assistance teams (SAT) for maintenance of an on-board weapon systems to increase availability	620
Overhaul and repair of major components for launchers, radars, computers, and all ancillary equipments	360
Repair and rework of spares and fleet returned shipboard weapon systems modules	1,540
Total	2,900

SHIP SYSTEMS TECHNICAL SUPPORT

Chairman McClellan. For Budget Program C, Ship systems technical support, the request is for $1.2 million for ship maintenance logistics. To what do you attribute the cause of the increased failure rates in hull, machinery and electrical equipment and radar antennas and assemblies?

Vice Admiral Minter. The increased tempo of operations in Southeast Asia, with some battle damage, has led to an increase in issues of hull, mechanical and electrical spares and repair parts and has required the Navy to have a sufficient stock of replacement antennas and assemblies in forward areas to prevent excessive ship downtime during repairs.

FACILITIES TECHNICAL SUPPORT

Senator Young. $3 million is requested for Facilities technical support as Budget Program E. This includes $2.7 million for facilities management and technical engineering and $300,000 for construction battalion support. Please describe the requirement for each of these requests.

Admiral Minter. $2.7 million for facilities management and technical engineering is required to return parts I and II, consisting of 6,200,000 pounds of one P–25 component for the deployed Naval Mobile Construction Battalion (NMCB). $300,000 for construction battalion support will provide for additional expenses that will be incurred at CBC Port Hueneme as a result of supporting a Southeast Asia deployed NMCB vs. routine peacetime deployment. These costs result from the increased volume of sustaining support material, a wider variety of support items, and the requirement, in most instances, of providing a faster response to NMCB requirements.

SUPPLY SUPPORT

Chairman McClellan. For Supply support—Budget Program F—the request is for $7.6 million. Under this heading I note that $1,866,000 is requested for temporary civilian personnel. Please describe the number of personnel involved, their anticipated length of service, their average salary, and the type of services performed.

Admiral Minter. The $1,866,000 requested includes funds for 69 temporary civilian personnel at an average annual cost (salary plus fringe benefits) of $9,235 per person. It is anticipated that these people will be on board for one-fourth of the year (July–September) at a total cost of $157,000. These employees are performing supply center operations such as issuance of supplies, packing and preservation, operating materials handling equipment, et cetera. The balance of the request is related to planned overtime ($1,365,000) for personnel isolating, expediting, and following up on requisitions; and physical handling and staging of material for shipment in support of fleet units engaged in Southeast Asia combat operations. The remaining portion of the request ($344,000) is for nonpersonnel costs associated with data processing, packaging, materials, et cetera.

Chairman McClellan. Also under this general heading is $1,234,000 for supply management. I note the contemplated employment of civil-

ian personnel here also. Please provide the same type of information for these personnel as was previously requested, and describe also the requirement for these funds.

Admiral MINTER. The $1,234,000 requested will provide for 29 temporary civilian employees at inventory control points at an average annual cost (salary plus fringe benefits) of $8,000 per person. These employees are also estimated to be on board only through September. Their total cost for the period July–September is estimated at $56,000. These temporary employees assist permanent personnel in requisition processing, ammunition procurement, material expediting, and follow-up procedures. The request also includes funds for planned overtime ($1,117,000) related to the above type and similar efforts. All of these efforts involve top priority workload in support of ships and aircraft engaged in actual combat operations in Southeast Asia. In addition, the request includes funds ($61,000) for data processing, travel, and material costs.

OTHER SUPPLY ACTIVITIES

Senator YOUNG. Finally, there is $4.5 million requested for other supply activities and support. I wish you would provide a description of this requirement.

Admiral MINTER. The $4.5 million requested under other supply activities and support is to cover estimated transportation/terminal costs associated with the movement of top priority cargo to Southeast Asia by air and surface transportation. This cargo includes urgently needed items such as materials handling equipment, clothing, subsistence, and spare parts for ships and aircraft.

SUPPORT OF OTHER NATIONS

SUMMARY OF OBLIGATIONS

Chairman MCCLELLAN. The "Summary of obligations" for budget activity 10, "Support of other nations" will appear in the record at this point.

(The information follows:)

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FY 1973 Budget Amendment

BUDGET ACTIVITY 10: SUPPORT OF OTHER NATIONS
SUMMARY OF OBLIGATIONS
(In Thousands)

Budget Program	Request Pending	Amendment Now Proposed			Revised Request
		SALT Adjustment	SEA Adjustment	Net Adjustment	
A Support of Allies	$56,830	-	18,100	18,100	$74,930
B International Military Headquarters and Agencies	94	-	-	-	94
C MAAGS Missions and Military Assistance Groups	1,773	-	-	-	1,773
Total direct obligations in budget document	$58,697	-	18,100	18,100	$76,797

Admiral MINTER. Under the "Military assistance service funded program.—Vietnam," we are requesting $18.1 million; $12.1 million is applicable to the repair and maintenance of boats and service craft and the overhaul of ships of the Vietnamese Navy. We are also requesting $6 million for Vietnamese Navy base maintenance material and equipment.

SUPPORT OF ALLIES

Chairman MCCLELLAN. Under budget activity 10, "Support of other nations," there is an increase of $18.1 million requested for support of allies. This is, roughly, a 50-percent increase in the request. Please describe the requirement necessitating the request for $8.1 million for boat/service craft support.

Admiral MINTER. Although it was initially estimated that an additional $8.1 million would be required in fiscal year 1973, for boat/service craft support, latest available information from the field as well as actual experience over the past 5 months indicates that only $4.3 million will be required.

Four million dollars is required to repair craft which have been damaged during the current offensive; this consists of $2 million for material as well as an estimated $2 million for labor to perform the repair which is beyond the capacity of the Vietnamese Naval Shipyard, logistics support bases, and intermediate support bases to accommodate. The remaining $300,000 is necessary to purchase damage control equipment required to improve the combat readiness posture of VNN Blue Water ships.

I would request that the difference of $3.8 million be applied to the unbudgeted costs of accelerated operations after September 30, 1972.

Chairman MCCLELLAN. What is the story regarding damage received by the South Vietnamese Navy since the inception of the increased tempo of fighting last April?

Admiral MINTER. Since April 1, 1972 [deleted] ships, craft, and boats of the Vietnamese Navy have been damaged. This total consists of [deleted] craft and [deleted] boats. Of these, [deleted] have been repaired [deleted] are under repair, [deleted] are awaiting repair, and the damage to [deleted] others was light enough that repairs either have been deferred for future accomplishment by a repair activity as part of a scheduled overhaul or are within operating forces capability.

Sentaor YOUNG. Please provide for the record the number of ships and boats supplied to the South Vietnamese since that time.

Admiral MINTER. The Vietnamese Navy has been provided three ships and nine craft since April 1, 1972.

OVERHAULS IN VIETNAM

Chairman MCCLELLAN. The $4 million requested for overhauls in Vietnam doubles the original estimate of $4,010,000. What is the need for that?

Admiral MINTER. Several months ago when the budget amendment was prepared, the preliminary estimate for additional overhaul funding, based upon available information at that time, was $4 million. Subsequent experience reveals that only an additional $300,000 is

required; this is for the unscheduled restricted availability [deleted] at Subic Bay.

I would request that the difference of $3.7 million be applied to the unbudgeted costs of accelerated operations after September 30, 1972.

Senator YOUNG. How many boats and service craft are scheduled for overhaul during fiscal year 1973, under the revised request?

Admiral MINTER. Under the revised request, 1,230 boats and service craft are scheduled for overhaul during fiscal year 1973.

BASE MAINTENANCE

Chairman MCCLELLAN. The $6 million requested for base maintenance and equipment is a far greater amount than the $2,354,000 originally budgeted for that purpose. What is the reason for this?

Admiral MINTER. The original estimate of $2.354 million for fiscal year 1973, was based upon funding necessary to provide material and equipment for the repair and maintenance of the Vietnamese Navy (VNN) shipyard as well as 40 other Vietnamese Navy (VNN) bases. The requested increase of $6 million can be reduced to $5.5 million based upon more recent information from the field. These additional funds will be utilized for the following:

[Deleted.]

I would request that the difference of $0.5 million be applied to the unbudgeted costs of accelerated operations after September 30, 1972.

Senator YOUNG. Describe the effectiveness of the South Vietnamese Navy.

Admiral MINTER. The South Vietnamese Navy (VNN) has been structured to give the Vietnamese a capability to conduct coastal surveillance patrols, riverine warfare operations, and limited naval gunfire support, mine clearance, salvage, and underwater demolition team (UDT) missions. Additionally, the VNN has a capability to [deleted] for amphibious or riverine operations. The competent manner in which VNN units performed during the period since the North Vietnamese invasion attests to the Navy's effectiveness. However, while the VNN is considered to be operationally effective, it should be pointed out that some problems remain. These problems exist primarily in logistics related areas and are largely attributable to the rapid growth of the VNN since 1968. The total strength of the VNN is approximately 42,000; in 1968, it was just over 16,000. Remaining problems result principally from a lack of sufficient middle management expertise [deleted]. In the interim, it is anticipated that the VNN can continue to operate effectively in the mission areas noted above [deleted].

POSTBUDGET REQUESTS

Admiral MINTER. I would like to point out that in addition to this amendment, we have shortfalls in the fiscal year 1973, O. & M.N. appropriation which have been identified since the budget was formulated and which are not associated with Southeast Asia that total $252 million. Examples of these fact-of-life increases include: Medical costs under the CHAMPUS program; second destination transportation; stock fund price increases; ship maintenance and recruiting media costs.

SOUTHEAST ASIA: SHIP OVERHAUL AND EMERGENCY REPAIRS

Mr. Chairman, this concludes my formal statement.

Chairman McCLELLAN. What are the total maintenance and repair of ships costs for Southeast Asia in this amendment?

Admiral MINTER. Under our ships forces the Southeast Asia portion of that is $76.7 million.

Chairman McCLELLAN. $76.7 million.

Admiral MINTER. Yes, sir. That is $23 million for overhauls and $53 million for emergency repairs.

Chairman McCLELLAN. Have you had some battle damage?

Admiral MINTER. We have had some battle damage, sir. We can give you a list of ships that have actually been damaged.

Chairman McCLELLAN. You may submit that for the record. How have they been damaged?

Admiral MINTER. We have had a number that have been hit by shrapnel from shore battery fire. We had the *Higbee* early in April. I believe, that was hit by what we think was a bomb launched by a Mig. There have been some rocket attacks. We have had one of our ships, of course, the *Warrington*, damaged by what possibly were our own mines. Even so, it was significant damage.

Chairman McCLELLAN. $76.7 million is a whole lot of damage.

Admiral MINTER. The following ships, sir, have experienced battle damage:

U.S.S. *Lloyd Thomas* (DD 764)
U.S.S. *J. R. Craig* (DD 885)
U.S.S. *Rowan* (DD 782)
U.S.S. *Buchanan* (DDG 18)
U.S.S. *Higbee* (DD 806)
U.S.S. *Worden* (DLG 18)
U.S.S. *Oklahoma City* (CLG 5)
U.S.S. *Stoddert* (DDG 22)
U.S.S. *Hanson* (DD 832)
U.S.S. *Strauss* (DDG 16)
U.S.S. *Bausell* (DD 845)
U.S.S. *Warrington* (DD 843)
U.S.S. *Davis* (DD 937)

OPERATION AND COMBAT DUTY COSTS

Admiral JACKSON. This is broken down into money for increased tempo of operations.

Chairman McCLELLAN. I asked you about money for repairs of damages. You gave us $76.6 million.

Admiral MINTER. Yes, sir. But, Mr. Chairman, I do want to correct a misapprehension you may be laboring under here. That $76 million is not for battle damage, sir. The ships that are operating in Southeast Asia are operating at a much higher tempo than our ships any place else in the world. Our carriers in Southeast Asia for example, are at sea twice as much of the time as operational carriers in other fleets. They are at sea 80 percent of the time in Southeast Asia as opposed to 40 percent of the time in the 6th Fleet.

The result of that is major increases in the wear and tear of our equipment. High operational tempo does increase repair cost.

Chairman McCLELLAN. In other words, when the fleet is in operation, there are more repairs to be made.

Admiral MINTER. Yes, sir.

Chairman McCLELLAN. In peacetime on a cruising mission, similar costs would accrue, the amount depending, in part I suppose, on the extent of the activity.

Admiral MINTER. It does not matter where you are. If you are operating at high tempo without adequate opportunity for routine maintenance, you are going to have additional costs associated with it.

BATTLE DAMAGE COSTS

Chairman MCCLELLAN. I didn't know that you had any ship damage of any consequence.

Admiral MINTER. Yes, sir. I have just been handed here some representative battle damage costs. These run all the way from the *Higbee* to the ship I mentioned a moment ago, that got bomb damage to the extent of [deleted] to others less severely damaged ranging from $150,000 to $250,000.

Admiral JACKSON. Actually, sir, in the total of $76.6 million there is $1.7 million that is for battle damages. The rest of it is due to increased tempo of operations and deferred overhaul.

1972 APPROPRIATION AND 1973 BUDGET REQUEST

Senator YOUNG. How does this supplemental plus your regular budget, should you receive the full amount, compare with appropriations for the previous year?

Admiral MINTER. For 1972, sir?

Senator YOUNG. Yes.

Admiral MINTER. I can give you that figure.

Captain BOYKIN. It is $24.6 million for ship maintenance.

Senator YOUNG. Up or down?

Admiral MINTER. It is up. The budget amendment plus the basic budget is more than the 1972 budget.

Mr. WOODRUFF. It is about $5.2 million for 1972 compared to the $5.3 million requested.

Senator YOUNG. Is part of that associated with the pay raise?

Admiral MINTER. A number of things. We are requesting increased funds for ship overhaul and aircraft overhaul to reduce our backlog in this category.

Senator YOUNG. The 7th Fleet has been more active, has it not?

Admiral MINTER. Yes, sir. I certainly would like to make the point that since the first of April we have increased the number of ships in the 7th Fleet by almost 80 percent. There are 50 additional ships out there including three aircraft carriers. For this entire period they have been going night and day right around the clock. This just generates requirements, additional expenses, sir, that could not have been foreseen in our budget estimate.

Chairman MCCLELLAN. Let me ask you, what results are we getting from this activity?

Admiral MINTER. Sir, I am kind of parochial but I have to tell you that the Navy has been very effective.

Chairman MCCLELLAN. Let us take a recess for a few moments so that we may go vote.

(Brief recess.)

Other Procurement, Navy

STATEMENT OF VICE ADM. C. S. MINTER, JR., U.S. NAVY, DEPUTY CHIEF OF NAVAL OPERATIONS (LOGISTICS)

ACCOMPANIED BY:

REAR ADM. T. J. CHRISTMAN, U.S. NAVY, VICE COMMANDER, NAVAL ORDNANCE SYSTEMS COMMAND

REAR ADM. E. W. COOKE, U.S. NAVY, DIRECTOR OF BUDGET AND REPORTS, OFFICE OF THE NAVY COMPTROLLER

REAR ADM. D. H. JACKSON, U.S. NAVY, DIRECTOR, SHIPS MATERIAL READINESS DIVISION, DCNO (LOGISTICS)

CAPT. M. C. COOK, U.S. NAVY, DEPUTY FOR BUDGET, FISCAL MANAGEMENT DIVISION, OPNAV

COMDR. R. J. HANCOCK, U.S. NAVY, HEAD, SURFACE ORDNANCE SECTION, AMMUNITION BRANCH, DCNO (LOGISTICS)

R. G. GARANT, BUDGET ANALYST, FISCAL MANAGEMENT DIVISION, OPNAV

W. E. ELLIOTT, ASSISTANT TO DCNO (LOGISTICS) FOR PROGRAMS AND BUDGET

R. H. JESTER, ASSISTANT FOR AIR LAUNCHED AMMUNITION, AMMUNITION BRANCH, DCNO (LOGISTICS)

R. HAAS, OFFICE OF THE NAVY COMPTROLLER

PROGRAM AND FINANCING

Chairman McClellan. The June 30 budget amendment includes an increase of $478 million for the appropriation "Other procurement, Navy." The original request for this appropriation was $2,023.2 million, and the revised request is now $2,501.2 million. Pages 173 through 176 of the justifications will be included in the record at this point.

(Pages of the justifications follow:)

OTHER PROCUREMENT, NAVY
FY 1973 BUDGET AMENDMENT
PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-1810-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMMED)			OBLIGATIONS		
	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
PROGRAM BY ACTIVITIES						
DIRECT						
1. SHIPS SUPPORT EQUIPMENT	582,400	19,800	552,200	505,600	19,800	525,400
2. COMM & ELEC EQUIPMENT	456,300	19,600	475,900	437,300	19,600	456,900
3. AVIATION SUPP EQUIPMENT	376,500	265,000	641,500	369,500	265,000	634,500
4. ORDNANCE SUPP EQUIPMENT1/	560,600	165,200	725,800	522,400	165,200	687,600
5. CIVIL ENG SUPP EQUIP	50,400	2,000	52,400	48,100	2,000	50,100
6. SUPPLY SUPPORT EQUIP	8,400	900	9,300	7,700	900	8,600
7. PERS & CMD SUPP EQUIP	38,600	5,500	44,100	39,500	5,500	45,000
TOTAL DIRECT	2,023,200	478,000	2,501,200	1,930,100	478,000	2,408,100
REIMBURSABLE (TOTAL)	399,300	-	399,300	334,500	-	334,500
10 TOTAL	2,422,500	478,000	2,900,500	2,264,600	478,000	2,742,600
FINANCING						
RECEIPTS AND REIMBURS FROM						
11 FEDERAL FUNDS 2/	-332,800	-	-332,800	-332,800	-	-332,800
13 TRUST FUNDS	-66,400	-	-66,400	-66,400	-	-66,400
14 NON-FEDERAL SOURCES	-100	-	-100	-100	-	-100
21 UNOBLIG BAL AVAIL, START OF YEAR FOR COMPL OF PRIOR YR BUDGET PLANS AVAIL TO FIN NEW BUDG PLANS				-539,739	-	-539,739
REPROG FROM (-) OR TO PRIOR YEAR BUDGET PLANS						
22 UNOBL BALANCE TRANSFERRED FROM OTHER ACCOUNTS						
23 UNOBL BALANCE TRANSFERRED TO OTHER ACCOUNTS						

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-1810-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMMED)			OBLIGATIONS		
	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
24 UNOBL BAL AVAIL, END OF YR FOR COMPL OF PRIOR YR BUD				697,639	-	697,639
BUDGET AUTHORITY	2,023,200	478,000	2,501,200	2,023,200	478,000	2,501,200
BUDGET AUTHORITY						
40. APPROPRIATION	2,023,200	478,000	2,501,200	2,023,200	478,000	2,501,200
42 TRANSF FROM OTHER ACCTS						
43 APPROPRIATION (ADJUSTED)	2,023,200	478,000	2,501,200	2,023,200	478,000	2,501,200
RELATION OF OBLIGATIONS TO OUTLAYS						
71 OBLIG INCURRED, NET				1,865,300	478,000	2,343,300
72 OBLIG BAL, START OF YEAR				1,629,409	-	1,629,409
74 OBLIG BAL, END OF YEAR				-1,868,709	-353,700	-2,222,409
90 OUTLAYS				1,626,000	124,300	1,750,300

1 INCLUDES $25,700 THOUSAND FOR OTHER WEAPONS AND $194,200 THOUSAND FOR TORPEDOES AND RELATED SUPPORT EQUIPMENT IN 1973 SUBJECT TO CONGRESSIONAL AUTHORIZATION.

2 REIMBURSEMENTS ARE DERIVED PRINCIPALLY FROM CASH SALES TO FOREIGN GOVERNMENTS (10 U.S.C. 2210).

OBJECT CLASSIFICATION (In Thousands of Dollars)

IDENTIFICATION CODE 07-15-1810-0-1-051		REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
	DIRECT OBLIGATIONS			
22.0	TRANSPORTATION OF THINGS	11,600	8,200	19,800
25.0	OTHER SERVICES	323,600	9,690	333,200
26.0	SUPPLIES AND MATERIALS	579,100	408,300	987,400
31.0	EQUIPMENT	1,015,800	51,900	1,067,700
	TOTAL DIRECT OBLIGATIONS	1,930,100	478,000	2,408,100
	REIMBURSABLE OBLIGATIONS			
25.0	OTHER SERVICES	2,800	-	2,800
26.0	SUPPLIES AND MATERIALS	250,266	-	250,266
31.0	EQUIPMENT	81,434	-	81,434
	TOTAL REIMBURSABLE OBLIGATIONS	334,500	-	334,500
99.0	TOTAL OBLIGATIONS	2,264,600	478,000	2,742,600

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
Ships Support Equipment	532,400	19,800	552,200
Communications and Electronics Equipment	456,300	19,600	475,900
Aviation Support Equipment	376,500	265,000	641,500
Ordnance Support Equipment	560,600	165,200	725,800
Civil Engineering Support Equipment	50,400	2,000	52,400
Supply Support Equipment	8,400	900	9,300
Personnel and Command Support Equipment	38,600	5,500	44,100
TOTAL DIRECT PROGRAM	2,023,200	478,000	2,501,200
Reimbursable Program	399,300	-	399,300
TOTAL PROGRAM REQUIREMENTS (Current)	2,422,500	478,000	2,900,500
Less: Portion of Program to be Obligated in Subsequent Fiscal Years	589,500	-	589,500
Plus: Obligations Incurred Against Prior Year Program Funds	1,675,100	-	1,675,100
TOTAL OBLIGATIONS	2,264,600	478,000	2,742,600

COUNTERACTION AGAINST INVASION OF SOUTH VIETNAM

Chairman McClellan. This request will also be presented by Vice Admiral Minter.

Admiral, you may proceed.

Admiral Minter. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you to discuss the fiscal year 1973 other procurement, Navy, budget amendment. This amendment is urgently required to fund the major increase in 7th Fleet operations to conduct the successful counteraction against the North Vietnamese invasion of South Vietnam. Over 50 additional ships including the three CVA's and attached airwings, additional USMC aircraft, plus one antisubmarine carrier; two cruisers; 25 destroyers, 7 amphibious ships, and 15 additional logistic support ships were deployed to Southeast Asia to augment 7th Fleet air and surface units committeed to support of South Vietnamese forces.

The fiscal year 1973 request for other procurement, Navy, pending before this committee is $2,023,200,000. The budget amendment totals $478 million, of which $384.2 million is for munitions that are being consumed in Southeast Asia in excess of that planned in the January President's budget for the period from April 1 through September 30, 1972; $34.3 million provides for Southeast Asia consumables such as mine and gun components; $3.1 million for antiship missile defense and related electronic equipment in support of gun line ships in Southeast Asia; $3.9 for communications and cryptographic equipment for ships on the gun line, and $52.5 is for payback to non-Southeast Asia related items that were deferred in fiscal year 1972 and used as a source of funds to initiate and accelerate ammunition production; $52.5 million balance is the minimum payback required to insure the orderly execution of other ongoing programs from which funds had to be reprogramed out in fiscal year 1972 for Southeast Asia increases. A total of $99.7 million was reprogramed in fiscal year 1972 for the Southeast Asia effort.

SOUTHEAST ASIA COST

Chairman McClellan. Am I correct in my understanding that this total request for an additional $478 million is to cover the additional cost of the conflict in Southeast Asia?

Admiral Minter. Yes, sir, that is correct. It is to be noted however that $52.5 million of that total is for payback to non-Southeast Asia items which were deferred in fiscal year 1972 and used as a source of funds to accelerate ammunition production.

BUDGET ACTIVITY 1, SHIPS SUPPORT EQUIPMENT

SHIP SUPPORT EQUIPMENT

Chairman McClellan. An additional $19.8 million is requested for the budget activity entitled "Ship Support Equipment." The original request for this budget activity was $532.4 million, and the revised request is $552.2 million. Pages 177 through 179 of the justifications will be included in the record at this point.

(The information follows:)

OTHER PROCUREMENT, NAVY
FY 1973 BUDGET AMENDMENT
(In Thousands of Dollars)

BUDGET ACTIVITY 1: SHIPS SUPPORT EQUIPMENT
SUMMARY OF BUDGET PLAN

	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
Shipboard Components	102,900	6,400	109,300
Nuclear Cores and Components	127,900	-	127,900
Deep Submergence Program	6,600	-	6,600
Small Boats	3,600	-	3,600
Fleet Modernization Program	278,000	12,000	290,000
Production and Plant Equipment . . .	13,400	1,400	14,800
TOTAL BUDGET PLAN	532,400	19,800	552,200

Budget Activity 1 - Ships Support Equipment

	(In Thousands)
FY 1973 Request Pending	$532,400
FY 1973 Net Adjustment	$ 19,800
FY 1973 Revised Request	$552,200

Justification of Funds

Shipboard Components (Includes P-1 line items 1 - 54)

	(In Thousands)
FY 1973 Request Pending	$102,900
FY 1973 Net Adjustment	$ 6,400
FY 1973 Revised Request	$109,300

The increase is required to off set decreases in FY 1972 which were necessary to fund increases in SEA ammunition.

Spares and Repair Parts - $51.0 Million. (P-1 line item 6) The increased tempo of operations in SEA requires an additional $3.4 million for replenishment spares funding to meet ever growing issue requirements.

Hull, Machinery and Electrical Equipment - $47.2 Million. (P-1 line items 7-50 & 54) Unobligated balances of $3.0 million in the following programs were swept up to fund SEA ammo. Failure to restore these early in FY 1973 will severely disrupt the following on going efforts:

Submarine Silencing Program
Oil Pollution Abatement
Sewer Flush Pump
HM+E Items Under $500K
Naval Inshore Warfare Equipment

Fleet Modernization Program (Includes P-1 line item 81)

	(In Thousands)
FY 1973 Request Pending	$278,000
FY 1973 Net Adjustment	$ 12,000
FY 1973 Revised Request	$290,000

The FY 1972 programmed amount for advance planning against the FY 1973 program was reduced to fund SEA ammunition requirements. Failure to restore these funds in FY 1973 will result in commensurate reductions to the FY 1973 ship installations planned for equipment which has been procured in FY 1972 and prior years.

Production and Plant Equipment (Includes P-1 line items 82-85)

	(In Thousands)
FY 1973 Request Pending	$13,400
FY 1973 Net Adjustment	$ 1,400
FY 1973 Revised Request	$14,800

Failure to restore these funds, recovered in FY 1972 to meet the SEA ammo requirements, will severely impact on the on going shipyard modernization program.

REPROGRAMMING ACTION

Admiral MINTER. The $19.8 million requested is related in total to the $52.5 million for payback for such items as ship alterations, spare and repair parts, and submarine silencing equipment.

Chairman MCCLELLAN. That means you have borrowed from those funds?

Admiral MINTER. We have, sir. From this particular appropriation, the sudden Southeast Asia buildup required us to reprogram about $100 million primarily to provide the air and surface gun ammunition that was essential. Of this, we are asking to be paid back $52.5 million which came from important ongoing programs which we have identified. We are asking as part of the amendment that $52.5 million be repaid for that reprograming action.

Chairman MCCLELLAN. If it is not repaid could that fund get along without it?

Admiral MINTER. I suppose you could always get along, sir.

Chairman MCCLELLAN. Is it at all feasible for you to get along without it?

Admiral MINTER. We would have to take some other drastic actions in reprograming. For example, as a result of a recent review of ship and electronic spare and repair parts requirements, the fiscal year 1973 funding level must be raised to $98.5 million. Failure to appropriate the $7.5 million for these spares included in the amendment would have a funding level of $91.0 million against which we would have to reprogram. The same would be true for $12.0 million of ship alterations, $3.6 million for coherent side lobe cancelers for radars, $1.9 million for remote air traffic control communications, $4.7 million for interim surface-to-surface missile capability, $2.6 million for sonar training capability, and numerous other approved programs which had to be deferred late in fiscal year 1972 to provide assets to fund the accelerated ammunitions procurement.

Senator YOUNG. How much of the $19.8 million requested for this budget activity represents funds for the restoration of items deferred in fiscal year 1972 to cover increased costs in Southeast Asia?

Admiral MINTER. The total of $19.8 million is for restoration of fiscal year 1972 deferred items.

Chairman MCCLELLAN. Proceed.

BUDGET ACTIVITY 2, COMMUNICATIONS AND ELECTRONICS EQUIPMENT

The budget amendment includes an additional $19.6 million for the budget activity "Communications and electronic equipment." The original request for this budget activity was $456.3 million, and the revised request is $475.9 million. Pages 180, 181, and 182 of the justifications will be included in the record at this point.

(The information follows:)

OTHER PROCUREMENT, NAVY
FY 1973 BUDGET AMENDMENT
(In Thousands of Dollars)

BUDGET ACTIVITY 2: COMMUNICATIONS AND ELECTRONIC EQUIPMENT
SUMMARY OF BUDGET PLAN

	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
Ship Electronics Equipment	106,300	12,000	118,300
Electronic Equipment, ASW	75,500	-	75,500
Electronic Equipment, REWSON	45,800	600	46,400
Electronic Equipment, SSPO	11,000	-	11,000
Communications and Electronic Equipment	217,700	7,000	224,700
TOTAL BUDGET PLAN	456,300	19,600	475,900

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Budget Activity 2: Communications and Electronic Equipment

	(In Thousands)
FY 1973 Request Pending	$456,300
FY 1973 Net Adjustment	$ 19,600
FY 1973 Revised Request	$475,900

Justification of Funds

Ship Electronic Equipment (Includes P-1 line items 1-25)

	(In Thousands)
FY 1973 Request Pending	$106,300
FY 1973 Net Adjustment	$ 12,000
FY 1973 Revised Request	$118,300

The $12.0 million additional is for a combination of direct SEA requirements ($2.5 million) and pay back of FY 1972 programs which were reduced to fund SEA ammo which must be restored ($9.5 million).

Command and Combat Direction Systems - $9.7 Million. (P-1 line item 1) The additional $1.3 million is required to initiate procurement of extended memory units for NTDS ships. It is anticipated that this effort will result in out year savings in reduced central processor requirements.

Anti-Air Warfare - $36.7 Million. (P-1 line items 2-12) Funding of $2.5 million provides for construction of two missile detection radar programs initiated in FY 1972 as urgent SEA requirements for gun line ships. In addition, the $3.6 million for the Coherent Side Lobe Canceler for Search Radars is restored to insure program continuity.

Electronic Spares and Repair Parts - $46.8 Million. (P-1 line item 18) The increased tempo of operations in SEA has reflected itself in a high level of replenishment demand in the area of electronic spare and repair parts. Intense usage and in some instances, battle damage can be attributed for the higher stock issue levels requiring an additional $4.1 million.

Transportation to First Destination - $2.2 Million. (P-1 line item 20) The increase of $.5 million is to offset a corresponding decrease made in FY 1972 to fund SEA ammunition. Failure to restore these funds would result in other reprogrammings to fund transportation billings.

Electronic Equipment, REWSON (Includes P-1 line items 40-61)

	(In Thousands)
FY 1973 Request Pending	$45,800
FY 1973 Net Adjustment	$ 600
FY 1973 Revised Request	$46,400

This increase is directly related to ships deploying to SEA. It provides for minor equipment enhancements to provide optimum EW missile defense capability to ships on the gun line.

Communications and Electronic Equipment (Includes P-1 line items 65-148)

	(In Thousands)
FY 1973 Request Pending	$217,720
FY 1973 Net Adjustment	$ 7,000
FY 1973 Revised Request	$224,700

Aviation Ground Support Equipment - $14.7 Million. (P-1 line items 74-75; 77-79; 82-86) The additional $1.9 million provides the restoration of the FY 1972 program to remote the operations and the monitoring of automatic landing systems at four Naval Air Stations.

Miscellaneous Support Programs - $12.3 Million. (P-1 line items 87; 93-99) This $.9 million restores funds reprogrammed in FY 1972 to fund SEA ammo.

Communications Equipment (Shipboard) - $9.7 Million. (P-1 line items 101-109) Additional funding of $3.6 million is related to the increased SEA tempo of operations which require high speed, secure, and responsive communications. Included in this request are high speed ship-to-shore teletype terminals, an adaptation of an Air Force developed digital Communications Transmission System (AN/UYA-7) and a secure Image Transmission System. The remaining $.3 million restores programs deferred from FY 1972 to FY 1973 to fund ammunition for SEA in FY 1972.

Cryptographic Aids and Devices - $11.0 Million. (P-1 line items 129-139) The $.3 million provides the necessary equipment to insure secure communications through the AN/UYA-7 systems included above.

1972 DEFERRALS

Admiral MINTER. Of the $19.6 million requested, $3.1 million ASMD funds are required for the completion of two missile detection radar programs and associated EW equipment to provide optimum missile defense capability to ships on the gun line; $3.9 million will provide for the necessary shipboard equipment required to provide those ships with secure communications with other units of the fleet. The remaining $12.6 million is part of the $52.5 million payback for items such as coherent side lobe cancelers for radars, spare and repair parts and remote air traffic control equipment.

Chairman MCCLELLAN. How much of the $19.6 million additional requested for this budget activity is for the restoration of programs deferred in fiscal year 1972 to meet increased Southeast Asia costs?

Admiral MINTER. $12.6 million, sir.

NAVY TACTICAL DATA SYSTEM

Senator YOUNG. I note that $11.3 million of this request is to initiate procurement of extended memory units for the Navy tactical data system. Please comment on this item, and indicate why it is classified as Southeast Asia cost.

Admiral MINTER. This item is not a part of the Southeast Asia cost except as it relates to the payback of a fiscal year 1972 item deferred to accelerate ammunition production.

The operational requirements imposed upon fleet units operating in a multiwarfare environment and the resultant reduced reaction time have resulted in a need for memory capacity far in excess of that currently available in NTDS. The solid state extended memory will alleviate the problems associated with this lack of computer core capacity by functioning as a direct extension of the computer internal main memory. A SSEM unit would provide eight times the memory capacity of the present NTDS computer at an average cost comparable to procurement of one NTDS computer.

BUDGET ACTIVITY 3, AVIATION SUPPORT EQUIPMENT

Chairman MCCLELLAN. An additional $265 million is requested for the budget activity entitled "Aviation support equipment." The original request for this budget activity was $376.5 million, and the revised request is $641.5 million. Pages 183 and 184 of the justifications will be included in the record at this point.

(The information follows:)

OTHER PROCUREMENT, NAVY
FY 1973 BUDGET AMENDMENT
(In Thousand of Dollars)

BUDGET ACTIVITY 3: AVIATION SUPPORT EQUIPMENT
SUMMARY OF BUDGET PLAN

	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
ASW Air Launched Ordnance and Support Equipment	80,800	7,100	87,900
Air Launched Ordnance and Support Equipment	223,100	255,900	479,000
Other Support Equipment	72,600	2,000	74,600
TOTAL BUDGET PLAN	376,500	265,000	641,500

Budget Activity 3: Aviation Support Equipment

	(In Thousands)
FY 1973 Request Pending	$376,500
FY 1973 Net Adjustment	$265,000
FY 1973 Revised Request	$641,500

Justification of Funds

Air Launched Ordnance and Support Equipment - ASW (Includes P-1 line items 1-4)

	(In Thousands)
FY 1973 Request Pending	$ 80,800
FY 1973 Net Adjustment	$ 7,100
FY 1973 Revised Request	$ 87,900

Sonobuoys - $71.8 Million. (P-1 line item 1) Based on the deployment of a CVC task group and increased surveillance in the SEA area from shore based ASW squadrons, the increased consumption of sonobuoys estimated at $7.1 million must be funded to insure that the worldwide asset position is not depleted below acceptable levels.

Air Launched Ordnance and Support Equipment (Includes P-1 line items 5-29)

	(In Thousands)
FY 1973 Request Pending	$223,100
FY 1973 Net Adjustment	$255,900
FY 1973 Revised Request	$479,000

Approximately $50.0 million has been reprogrammed into air launched ordnance in FY 1972 to initiate the build-up in production to support the increased SEA consumption levels. The FY 1973 increase is required to sustain production at the accelerated levels to support high consumption and to replace the inventory drawdown that has already occurred.

Other Support Equipment (Includes P-1 line items 30-64)

	(In Thousands)
FY 1973 Request Pending	$72,600
FY 1973 Net Adjustment	$ 2,000
FY 1973 Revised Request	$74,600

These funds restore reductions made in FY 1972 to fund SEA ammo increases. Failure to restore these funds in FY 1973 will result in disruption of orderly program execution at the Atlantic and Pacific Test ranges as well as impact on procurements for Aircraft Rearming equipment and the Naval Intelligence Processing System.

AIR STRIKE MUNITIONS

Admiral MINTER. $265 million is requested; $254.9 million of this is for "Air strike munitions"; $40.2 million has been reprogramed into air launched ordnance in fiscal year 1972 to initiate the buildup in production. The fiscal year 1973 increase is required to sustain production at the accelerated levels to support the higher consumption and to replace the inventory drawdown that has occurred to date.

SONOBUOY PROCUREMENT

Seven million one hundred thousand is required for sonobuoy procurement to support ASW operations. Based on the deployment of a CVS task group and increased surveillance in the area from shore based ASW squadrons, the increased consumption of sonobuoys must be funded to insure that the unsatisfactory sonobuoy asset projections are not further aggravated by the SEA drawdown. The remaining $3 million is part of the $52.5 payback and covers such items as practice bombs and weapons range support equipment.

Chairman MCCLELLAN. I note, of the total requested, $7.1 million is for the procurement of additional sonobuoys. Just what is the need for these additional items?

Admiral MINTER. The request for an increase of $7.1 million in the planned procurement of sonobuoys was based on a fleet (Commander, Fleet Air Western Pacific) notification of additional requirements for sonobuoys in late May 1972. COMFAIRWESTPAC and COMNAVAIRPAC indicated that there has been a sizable increase in the tempo of SEASIA ASW operations [deleted].

1972 DEFERRALS

Senator YOUNG. How much of this $265 million represents funds for the restoration of items deferred in fiscal year 1972 to cover Southeast Asia increased costs?

Admiral MINTER. $3 million is for restoration of funds to four items. They are: (1) Practice bomb, (2) weapons range support equipment, (3) aircraft rearming equipment, and (4) naval intelligence processing system.

BUDGET ACTIVITY 4, ORDNANCE SUPPORT EQUIPMENT

Chairman MCCLELLAN. The budget amendment includes an additional $165.2 million for the budget activity entitled "Ordnance support equipment." The original request for this budget activity was $560.6 million, and the revised request is $725.8 million. Pages 185, 186, and 187 of the justifications will be included in the record at this point.

(The information follows:)

OTHER PROCUREMENT, NAVY
FY 1973 BUDGET AMENDMENT
(In Thousand of Dollars)

BUDGET ACTIVITY 4: ORDNANCE SUPPORT EQUIPMENT
SUMMARY OF BUDGET PLAN

	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
Ship Launched Ordnance and Related Equipment	219,300	162,500	381,800
Ship Launched Ordnance and Related Equipment - ASW	194,200	-	194,200
Other Support Equipment	80,500	2,700	83,200
FBM Support Equipment	66,600	-	66,600
TOTAL BUDGET PLAN	560,600	165,200	725,800

Budget Activity 4: Ordnance Support Equipment

	(In Thousands)
FY 1973 Request Pending	$560,600
FY 1973 Net Adjustment	$165,200
FY 1973 Revised Request	$725,800

Justification of Funds

Ship Launched Ordnance and Related Equipment (P-1 line items 1-42)

	(In Thousands)
FY 1973 Request Pending	$219,300
FY 1973 Net Adjustment	$162,500
FY 1973 Revised Request	$381,800

Ship Gun Ammunition - $178.8 Million. (P-1 line items 1-5) The increase of $129.3 million is related to the increased SEA consumption levels experienced to date. The reprogramming of approximately $50 million in FY 1972 initiated and accelerated production to sustain the current level of activity as well as insure the maintenance of adequate reserve stocks. The initial surges of consumption in April 1972 resulted in a severe drain in on-hand assets.

Other Expendables - $23.8 Million. (P-1 line items 7,8,22,23) Of the total increase of $11.3 million, $4.4 million is related to Small Arms Ammunition in support of the SEA effort and $2.3 million is for the procurement of mine components for assembly with available mine assets to produce completed weapons. The balance of $4.6 million is for the procurement of MK-75 Mine Destructor Kits which are used to convert MK-80 series bombs to shallow water mines.

All Other Surface Gun Systems Support - $22.8 Million. (P-1 line items 12, 14-17) A $1.4 million increase is required to procure Electro Optics equipment for repayment to the EA-6 aircraft program. The equipments were diverted to ship use as a quick fix capability for night shore bombardment support. The remaining $21.2 million is for replacement gun barrels and other gun mount components that are experiencing a high level of use in SEA.

Surface Missile Systems Ordnance Alterations - $36.8 Million. (P-1 line item 27) Numerous missile fire control modifications have had to be diverted on a quick fix basis to provide specific capabilities to missile ships deploying to SEA. The additional $2.1 million provides for the restoration of the basic program as well as anticipated FY 1973 expenses.

Interim Surface-to-Surface Missile Systems - $12.1 Million. (P-1 line item 28) The increase of $4.7 million restores the approved FY 1972 program which was reduced and delayed to fund the SEA ammo increase.

Miscellaneous Support Items - $19.7 Million (P-1 line items,6,9,10,18,19,24,30,34,38-40,42) The additional $2.5 million is for first destination transportation for the increased ammo production.

Other Support Equipment (P-1 line items 58-67)

	(In Thousands)
FY 1973 Request Pending	$80,500
FY 1973 Net Adjustment	$ 2,700
FY 1973 Revised Request	$83.200

Production Facilities and Equipment - $9.1 Million (P-1 line item 61) Both the increased air and ship ammo impact on the ordnance activities whose equipment replacement is funded at an additional $2.7 million. The ordnance activities load both types of ammunition and are experiencing a higher than anticipated equipment replacement requirement due to the current heavy usage.

SHIP GUN AMMUNITION

Admiral MINTER. $165.2 million is requested. And $129.3 million is for ship gun ammunition. These funds are required to support the naval gun fire effort planned through September 1972. Monthly expenditure rates are based on CINCPACFLT predictions. The reprograming of $45.5 million in fiscal year 1972 initiated and accelerated production to sustain the predicted level of activity. The initial April expenditures surges and continued escalation of consumption have resulted in a severe and continuing drain of on-hand assets.

The $8 million of other expendable items include $1.1 million for small arms ammunition in support of the SEA ground effort, $2.3 million for the procurement of mine components for assembly with available mine assets to produce completed weapons, and $4.6 million for the procurement of MK–75 mine destructor kits which are used to convert the MK–80 series bombs to shallow water mines.

SHIPS TURNED OVER TO VIETNAMESE NAVY

Senator YOUNG. Do you have any Navy ships operating in the Mekong River or off coast which you have turned over to the South Vietnamese?

Admiral MINTER. Yes, sir; we do have. We have just recently turned over three Coast Guard cutters to the South Vietnamese. That is the biggest ship that they are operating now. The U.S. Navy has turned over a large number of small riverine craft that the Vietnamese Navy is using. We have advisers aboard.

Senator YOUNG. Are we paying for the operation and maintenance of those?

Admiral MINTER. Yes, sir.

Senator YOUNG. That comes out of your budget?

Admiral MINTER. That comes out of the total budget. That is the Military Foreign Assistance Service Fund.

Mr. WOODRUFF. We call it free world forces.

Admiral COOKE. It does come out of here. There is a portion that comes out of it, $18 million in the amendment.

Admiral MINTER. It is about $76 million total, I believe. I will get that for the record.

(The information follows:)

The Budget Amendment contains $18.1 million for the Military Assistance Service Funded Program in support of Free World Forces. The original FY 1973 request pending for this program is $37.112 million yielding a revised request of $55.212 million. This program is a major element of Budget Activity 10–Support to Other Nations—of the Operation and Maintenance, Navy, Appropriation. The original FY 1973 request pending for the entire budget activity is $58.697 million. When the Budget Amendment request of $18.1 million is added, the revised request for the Support to Other Nations Budget Activity is $76.797 million.

SURFACE GUN SYSTEMS SUPPORT

Chairman MCCLELLAN. Is that the same $76 million we were talking about a while ago?

Admiral MINTER. No, sir. The sum of $15.1 million is for surface gun systems support. Of this amount, $1.4 million is required to procure electro-optics equipment for repayment to the A–6 aircraft pro-

gram. The equipments were diverted for ship use as a quick fix capability for night shore bombardment support. And $11.2 million is required for replacement of gun barrels, liners, and other gun mount components that are experiencing high usage in Southeast Asia. Also, $2.5 million is for first destination transportation charges to support the increased ammunition production.

Numerous missile fire control modifications had to be diverted on a quick fix basis to provide specific capabilities to missile ships deploying to Southeast Asia. So $2.1 million provides for the restoration of the basic program, as well as anticipated fiscal year 1973 expenses related to the installation of the Army Chaparral missiles aboard Navy ships.

The increased consumption in both air- and ship-launched ammunition has had an impact on the ordnance loading activities. These activities are experiencing a higher than anticipated equipment replacement requirement than that presented to you last January. And $1.1 million is required for production facilities and equipment. The remaining $9.6 million is part of the $52.5 payback and is for such items are small arms ammunition and the interim surface-to-surface missile program.

1972 PROGRAM REVISIONS

Chairman McClellan. How much of this additional request of $165.2 million represents funds for the restoration of items deferred in fiscal year 1972 to obtain funds for additional Southeast Asia costs?

Admiral Minter. $9.6 million, which is specifically for small arms ammunition, interim surface-to-surface missile, and production facilities and equipment.

OTHER SUPPORT EQUIPMENT

Senator Young. I note that the increase for this budget activity includes $2.7 million for "Other support equipment." Please comment on the need for this specific increase.

Admiral Minter. This increase is for the line item titled "Production facilities and equipment." The $2.7 million is specifically for equipment at ordnance activities which load ammunition. These activities are experiencing a higher than normal requirement for equipment replacement due to heavy usage. And $1.6 million of this is for payback of fiscal year 1972 funds deferred to accelerate ammunition production.

BUDGET ACTIVITY 5, CIVIL ENGINEERING SUPPORT EQUIPMENT

Chairman McClellan. An additional $2 million is requested for the budget activity entitled "Civil engineering support equipment." The original request for this item was $50.4 million, and the revised request is $52.4 million. Pages 188 and 189 of the justifications will be included in the record at this point.

(The information follows:)

OTHER PROCUREMENT, NAVY
FY 1973 BUDGET AMENDMENT
(In Thousands of Dollars)

BUDGET ACTIVITY 5: CIVIL ENGINEERING SUPPORT EQUIPMENT
SUMMARY OF BUDGET PLAN

	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
Civil Engineering Support Equip . . .	50,400	2,000	52,400
TOTAL BUDGET PLAN	50,400	2,000	52,400

Budget Activity 5 - Civil Engineering Support Equipment

	(In Thousands)
FY 1973 Request Pending	$50,400
FY 1973 Net Adjustment	$ 2,000
FY 1973 Revised Request	$52,400

Justification of Funds

The funds requested in this activity are primarily for restoration of programs that were decreased in FY 1972. $1.5 million is for funds that were reprogrammed to fund SEA ammunition and the balance of $.5 million is required to reconstitute truck and amphibious support equipment that had to be diverted to meet increased SEA usage.

REPAYMENT OF TRUCK AND AMPHIBIOUS SUPPORT EQUIPMENT

Admiral MINTER. $2 million is required for repayment of truck and amphibious support equipment that had to be diverted to meet the increases in SEA usage. The remaining $1.5 million is part of the $52.5 million payback for similar items that were programed in fiscal year 1972.

Senator YOUNG. How much of this total is for the restoration of items deferred in fiscal year 1972?

Admiral MINTER. $1.5 million, sir.

BUDGET ACTIVITY 6, SUPPLY SUPPORT EQUIPMENT

Chairman MCCLELLAN. An increase of $900,000 is requested for the activity entitled "Supply support equipment," increasing the request from the original of $8.4 million to $9.3 million. Pages 190 and 191 of the justifications will be included in the record at this point.

(The information follows:)

OTHER PROCUREMENT, NAVY—FISCAL YEAR 1973 BUDGET AMENDMENT

BUDGET ACTIVITY 6: SUPPLY SUPPORT EQUIPMENT, SUMMARY OF BUDGET PLAN

[In thousands of dollars]

	Request pending	Sea adjustment	Revised request
Supply	8,400	900	9,300

JUSTIFICATION OF FUNDS

As with civil engineering support equipment, this request is in part for reconstitution of forklift truck assets that had to be diverted to cover increased SEA usage ($0.4 million). The balance of $0.5 million is for the restoral of fiscal year 1972 program funds that were reprogramed to fund SEA ammo.

Admiral MINTER. $900,000 is required for procurement of this equipment. And $400,000 of this amount is required for replenishment of forklift truck assets that had to be diverted to meet the increases in SEA usage. The remaining $500,000 is part of the $52.5 million payback and is for automated material handling equipment.

RESTORATION OF DEFERRED ITEMS

Chairman MCCLELLAN. How much of this total represents funds for the restoration of items deferred in fiscal year 1972?

Admiral MINTER. $400,000 is for automated materials handling systems and $100,000 for investment equipment. Faced with the prospect of continued personnel reductions, the urgency of replacing manual with automated materials handling systems becomes apparent if efforts to maintain a high degree of responsiveness to fleet readiness requirements are to succeed. The withdrawal of $100,000 from the support equipment line in fiscal year 1972 required the deferral of urgently needed labor saving devices into fiscal year 1973. It is not possible to further defer the purchase of these items without seriously impacting on productivity and efficiency of operations.

BUDGET ACTIVITY 7, PERSONNEL AND COMMAND SUPPORT EQUIPMENT

Chairman McClellan. An additional $5.5 million is requested for the budget activity entitled "Personnel and Command Support Equipment." The original request for this activity was $38.6 million, and the revised request is $44.1 million. Pages 192 and 193 of the justifications will be included in the record at this point.

(The information follows:)

OTHER PROCUREMENT, NAVY
FY 1973 BUDGET AMENDMENT
(In Thousands of Dollars)

BUDGET ACTIVITY 7: PERSONNEL AND COMMAND SUPPORT EQUIPMENT
SUMMARY OF BUDGET PLAN

	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
Personnel Support Equipment	9,600	2,600	12,200
Command Support Equipment	29,000	2,900	31,900
TOTAL BUDGET PLAN	38,600	5,500	44,100

Budget Activity 7 - Personnel and Command Support Equipment

(In Thousands)
FY 1973 Request Pending $38,600
FY 1973 Net Adjustment $ 5,500
FY 1973 Revised Request $44,100

Justification of Funds

Personnel Support Equipment (P-1 line items 1-10)

FY 1973 Request Pending $9,600
FY 1973 Net Adjustment $2,600
FY 1973 Revised Request $12,200

Funds for the procurement of AN/SQS-35 Sonar capability to be incorporated into a 14A2 team trainer were reprogrammed in FY 1972 to fund SEA ammunition requirements. A follow-on trainer is included in FY 1973; however, it cannot be procured at the budgeted amount since the one time start-up and engineering effort was to have been covered in the initial trainer. Failure to restore the requested amendment will delay the procurement of this essential training capability to FY 1974 thus extending the period when AN/SQS-35 sonars will be installed in the fleet with no viable shore team training capability.

Command Support Equipment (P-1 line items 11-16)

FY 1973 Request Pending $29,000
FY 1973 Net Adjustment $ 2,900
FY 1973 Revised Request $31,900

Oceanographic Command Support Equipment - $3.7 Million. (P-1 line item 14)

The additional $1.0 million is required to restore FY 1972 program reductions which were utilized to fund SEA ammunition.

Intelligence Command Support Equipment - $9.3 Million. (P-1 line item 15)

The additional $1.9 million is required to restore FY 1972 program reductions which were utilized to fund SEA ammunition. These funds were in the process of being reprogrammed into the Intelligence Command Support Equipment program. The urgency for ammunition funding resulted in the withdrawal of the formal reprogramming which was in process in the appropriate Congressional committees.

Admiral MINTER. A total of $5.5 million is requested in this activity, all of which is included in the $52.5 million payback and is for oceanographic and intelligence support equipment as well as providing sonar training capability for ASW team training.

Senator YOUNG. How much of this total request is for the restoration of items deferred in fiscal year 1972 to meet increased Southeast Asia costs?

Admiral MINTER. All of it, sir. It is to be noted that there will be very serious impacts on the programs in this activity as well as most of the other programs, in this appropriation, requested for payback if the funds are not appropriated.

Mr. Chairman, this completes my formal statement.

GUN BARRELS, LINERS, AND MOUNT COMPONENTS

Chairman MCCLELLAN. I notice $11.2 million was requested for the replacement of gun barrels.

Admiral MINTER. Yes, sir.

Chairman MCCLELLAN. Liners and other gun mount components.

Admiral MINTER. Yes, sir.

Chairman MCCLELLAN. How many gun barrels are in operation out there? Roughly how many are there?

Admiral MINTER. We have approximately [deleted].

Chairman MCCLELLAN. That is a total for all the ships?

Admiral MINTER. That is the total on all the ships.

Chairman MCCLELLAN. How often do you have to change one of these?

Admiral MINTER. It is based on the number of rounds you fire.

Chairman MCCLELLAN. Do you carry extra gun barrels on the ships?

Admiral MINTER. Not on the ships; in the yard.

Chairman MCCLELLAN. They have to go back to the yard?

Admiral MINTER. To Subic Bay or Yokosuka, usually. Since the 1st of April the ship gun ammunition expenditure has been 10 times what it was before that time. So our rate of fire is tenfold.

Chairman MCCLELLAN. I understand that, as far as the Navy is concerned, the war has been greatly accelerated.

Admiral MINTER. Yes, sir.

Chairman MCCLELLAN. I don't know what one of those gun barrels costs. It is like a spare part?

Admiral MINTER. Yes, sir; $12,500 each for a 5-inch 54 gun, which is one of the more common guns we have.

Chairman MCCLELLAN. It would appear that $11 million will replace all of them two times over.

Admiral MINTER. There is yard work cost also for the installation.

Admiral CHRISTMAN. We have also placed in the forward area major ordnance assemblies. We have found things broken down under the stress of this firing. We don't have time to bring them back to the States. We have to position spares in the forward areas. About half of this is for that.

Senator YOUNG. When you have to repair them, is this because a gun barrel loses accuracy?

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Admiral CHRISTMAN. Yes, sir. As you fire the round through it continually it wears down the barrel and finally the rounds begin to disperse and don't go to the point of aim.

Chairman MCCLELLAN. The accuracy of the shot decreases.

Admiral CHRISTMAN. Decreases as the barrel begins to wear.

Admiral MINTER. It no longer gives you the rifling effect on the shell that provides accuracy. It begins to tumble.

Chairman MCCLELLAN. It would affect the range also, would it not?

Admiral MINTER. It affects the range, but the loss of accuracy is the major effect.

SHIP LAYOVER FOR REPAIRS

Chairman MCCLELLAN. When those ships go back into port for repairs are they out of commission for as long as a month?

Admiral MINTER. No, sir. A matter of days.

Admiral JACKSON. They can replace a gun barrel in 24 hours. On a DDG2 class you can replace the two gun barrels in 24 hours.

Admiral CHRISTMAN. As a matter of fact, we have been working the gun crews, the people who are supposed to maintain the guns, so hard that they don't have time to rest. We have had to put extra gunners mates out there to assist them in the repair. They come in just dead tired. We turn them around in 2 or 3 days and put them back on the gun line.

Admiral MINTER. This accounts to a degree also for what we just presented in the O. & M.N. discussions on the increased cost of repairs because we don't have the time for our crews to be doing the progressive maintenance that would be done under normal circumstances. The intense operational tempo keeps the crew so involved and associated with combat that they don't have time to do the normal maintenance that should be done.

PROCUREMENT OF AIRCRAFT AND MISSILES, NAVY

STATEMENT OF VICE ADM. W. D. HOUSER, U.S. NAVY, DEPUTY CHIEF OF NAVAL OPERATIONS (AIR WARFARE)

ACCOMPANIED BY:

REAR ADM. T. R. McCLELLAN, U.S. NAVY, COMMANDER, NAVAL AIR SYSTEMS COMMAND, HEADQUARTERS

REAR ADM. D. C. DAVIS, U.S. NAVY, DIRECTOR, AVIATION PLANS AND REQUIREMENTS DIVISION, OPNAV

MAJ. GEN. H. S. HILL, U.S. MARINE CORPS, DEPUTY CHIEF OF STAFF FOR AIR, HQMC

MAJ. GEN. E. S. FRIS, U.S. MARINE CORPS, PROSPECTIVE DEPUTY CHIEF OF STAFF FOR AIR, HQMC

REAR ADM. E. W. COOKE, U.S. NAVY, DIRECTOR OF BUDGET AND REPORTS, OFFICE OF THE NAVY COMPTROLLER

CAPT. H. B. LANSDEN, U.S. NAVY, ASSISTANT HEAD, AIRCRAFT AND WEAPONS REQUIREMENT BRANCH, DCNO (AIR WARFARE)

CAPT. E. R. SEYMOUR, U.S. NAVY, A–7 PROJECT MANAGER, NAVAIR

CAPT. J. B. WILKINSON, JR., U.S. NAVY, A–6 PROJECT MANAGER, NAVAIR

CAPT. W. BRANDEL, U.S. NAVY, SPARROW PROJECT MANAGER, NAVAIR

COMDR. D. E. PARRISH, U.S. NAVY, SHRIKE PROJECT MANAGER, NAVAIR

COMDR. K. B. STAFFORD, U.S. NAVY, HEAD, PAMN AND LEGISLATIVE AFFAIRS, DCNO (AIR WARFARE)

COMDR. D. K. WILSON, U.S. NAVY, ANTIRADAR MISSILES COORDINATOR, DCNO (AIR WARFARE)

COMDR. M. T. GRADY, U.S. NAVY, AIRBORNE EW COORDINATOR, DCNO (AIR WARFARE)

P. D. HOSMER, NAVAL AIR SYSTEMS COMMAND

E. SPECK, OFFICE OF THE NAVY COMPTROLLER

BUDGET REQUESTS

Chairman McCLELLAN. The next request is for an additional sum of $247.4 million for "Procurement of Aircraft and Missiles, Navy." The original request for this appropriation was $3,871,200,000, and the revised request is $4,118,600,000. Pages 156 through 165 of the justifications will be included in the record at this point.

(Pages from the justification follow:)

PROCUREMENT OF AIRCRAFT AND MISSILES, NAVY

FY 1973 BUDGET AMENDMENT
Program and Financing (in thousands of dollars)

Identification code 07-15-1505-0-1-051	Budget Plan (amounts for procurement actions programmed)			Obligations		
	Request Pending	SEA Adjustment	Revised Request	Request Pending	SEA Adjustment	Revised Request
Program by activities:						
Direct:						
1. Combat Aircraft.....	1,974,800	115,300	2,090,100	1,901,300	110,800	2,012,100
2. Airlift aircraft.....	23,500	....	23,500	23,100	....	23,100
3. Trainer aircraft.....	31,300	....	31,300	44,000	....	44,000
4. Other aircraft.....	31,500	....	31,500	24,600	....	24,600
5. Modification of aircraft.....	359,200	40,200	399,400	366,500	38,200	404,700
6. Aircraft spares and repair parts	460,400	19,100	479,500	458,600	18,000	476,600
7. Aircraft support equipment and facilities.....	220,900	....	220,900	221,500	....	221,500
8. Ballistic missiles.....	346,200	....	346,200	351,000	....	351,000
9. Other missiles.....	331,900	72,800	404,700	328,500	68,500	397,000
10. Modification of missiles.....	26,200	....	26,200	25,800	....	25,800
11. Missile spares and repair parts.	18,600	....	18,600	29,600	....	29,600
12. Missile support equipment and facilities.....	46,700	....	46,700	46,500	....	46,500
Total Direct	3,871,200	247,400	4,118,600	3,821,000	235,500	4,056,500

Program and Financing (in thousands of dollars)(Continued)

Identification code 07-15-1505-0-1-051	Budget Plan (amounts for procurement actions programmed)			Obligations		
	Request Pending	SEA Adjustment	Revised Request	Request Pending	SEA Adjustment	Revised Request
Reimbursable (total)	47,000	....	47,000	41,000	....	41,000
Total.....	3,918,200	247,400	4,165,600	3,862,000	235,500	4,097,500
Financing:						
Receipts and reimbursements from:						
13. Federal funds	-29,000	....	-29,000	-29,000	....	-29,000
14. Trust funds	-16,000	....	-16,000	-16,000	....	-16,000
15. Non-Federal sources	-2,000	....	-2,000	-2,000	....	-2,000
Unobligated balance available, start of year: (-)						
For completion of prior year budget plans.....	....	....	....	-1,152,000	....	-1,152,000
Unobligated balance available, end of year						
For completion of prior year budget plans	....	....	....	1,208,200	11,900	1,220,100
Budget Authority (Appropriation)	3,871,200	247,400	4,118,600	3,871,200	247,400	4,118,600

Program and Financing (in thousands of dollars) (Continued)

Identification code 07-15-1505-0-1-051	Budget Plan (amount for procurement actions programmed)			Obligation		
	Request Pending	SEA Adjustment	Revised Request	Request Pending	SEA Adjustments	Revised Request
Relation of obligations to outlays:						
71. Obligations incurred, net	....	....	....	3,815,000	235,500	4,050,500
72. Obligated balance, start of year...	....	....	....	3,647,350	....	3,647,350
74. Obligated balance, end of year....	....	....	....	-4,100,350	-195,900	-4,296,250
90. Outlays.....	....	....	....	3,362,000	39,600	3,401,000

Object Classification (in thousands of dollars)

Identification code: 07-15-1505-0-1-051	Request Pending	SEA Adjustment	Revised Request
Direct obligations:			
22.0 Transportation of things	8,544	....	8,544
25.0 Other services	63,207	....	63,207
26.0 Supplies and materials	1,213,602	86,500	1,300,102
31.0 Equipment	2,535,647	149,000	2,684,647
Total direct obligations	3,821,000	235,500	4,056,500
Reimbursable obligations:			
26.0 Supplies and materials	28,813	....	28,813
31.0 Equipment	12,187	....	12,187
Total reimbursable obligations	41,000	....	41,000
99.0 Total obligations	3,862,000	235,500	4,097,500

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	REQUEST PENDING	SEA ADJUSTMENT	REVISED REQUEST
Combat aircraft	1,974,800	115,300	2,090,100
Airlift aircraft	23,500	--------	23,500
Trainer aircraft	31,300	--------	31,300
Other aircraft	31,500	--------	31,500
Modification of aircraft	359,200	40,200	399,400
Aircraft spares and repair parts	460,400	19,100	479,500
Aircraft support equipment and facilities	220,900	--------	220,900
Ballistic missiles	346,200	--------	346,200
Other missiles	331,900	72,800	404,700
Modification of Missiles	26,200	--------	26,200
Missile spares and repair parts	18,600	--------	18,600
Missile support equipment and facilities	46,700	--------	46,700
TOTAL DIRECT PROGRAM	3,871,200	247,400	4,118,600
Reimbursable Program	47,000		47,000
TOTAL PROGRAM REQUIREMENTS	3,918,200	247,400	4,165,600
Less: Portion of Program to be obligated in subsequent Fiscal Years	888,200	11,900	900,100
Plus: Obligations Incurred against Prior Year Program Funds	832,000	--------	832,000
TOTAL OBLIGATIONS	3,862,000	235,500	4,097,500

Procurement of Aircraft and Missiles, Navy
FY 1973 Budget Amendment Submission

Budget Activity 1: Combat Aircraft

(In Thousands)

FY 1973 Request Pending	$1,974,800
FY 1973 Net Adjustment	115,300
FY 1973 Revised Request	2,090,100

Justification of Funds

This budget amendment request of $115.3 million for combat aircraft will finance the procurement of 33 additional attack -- 9 A-6E's and 24 A-7E's -- aircraft to replace actual and anticipated combat losses in Southeast Asia resulting from increased attack sortie rates. In computing combat losses, an attrition factor was used based on actual losses experienced during April - May 1971 coupled with a projected rate through [September 1972] that considers the effect of the blockade and other applicable factors. The revised FY 1973 request for A-6E's and A-7E's is shown in the following table.

(In millions of dollars)

	Request Pending		SEA Adjustment		Revised Request	
	Qty	Amt	Qty	Amt	Qty	Amt
A-6E	12	$ 96.6	9	$ 49.9	21	$146.5
A-7E	24	98.3	24	65.4	48	163.7
	36	$194.9	33	$115.3	69	$310.2

Budget Activity 5: Modification of Aircraft

	(In Thousands)
FY 1973 Request Pending	$359,200
FY 1973 Net Adjustment	40,200
FY 1973 Revised Request	399,400

Justification of Funds:

Additional funding of $40.2 million is required for the aircraft modification programs as a result of the increased tempo of operations in Southeast Asia. This request will fund the modification and upgrading to current fleet configuration of aircraft withdrawn from storage/secondary roles to replace anticipated combat losses of F-4, F-8, RA-5, and Navy A-4 aircraft thru [September 1972.] This request also includes funds for replacement of losses of [ ] pods and to meet urgent requirements for augmentation of electronic countermeasures capability of strike aircraft, as well as provision for defenses against the [ ] threat now being encountered.

A breakdown of line items requiring additional funding, including justification of increases by line item, follows:

(In Millions of Dollars)

Item	Request Pending	SEA Adjustment	Revised Request
F-4 Modification (SLEP)	$ 46.400	$ 11.500	$ 57.900
A-4 Modification	4.100	2.400	6.500
F-8 Modification	2.900	2.100	5.000
RA-5 Modification		3.000	3.000
A-6 Modification	91.400	2.300	93.700
OV-10 Modification		.748	.748
CH-46 Modification	28.100	1.911	30.011
CH-53 Modification	4.200	2.380	6.580
H-1 series Modification		1.661	1.661
Various Modifications (IRCM and ECM Mods)	42.500	12.200	54.700
		$ 40.200	

F-4 Modification - An additional $11.5 million is required to accelerate the F-4 Modification Service Life Extension Program (SLEP) to offset combat attrition losses. [ ] additional F-4B aircraft will be modified and updated to the F-4N configuration. The F-4 modification/update program includes complete rewiring of the aircraft, configuration update, and structural modifications to extend the fatigue life of the airframe.

A-4 Modification - $2.4 million is required to update [ ] A-4E aircraft to the fleet configuration. These aircraft are currently being used in secondary roles but are now needed to offset losses in SEA. This modification consists primarily of incorporating electronic countermeasures equipment.

Classified material which has been deleted is indicated by brackets. [ ]

F-8 Modification - [ ] F-8J and [ ] RF-8G aircraft currently in storage or secondary roles will be modified at a cost of $2 million to replace expected combat attrition thru [ ] To bring the F-8J to Fleet configuration, various electronic warfare changes will be incorporated, while the changes to RF-8G aircraft will basically incorporate changes to landing and arresting gear.

RA-5 Modification - Replacement of expected RA-5C aircraft combat attrition will be effected by incorporating changes in [ ] aircraft removed from storage, to bring them to current fleet configuration. Modification includes incorporation of several airframe changes and installation of ALQ-100 and ALR-45/50, at a cost of $3.0 million.

A-6 Modification - $2.3 million is required to replace [Deleted] lost with attrited EA-6A aircraft. These sets were not procured on a one-for-one basis and loss of the sets [Deleted]

OV-10, CH-46, CH-53, AH-1J, and UH-1E Modifications - A total of $6.7 million is required to incorporate [Deleted] on these aircraft, in order to provide protection against the [Deleted] now being encountered in Southeast Asia.

IRCM and ECM Modifications - $2.5 million of this request will procure [Deleted] to replace dispensers lost on attrited aircraft as well as to augment an inventory critically short, especially in the light of new threats now being encountered. In addition, acquisition of additional Electronic Warfare surveillance capability for EA-3A/EP-3B aircraft now operating in Southeast Asia will require $1.2 million for the procurement of [Deleted] receivers, antennas and related hardware. Finally, procurement of pods to provide [Deleted] for strike aircraft requires $8.5 million.

Budget Activity 6: Aircraft Spares and Repair Parts

(In Thousands)

FY 1973 Request Pending	$460,400
FY 1973 Net Adjustment	19,100
FY 1973 Revised Request	479,500

Justification of Funds

The increase of $19.1 million in aircraft spares and repair parts is due to the increased level of operations in SEASIA as experienced and projected thru [ ] It is to be applied as follows:

(1) $11.0 million to replace aviation material attrited due to increased flying hours principally in the F-4, A-7 and A-6 aircraft.

(2) $8.1 million to provide investment spares to support the current production versions of A-6 and A-7 aircraft that are replacements for the older versions attriting in SEASIA.

Classified material which has been deleted is indicated by brackets. [ ]

Budget Activity 9: Other Missiles

	(In Thousands)
FY 1973 Request Pending	$331,900
FY 1973 Net Adjustment	72,800
FY 1973 Revised Request	404,700

Justification of Funds

Increased funding is requested under this budget amendment for the procurement of additional air-launched missiles to replace actual and projected Southeast Asia expenditures through September 1972. The table below lists the items for which additional funds are requested and is followed by a brief discussion of the increases by missile.

(In millions of dollars)

	Request Pending		SEA Adjustments		Revised Request	
	Qty	Amt	Qty	Amt	Qty	Amt
AIM-7E (SPARROW)	[ ]	83.1	[ ]	$ 5.5	[ ]	88.6
AIM-9H (SIDEWINDER)		26.8		2.0		28.8
AIM-45A (SHRIKE)		.7		26.3		27.0
AGM-78A (STANDARD ARM)	[ ]	.8	[ ]	39.0	[ ]	39.8

AIM-7E (SPARROW) $5.5 million - The increased threat in SEA has created a requirement to procure an additional [ ] supersonic, air-to-air Sparrow 7E missiles. These missiles will replace actual and projected SEA expenditures through [ ].

AIM-9H (SIDEWINDER) $2.0 million - This missile is a supersonic, air-to-air infra-red homing missile employed by both fighter and attack aircraft for short and medium range [ ] missions. The $2.0 million request in the FY 1973 budget amendment provides for the procurement of [ ] AIM-9H missiles to replace actual and projected SEA expenditures.

AGM-45A (SHRIKE) $26.3 million - The SHRIKE is an air-to-ground weapon which homes on the emissions of enemy radars. The AGM-45A 3/3A model of SHRIKE is used to counter the radars currently being used in North Vietnam to direct SA-2 missiles and AAA fire. At the current rate of consumption, it is expected that an additional [ ] SHRIKE missiles will be needed to replace those expended in SEA during the period of [ ]. The requested funds will provide for procurement of [ ] SHRIKE missiles.

AGM-78D (STANDARD ARM) $39.0 - The STANDARD ARM, like the SHRIKE, is an air-to-ground weapon which homes on the emissions of enemy radars. The D model of the STANDARD ARM, however, has the ability to attack a wider spectrum of targets than the SHRIKE. Standard ARM Missiles also have higher sensitivity which permits attack on the [ ] of the threat radars, longer range, and a program turn capability which greatly increases the firing opportunities over the SHRIKE. Replacement of SEA expenditures is critical. The funds requested in the amendment will procure [ ] of the Standard ARM, D model.

Classified material which has been deleted is indicated by brackets. [ ]

SOUTHEAST ASIA ACTIVITIES

Chairman McClellan. This request will be presented by Vice Adm. William D. Houser, Deputy Chief of Naval Operations for Air Warfare.

You may proceed, Admiral.

Admiral Houser. Good afternoon, sir.

I would like to present to you the Navy's amended aircraft and missile procurement request for fiscal year 1973. Rear Admiral McClellan, commander, Naval Air Systems Command, and Major General Hill, Marine Corps Deputy Chief of Staff for Air, will assist me.

As you know, the budget amendment was precipitated by unforeseen increased air and surface activity by the Navy in Southeast Asia. This increased activity resulted in higher than planned aircraft losses and missile expenditures.

In June 1972, after considering our experience since April 1, it was estimated that [deleted] would be lost if the increased activity continued to September 30, 1972. These losses are above those considered in our basic fiscal year 1973 planning.

As of September 12 we have experienced combat losses of [deleted].

Chairman McClellan. How much does that total?

Admiral Houser. That is [deleted] compared to [deleted] forecast. It is generally accurate.

Chairman McClellan. You lost [deleted] compared to [deleted] forecast?

Admiral Houser. Yes, sir. We are running slightly ahead of schedule. We forecast a loss of [deleted] through the 30th of September.

Chairman McClellan. You still have some time to go.

Admiral Houser. We have about 3 weeks to go. I think it is a little over 10 a month.

Chairman McClellan. You will be close, notwithstanding the stepped up war.

Admiral Houser. This is considering the stepped up war since the 1st of April. Unfortunately, our predictions on which the budget amendment is based are proving to be nearly correct.

AIRCRAFT REPLACEMENTS AND MODIFICATIONS

After considering the production status of these aircraft, the Navy inventory required force levels, and relative capability, it was determined that [deleted] replacements would be requested for the A–7 and A–6 aircraft only. In the near term, other losses would be compensated for by modification of aircraft of the same or similar types to bring them up to the current fleet configuration for deployment. The exception is the EA–6A which because of the limited assets available, represents a reduction in capability.

Thus the budget amendment, if approved with respect to aircraft, will approximate a return to the fiscal year 1973 basic program, only if the intensified effort is reduced to the pre-April 1972 level of approximately [deleted] strike sorties per month. This budget amendment covers estimated losses only to the 30th of September.

Losses at the present level of effort have not been considered in the budget amendment request for the period beyond September 30.

I know that this committee has already considered the Navy's basic fiscal year 1973 PAMN request. Therefore, Mr. Chairman, with your permission, I will present to you only those programs that are affected by the budget amendment. I would like to cover aircraft first.

BUDGET AUTHORIZATIONS

Chairman McClellan. Do you have authorization for this money?

Admiral Houser. Authorization for the budget amendment money?

Chairman McClellan. Yes.

Admiral Houser. No, sir.

Chairman McClellan. I don't know what we are going to do if you don't get authorization.

Admiral Houser. We will just be in a position that was less than we had before. We are in a very tight position in terms of aircraft. We have had combat losses over there of [deleted] aircraft. We will not get replacements or modifications of old aircraft. These will be inventory losses that will be reflected in lesser numbers in our squadrons, certainly a lesser modernity in our Reserve force.

Chairman McClellan. This [deleted] plane loss that you contemplate will be what percentage of your total strength?

Admiral Houser. Out of the total inventory, it will be about [deleted] percent, but this includes training aircraft and storage aircraft and other things.

Chairman McClellan. Out of combat-ready aircraft, it will be what percentage?

Admiral Houser. Out of combat aircraft, it is about [deleted] percentage. In the case of our own A–7 force, the [deleted] aircraft lost represents [deleted] percent of that operating inventory.

Chairman McClellan. Less than [deleted] percent?

Admiral Houser. Less than [deleted] percent. I think that is probably a better way. These are essentially combat aircraft. Some are combat support.

Admiral Cooke. To go back to the authorization, the Senate Armed Services Committee treated the amendment by deferring it without prejudice. It was not authorized or refused.

Chairman McClellan. I understand, but I don't see any immediate prospects of an authorization bill being passed before we have to act on this budget.

Senator Symington. Are you talking about all this presentation?

Admiral Cooke. We are talking about the authorization portion of the amendment.

CRUISE MISSILE: AUTHORIZATION AND BUDGET REQUEST

Senator Symington. For instance, on missiles, I was in conference with the House, and we agreed on a figure which was half of what you requested the Appropriations Committee.

Admiral Cooke. Yes, sir; we do have that.

Senator Symington. In other words, you came in for a submarine launched cruise missile. You asked $20 million, and the Senate struck it out. In the conference with the House, it was finally agreed that it would be $10 million. Now you are asking for $20 million, so you are

not only asking for what the Senate knocked out, but you are also asking for double the amount that the conference with the House authorized.

Admiral COOKE. Yes, sir.

Chairman MCCLELLAN. Let us proceed.

Again this raises a question. If you don't get authorization for it, it will be difficult to appropriate the money even though the need is urgent.

Senator YOUNG. Is there an authorization request pending?

Senator SYMINGTON. $20 million was requested for the cruise missile.

Senator YOUNG. Is that one pending yet, or has that been deleted in conference?

Senator SYMINGTON. The Senate considered it and eliminated it.

Chairman MCCLELLAN. All of it, or half?

Senator SYMINGTON. All of it. Then we went into conference with the House, and a compromise was half, $10 million.

Senator YOUNG. There is no further request for authorization?

Senator SYMINGTON. None.

Chairman MCCLELLAN. You are asking for $20 million of appropriations.

Senator SYMINGTON. $10 million will be the figure that comes out of the House-Senate conference for authorization. That is the only reason I brought it up. I was trying to be constructive.

Chairman MCCLELLAN. You may proceed.

A-6E

Admiral HOUSER. Turning to aircraft, A-6E:

As you recall, our basic fiscal year 1973 budget request for A-6E's was $98.3 million for 12 aircraft to continue a modest inventory modernization and provide a continued production capability. The required funds for initial spares associated with these aircraft were $8.9 million.

Chairman MCCLELLAN. What is the amended request?

Admiral HOUSER. The amended request is $148.2 million for 21 A-6E aircraft, which includes nine A-6E's to replace A-6A incremental, actual, and predicted Southeast Asia attrition. Initial spares associated with this procurement require $13.5 million.

This represents an increase of nine A-6E's and $54.5 million above the basic submit.

I invite your attention to the data slide. The format is the same as the congressional data sheets provided to you by the Secretary of Defense. These slides include the budget amendment and the change from the basic budget submit is indicated in blue adjacent to the number in the revised request.

Chairman MCCLELLAN. Is the total cost of those planes $111 million?

Admiral HOUSER. Yes, sir. That is for the total number.

Chairman MCCLELLAN. What is the flyaway cost?

Admiral HOUSER. The unit flyaway cost is $5.3 million.

Chairman MCCLELLAN. Proceed.

Admiral HOUSER. Mr. Chairman, if you like, I will define once again "Weapons System Cost," "Initial Spares," "Flyaway Unit Cost," and "Program Status."

WEAPONS SYSTEM COST

"Weapons System Cost" is the actual amount we are requesting under the line item, and is derived from flyaway, support requirements, and advance procurement.

I would like to emphasize that only the flyaway and prior year advance procurement are directly related to this year's requested quantity. "Advance Procurement Current Year" provides long-lead funding for next year's planned request.

INITIAL SPARES

Total "Initial Spares" requirements are contained in the request for "Aircraft Spares and Repair Parts," but have been included here to provide you with the dollar amounts associated with each weapon system.

A portion of support equipment and initial spares will outfit support ships and air stations, independent of the quantity of aircraft in this year's buy. I point this out to show you that even if zero quantity of any given aircraft is procured this year, a portion of initial spares and support equipment for that aircraft would still be required.

FLYAWAY UNIT COST

The "Flyaway Unit Cost" is the cost of one completely equipped aircraft at the head of a runway ready for takeoff. This should be differentiated from total program unit cost, which is the cost of single aircraft after prorating the cost of R.D.T. & E., support, and initial spares throughout the total program.

PROGRAM STATUS

Under "Program Status" the total actual inventory for this aircraft series as of July 1, 1972, is shown. The title "Funded and Undelivered" pertains to the aircraft in this series approved by the Congress for procurement but not delivered to the Navy as of July 1, 1972.

COSTS THROUGH BUDGET YEAR

"Costs Through Budget Year" indicates total accumulated PAMN costs for the program through this year's request.

TOTAL PROGRAM

The items listed under "Total Program" refer to total actual and planned procurement, including R.D.T. & E., for all years. A breakdown of "Total Program," including:

Details on procurement quantities programed for the future;

Inventory objectives;

PAMN, R.D.T. & E., and MILCON costs;

And total program costs, is available for each item on a second data slide, if you desire to see them.

A–7 AND F–4 REPLACEMENT

Senator SYMINGTON. You lost [deleted] A–7's and [deleted] F–4's. You are asking for replacement of the A–7's, but none of the F–4's. Why is that?

Admiral HOUSER. Those were forecast losses. We lost almost that many.

Senator SYMINGTON. I am just using your figures.

Admiral HOUSER. These are forecasts. The actual losses were [deleted].

You are right. They are about the same.

Senator SYMINGTON. Why are you asking for replacement of the A–7's, but not of the F–4's?

Admiral HOUSER. We intend to replace the F–4's by taking the older ones and putting them through a life extension service flight extended program. We have in the budget amendment a request to make new ones out of old ones, so to speak. We have airplanes that are old, and we have a request in here for modernizing 22.

Senator SYMINGTON. Why don't you do the same thing for the A–7?

Admiral HOUSER. We don't have the same problem on the A–7. We don't have old A–7E's that we can modernize.

Senator SYMINGTON. As we both know, the performance of an airplane is largely in the engine. Do you replace the engine in the F–4 when you modernize it?

Admiral HOUSER. No, sir.

Senator SYMINGTON. How can you modernize it if you don't put in new engines?

You are asking for additional purchases of a subsonic airplane, yet you want more of those new ones. At the same time you want to modernize some of your old airplanes that are supersonic. It is difficult to understand.

Admiral HOUSER. We are modernizing the supersonic to bring them up. We think the A–7E is an outstanding airplane. It has the most accurate bombing system we have seen to date.

Senator SYMINGTON. I think it is an outstanding subsonic airplane, but don't see how it could live against Soviet defenses.

Admiral HOUSER. We, of course, have not fought the Soviets, and I hope we don't have to. The only remark I can make is that it is doing quite well against what the Soviets have provided for North Vietnam. In a concentrated sense, I think it would approximate what you might find in the Soviets.

Senator SYMINGTON. Thank you, Mr. Chairman.

A–6E INTRUDER AIRCRAFT

Chairman MCCLELLAN. An additional $49.9 million is requested for the procurement of nine A–6E Intruder aircraft. The original budget included $96.6 million for the procurement of 12 of these aircraft, and the revised request is $146.5 million for the procurement of 21. The aircraft data sheet on this aircraft is found on page 679 of part 3 of the committee's hearings.

On the revised data sheet, I note the following statement: "Nine of the aircraft are being procured to offset actual and projected A–6A/B

combat losses due to current Southeast Asia activity." How many of these aircraft have we lost since the beginning of the North Vietnamese offensive last spring?

Admiral HOUSER. During the period April 1 to September 12, we lost [deleted] A–6A Intruder aircraft in combat.

Chairman MCCLELLAN. I note that we have been buying this aircraft at a level of about 12 aircraft for several years. Inasmuch as you have a rather large inventory of A–6 aircraft and you have an active production line, just why do you feel that you need the funds for these additional nine aircraft in fiscal year 1973?

Admiral HOUSER. Our objective is 12 Navy and five Marine Corps A–6 squadrons of 12 aircraft each. With one Navy training squadron on each coast and one Marine training squadron, the inventory required is 320 aircraft. Our program inventory on June 30 was 301 or 19 aircraft short. Six squadrons are operating with only nine aircraft assigned.

From past experience we expect our peacetime losses to be about 10 aircraft per year. Our procurement of 12 aircraft per year, therefore, will do little to satisfy the shortages in the fleet and cannot offset these unexpected combat losses. We have lost [deleted] A–6's since April. This reduction in inventory severely degrades our defense posture and must be compensated with additional procurement. [Deleted.]

A–7E

Chairman MCCLELLAN. You may proceed.

Admiral HOUSER. On the A–7E:

As you recall, our basic fiscal year 1973 budget request for A–7E's was $105.8 million for 24 aircraft to sustain A–7 force levels and continue the modernization of the light attack force by replacing attrited A–7A/B aircraft with new production A–7E's. The required funds for initial spares associated with these aircraft is $9.1 million.

The amended request is $171.2 million for the 48 A–7E aircraft, which includes 24 A–7E's to replace incremental, actual, and predicted Southeast Asia attrition. Initial spares associated with this procurement require $12.6 million.

This represents an increase of 24 A–7E aircraft and $68.9 million above the basic submit. It is anticipated that of the attrited aircraft, 14 will be A–7E's, and 10 will be A–7A/B's. Therefore, the increase of $3.5 million in initial spares associated with this procurement provides initial spares for only 10 of the increase of 24 A–7E aircraft.

A–7E AIRCRAFT

Chairman MCCLELLAN. The original budget included $98.3 million for the procurement of 24 A–7E attack aircraft. The original request included $98.3 million for 24 of these aircraft, and the revised request is for 48 of these aircraft at $163.7 million. The aircraft data sheet on the A–7E aircraft is found on page 694 of part 3 of the committee's hearings.

On the revised data sheet, I note the following statement: "The additional 24 aircraft are being procured to offset actual and projected losses due to increased Southeast Asia activity." How many of these

aircraft have been lost since the beginning of the North Vietnamese offensive last spring?

Admiral HOUSER. During the period April 1 to September 12 we lost [deleted] A–7A/B, [deleted] A–7C and [deleted] A–7E Corsair II aircraft in combat for a total of [deleted].

Senator YOUNG. Through fiscal year 1970, 344 of these aircraft have been funded, in fiscal year 1971, 30 were funded, and in fiscal year 1972, 24 were funded. In view of the substantial inventory of these aircraft and the fact that you have an active production line, just why do you feel you need these additional 24 aircraft in fiscal year 1973?

Admiral HOUSER. The original Navy A–7E force level objective of 16 active squadrons was realized with the delivery of the fiscal year 1970 procurement, and the sharply reduced quantities requested in fiscal year 1971 and subsequent represented a compromise between attrition replacements required on an annual basis and fiscal constraints imposed on the PAM,N appropriation. In other words, although the annual losses to all series of A–7's varied between 33 to 36 aircraft, we felt that we could only afford to procure 24 A–7E's and still maintain minimum sustaining production rates in our other programs. We have recently revised our inventory objectives as Admiral Weisner briefed you earlier this year, to permit the achievement of an all A–7E Active Force by 1980. This objective was adopted with the concurrent goal of using the A–7A/B series aircraft that were to be gradually displaced by A–7E deliveries to provide for modernization of our Reserve Forces. The procurement profiles in our FYDP programing were revised upward but the numbers of aircraft we could accommodate in our PAM,N budget still make this a long-range effort.

When we began to feel the effects of the added combat attrition resulting from the increased SEA activity this spring, we were faced with a situation in which we were no longer able to project sustainment of the unit equipment (UE) for our 16 squadrons already transitioned. In fact, our projections further indicated that if these replacement aircraft requested in the fiscal year 1973 amendment were to be delayed for incorporation in our fiscal year 1974 request, the delay in actual deliveries would result in the two reserve squadrons already equipped with A–7's at NAS Alameda having to retrotransition to A–4's in order to maintain our authorized 27 active squadrons in all series of A–7's. This is because the combat attrition added to our best estimate of normal peacetime losses, greatly exceeds our procurement profiles and results in a declining overall inventory.

Chairman MCCLELLAN. Off the record.

(Discussion off the record.)

Chairman MCCLELLAN. On the record.

AIRCRAFT MODIFICATIONS

Admiral HOUSER. I would like to turn now to aircraft modifications.

Our basic fiscal year 1973 budget request for aircraft modification was for $359.2 million, of which $303 million was to continue or complete programs started in prior years. Only those modification programs of the utmost importance were included in the request.

The amended request is for $399.4 million, an increase of $40.2 mil-

lion above the basic budget submit. This increase to the basic modification program provides for:

Addition to the service life extension program of 22 F–4B aircraft to meet active and reserve fighter force levels.

The modification and upgrading to current fleet deployment configuration of four A–4, three F–8J, two RF–8G and three RA–5C aircraft.

The replacement of electronic countermeasure systems lost with attrited EA–6A aircraft. [Deleted.]

MODIFICATION OF AIRCRAFT

Chairman McClellan. The budget amendment includes an additional $40.2 million for the modification of aircraft, for a revised request of $399.4 million. I note that $11.5 million of this additional request is for the F–4 modification program, and it is indicated that an additional 22 F–4B aircraft will be modified and updated to the F–4N configuration. Just what is involved in this updating?

Admiral Houser. This updating involves complete electrical rewiring of these aircraft, structural modifications to extend the fatigue life, and an overall configuration update including visual target acquisition system and improved electronic warfare capability.

MODIFICATION OF RA–5 AIRCRAFT

Chairman McClellan. Please comment on the $3 million that is requested for the modification of RA–5 aircraft.

Admiral Houser. The $3 million requested for modification of the RA–5C attrition replacement aircraft was requested to return three RA–5C aircraft from storage at Davis Monthan AFB to a fully operational status. Modifications required included wiring replacement kits, wing root fillet kits, J–79–10 engine and afterburners, complete DECM suit equipment and kits, zero/zero ejection seat kits and automatic carrier landing system kits.

VARIOUS MODIFICATIONS

Senator Young. Exactly what do you plan to do with the $12.2 million additional that is requested for "various modifications"?

Admiral Houser. These funds provide for the procurement of [deleted].

Chairman McClellan. Are there any other questions? Proceed.

AIRCRAFT SPARES AND REPAIR PARTS

Admiral Houser. Our basic fiscal year 1973 budget request for initial investment spares was $336.4 million and $124 million for replenishment spares.

The amended request is for $344.5 million initial investment spares and $135 million for replenishment spares—an increase of $8.1 million and $11 million respectively above the basic budget submit. The initial investment spares increase is due to the additional procurement of the A–6E and A–7E aircraft.

AIRCRAFT SPARES AND REPAIR PARTS

Chairman McCLELLAN. The original budget included $460.4 million for aircraft spares and repair parts, and you are now requesting an additional $19.1 million for a revised request of $479.5 million. How much of this additional $19.1 million is for the procurement of initial spares for the proposed additional procurement of A–6 and A–7 aircraft?

Admiral HOUSER. We are requesting an additional $4.6 million for A–6E initial spares and an additional $3.5 million for A–7E initial spares for a total of $8.1 million.

Chairman McCLELLAN. Just how was the additional requirement of $11 million for replenishment spares completed?

Admiral HOUSER. The additional requirement of $11 million for replenishment spares is based on increased sorties rates and flying hours for the A–6, F–4, and A–7 aircraft operating in Southeast Asia. The acceleration of operations resulted in an increased issue forecast of $117.4 million. Based on historical factors, the increased issues result in an estimated attrition of $11 million which requires replacement in order to support normal operations.

Senator YOUNG. Is this money you are asking for today the result of the stepped up naval warfare in Southeast Asia?

Admiral HOUSER. All of it. This is associated with the increased activity in Southeast Asia, and it is above the submittal that was made on the fiscal year 1973 budget.

Senator YOUNG. The regular budget did not anticipate the activity that has been experienced?

Admiral HOUSER. It anticipated some activity. We are going about three times as much as we anticipated. Also, we are fighting in a different location. We did not anticipate these losses, and we could not defend, of course, buying for losses of this nature when the budget was made up earlier.

Senator YOUNG. The bombing was resumed after the last budget was submitted?

Admiral HOUSER. Yes, sir; after the budget was submitted.

Admiral COOKE. The increase started on the 1st of May.

Chairman McCLELLAN. Off the record.

(Discussion off the record.)

Chairman McCLELLAN. On the record.

AIRCRAFT SUMMARY

Admiral HOUSER. Our total fiscal year 1973 aircraft procurement request was $3,101,600,000 for 282 aircraft. The amended request is $3,276,200,000 for 315 aircraft—an increase of 33 aircraft and $174.6 million.

Chairman McCLELLAN. That is the total for all aircraft?

Admiral HOUSER. That is the total, sir.

Chairman McCLELLAN. Very well.

MISSILES

Admiral HOUSER. Mr. Chairman, I will now review the revised missile request.

The increased air activity that led to the aircraft attrition previously presented has also caused expenditures higher than planned in the air-to-air and air-to-surface missile inventory.

In June 1972 utilizing previous experience and projecting this experience as modified by best judgment, we predicted that [deleted] Sparrow, [deleted] Sidewinder, [deleted] Shrike, [deleted] Standard Arm [deleted] would be expended by September 30, 1972. This was the basis of our fiscal year 1973 budget amendment missile request.

To maintain our inventory position with respect to Sparrow and Sidewinder, to avoid a critically low inventory of Shrike, and to regain the Standard Arm capability, a one-for-one replacement was requested for all predicted missile expenditures.

The Shrike in particular has had a very high usage rate (as much as [deleted] per month). [Deleted.] Authorization to resume Shrike procurement is requested and required at the earliest possible time.

With your permission, I will present only those missile programs that are affected by the budget amendment.

SPARROW III (AIM–7E/7F)

Our basic request was $77 million for procurement of [deleted] AIM–7F missiles, $6.1 million to support the AIM–7E missiles already in the fleet, and $0.8 million for initial spares.

The revised request is for $77 million for procurement of [deleted] AIM–7F missiles, $5.5 million for procurement of [deleted] AIM–7F/E–2 missiles, $6.1 million for support of AIM–7E missiles already in the fleet, and $0.8 million for initial spares. The increase over the basic submit is [deleted] missiles and $5.5 million.

Chairman McClellan. The original request included $83.1 million for the procurement of Sparrow missiles, and you are now requesting an additional $5.5 million for a revised request of $88.6 million. The missile data sheet for the Sparrow missile is found on page 813 of part 3 of the committee hearings.

Are these additional funds for the procurement of the 7E version of the missile?

Admiral Houser. The budget amendment of [deleted] AIM–7E2 missiles was requested to replace actual and projected Sparrow combat expenditures in Southeast Asia. This request was made in anticipation of early congressional approval.

The AIM–7E2 is being phased out of production in accordance with the DCP in anticipation of the successful completion of the AIM–7F OPEVAL in December 1972. The performance and reliability demonstrated in the ongoing AIM–7F OPEVAL has been impressive. At this time it is considered more desirable to procure a lesser quantity of [deleted] AIM–7F missiles rather than the [deleted] AIM–7E2 missiles originally requested in the amendment.

Senator Young. How many of these missiles have actually been expended in Southeast Asia to date and how does this differ from your projections on which the original fiscal year 1973 budget request was based?

Admiral Houser. Since the start of spring offensive on April 1, 1972, and through September 1, 1972 [deleted] Sparrow missiles have been expended. Our budget amendment estimate for the period April

1 through September 30 was for [deleted] Sparrow missiles. No combat expenditure projections were contained in our basic fiscal year 1973 budget request.

SIDEWINDER (AIM–9H/L)

Our basic fiscal year 1973 budget request was $26.8 million, which provided for [deleted] AIM–9H ($12.1 million) and [deleted] AIM–9L ($14.7 million) and an additional $0.7 million for initial spares.

The revised request is for $28.8 million, providing for [deleted] AIM–9H ($14.1 million) and [deleted] AIM–9L ($14.7 million) and an additional $0.7 million for initial spares. The increase requested from the basic submit being $2 million for [deleted] AIM–9H missiles.

Chairman McClellan. The original budget request included $26.8 million for the procurement of [deleted] Sidewinder missiles, and you are now requesting $2 million for the procurement of an additional [deleted] for a revised request of $28.8 million for the procurement of [deleted] missiles. The missile data sheet for the Sidewinder missile is found on page 823 of part 3 of the committee's hearings.

Are these additional funds for the procurement of the 9H version or the 9L version of the Sidewinder missile?

Admiral Houser. We are requesting the additional funds for [deleted] AIM–9H versions of the Sidewinder.

Senator Young. How many of these missiles have been expended since the beginning of the spring offensive by the North Vietnamese, and how does this number compare to your projections on which the fiscal year 1973 budget was based?

Admiral Houser. We have expended [deleted] Sidewinder missiles in Southeast Asia during the period April 1 to September 1, 1972. The budget amendment estimate through September 30 was for [deleted] Sidewinder missiles. No combat expenditure projections were contained in our basic fiscal year 1973 budget request.

SHRIKE (AGM–45A)

This is one of the antiradiation missiles that goes against the enemy radar.

Chairman McClellan. This is air to ground?

Admiral Houser. Air to ground.

Chairman McClellan. What does one of those cost?

Admiral Houser. [Deleted] for each one.

Chairman McClellan. How many of those are carried on each plane?

Admiral Houser. They normally carry [deleted].

Chairman McClellan. Do all planes have those?

Admiral Houser. No, sir. We have special flight of aircraft sections designated as Shrike carriers. They carry these. Their basic mission is to protect the rest of the strike group. They have special sensing devices and when they get a signal indicating that the enemy radar is on the air, they will launch a Shrike.

Chairman McClellan. What range does it have?

Admiral Houser. [Deleted.]

It has a maximum range of [deleted] miles but they are normally fired at around [deleted] miles. [Deleted.]

[Deleted.]

Chairman McCLELLAN. Proceed.

Admiral HOUSER. There were no Shrike AGM–45A missiles requested in the fiscal year 1973 basic budget. Shrike is an air-to-surface antiradiation missile employed by the Navy, Marine Corps, and Air Force to suppress enemy radars. It is in the ordnance inventory on all attack carriers and can be fired from the Navy A–4, A–6, and A–7 aircraft. It has been in use in combat in Southeast Asia since 1965.

Chairman McCLELLAN. Tell me why its only target is radar.

Admiral HOUSER. It takes a peculiar type of missile to hit a radar, Mr. Chairman. You need a seeker to tell this missile where to go. We are firing on the signal the enemy radar is putting out. He has to be radiating for you to know that you can fire the missile. If he shuts down the radar, then this missile does not have a target.

It is a particular design so that when it gets its signal, the pilot is alerted to the radar threat. The pilot then fires it toward the radar.

Admiral McCLELLAN. It homes in on the radar.

Chairman McCLELLAN. It has no other use?

Admiral McCLELLAN. That is correct.

Chairman McCLELLAN. It could not be fired against any other target? It would not be practical?

Admiral HOUSER. It would not be practical. It also has an application against enemy radar at sea.

The Shrike expenditure since April 1972, has increased significantly over the anticipated usage, and at the predicted expenditure rate, Navy assets will be [deleted].

Shrike homes on radiating radars, thus the enemy must stop using his radar-directed defenses or be destroyed. This suppresion has greatly reduced SAM firings against our aircraft and has degraded the effectiveness of the SAM's by having caused many of those fired to fly unguided or visually guided resulting in increased misses.

SHRIKE PROCUREMENT AND USAGE

[Deleted.] We are requesting $26.3 million for [deleted] Shrike missiles.

Chairman McCLELLAN. The budget amendment includes, as you said, $26.3 million for the procurement of additional Shrike antiradar missiles, making a revised request of $27 million. As I recall, the original request of $700,000 for the Shrike missile did not involve the procurement of additional missiles but was for the support of existing missiles. Am I correct about this?

Admiral HOUSER. Yes, sir.

Chairman McCLELLAN. How many of these missiles will be procured with this additional $26.3 million?

Admiral HOUSER. [Deleted] Shrike missiles.

Senator YOUNG. Comment briefly on the increased use of this missile since the beginning of the North Vietnamese offensive.

Admiral HOUSER. Shrike missiles are used by our strike forces to destroy or suppress enemy radar-directed air defense systems. Since April, we have experienced an unanticipated increase in Shrike expenditures with monthly usage as high as [deleted]. Between April 1 and September 1, we have fired [deleted] Shrikes.

STANDARD ARM (AGM–78D):

This is the big brother to the Shrike.

There were no Standard Arm (AGM–78) missiles requested in the fiscal year 1973 basic budget. The Standard Arm missile is a supplement to the Shrike but has greater velocity, greater firing range, a larger detection envelope, and is more effective in support of a strike group.

Standard Arm missiles [deleted]. This, combined with the longer range [deleted], greatly increase the firing opportunities over the Shrike.

$39 million for [deleted] Standard Arm (AGM–78D) missiles is requested.

Senator YOUNG. How long have you had this one in inventory?

Admiral HOUSER. Standard Arm was first fired in combat in 1968.

Chairman MCCLELLAN. Was this sum authorized for this purpose?

Admiral HOUSER. These are all new requests over the basic 1973 request.

Chairman MCCLELLAN. There is no authorization?

Admiral COOKE. That is correct.

STANDARD ARM MISSILE

Chairman MCCLELLAN. The original budget included $800,000 for the support of the Standard Arm antiradar missiles, and the budget amendment includes $39 million for the procurement of 316 additional missiles for a revised request of $39.8 million.

Tell us why you feel it is essential that funds be included in this bill for the procurement of these additional missiles.

Admiral HOUSER. The Standard Arm missile provides a [deleted]. We need the additional capability of the Standard Arm missiles to counter the increasing threat of enemy radar directed defenses.

MISSILE SUMMARY

Admiral HOUSER. Our fiscal year 1973 missile request was for $769.6 million. The revised request is for $842.4 million, an increase of $72.8 million.

Senator YOUNG. Did the House consider these items?

Admiral COOKE. Yes, sir. Some of the items were appropriated for that were not authorized.

Senator YOUNG. Some were?

Admiral COOKE. Yes, sir.

Chairman MCCLELLAN. We don't know what the House is going to do on the floor yet. But I think that, when we mark up this bill, I would like to have these supplemental items indicated as to what part of them is authorized and what part is not.

Mr. WOODRUFF. The Department of Defense is working on the problem right now. We will identify each one.

Chairman MCCLELLAN. We have to make some determination about policy.

PAMN SUMMARY

Admiral HOUSER. Our fiscal year 1973 request for new obligation authority was $3,871,200 million. The revised request is $4,118.6 million—an increase of $247.4 million.

QUESTIONS BY SENATOR THURMOND

Chairman MCCLELLAN. Senator Thurmond was unable to be present today but has asked that questions submitted by him be answered for the record. The questions and answers will appear at this point.

(The information follows:)

USE OF SHRIKE AND STANDARD ARM MISSILES

Senator THURMOND. Would you tell us what you use the SHRIKE missiles for that are in the request and also what the STANDARD ARM missiles are used for?

Admiral HOUSER. The SHRIKE and STANDARD ARM antiradar missiles are both employed to destroy or suppress enemy radar-directed air defense systems. These missiles guide on the enemy radar emissions and are used in conjunction with our electronic warfare systems to reduce the losses of friendly aircraft.

SHRIKE MISSILE

Senator THURMOND. How many SHRIKE missiles are you requesting and what is the total cost and the average cost? Also, what is the quantity, total cost, and average cost of the STANDARD ARM buy?

Admiral HOUSER. We are requesting [deleted] SHRIKE missiles for a total cost of $26,297,000 and an average unit cost of [deleted] and [deleted] STANDARD ARM missiles for a total cost of $39,000,000 and an average unit cost of [deleted].

STANDARD ARM MISSILE

Senator THURMOND. Does the STANDARD ARM missile have enough advantages over the SHRIKE in combat effectiveness to make it worth approximately [deleted] times the cost of a SHRIKE missile? Can you give me the radar kill probabilities of both missiles and explain what, if any, advantages the STANDARD ARM has over the SHRIKE.

Admiral HOUSER. Yes, sir, it does. The STANDARD ARM missile has a greater operational capability than the SHRIKE because of its [deleted].

In Southeast Asia approximately [deleted] percent of the STANDARD ARM's and [deleted] percent of the SHRIKE's have damaged their targets. Additionally, over [deleted] of the SHRIKE's and [deleted] of the STANDARD ARM's have suppressed the radars forcing them to shut off. This threat to the enemy radars has helped reduce the effectiveness of enemy SAM's and thus save aircraft. From 1 April to 30 June it is estimated that [deleted].

We believe that a [deleted] of the more capable STANDARD ARM to be employed in conjunction with a [deleted] of the lower-cost SHRIKE will provide a greater operational capability than to concentrate our assets in either missile.

Senator THURMOND. What is the status of the STANDARD ARM production line; is it currently in production building new missiles or would it have to be reopened for this procurement?

Admiral HOUSER. The STANDARD ARM production line is not in production but is currently being used to modify "A" model STANDARD ARM missiles to a "D" configuration and to overhaul and repair unserviceable STANDARD ARM missiles. This current work will provide production base for the new production without the cost and time required to reopen a "cold" production line.

Senator THURMOND. When would the STANDARD ARM's that would be built if this request is approved be available for the Navy's inventory?

Admiral HOUSER. The planned schedule will provide missiles within 10 months after contract go-ahead.

Chairman MCCLELLAN. Thank you, sir.

Is there anything further?

Mr. WOODRUFF. We have one more item, Mr. Chairman.

Research, Development, Test and Evaluation, Navy

STATEMENT OF HON. ROBERT A. FROSCH, ASSISTANT SECRETARY OF THE NAVY FOR RESEARCH AND DEVELOPMENT

ACCOMPANIED BY:

REAR ADM. J. WILLIAMS, JR., U.S. NAVY, ASSISTANT DEPUTY CHIEF OF NAVAL OPERATIONS (SUBMARINE WARFARE)
REAR ADM. E. W. COOKE, U.S. NAVY, DIRECTOR OF BUDGET AND REPORTS, OFFICE OF THE NAVY COMPTROLLER
CAPT. C. A. EASTERLING, U.S. NAVY, EXECUTIVE ASSISTANT AND NAVAL AIDE TO ASSISTANT SECRETARY OF THE NAVY (R. & D.)
COMDR. W. M. LOCKE, U.S. NAVY, ASSISTANT PROJECT MANAGER, HARPOON
COMDR. A. SMITH III, U.S. NAVY, SPECIAL ASSISTANT TO ASSISTANT SECRETARY OF THE NAVY (R. & D.)
W. A. McMILLAN, OFFICE OF THE CHIEF, NAVAL OPERATIONS
G. SCHUBERT, HARPOON PROJECT OFFICE, NAVAIR
J. A. McCARTNEY, OFFICE OF THE NAVY COMPTROLLER

BUDGET REQUESTS

Chairman McClellan. The June 30 budget amendment includes an additional $20 million for the appropriation entitled "Research, development, test, and evaluation, Navy." The original request for this appropriation was $2,834,200,000, and the revised request is $2,854,200,000. The summary tabulation on page 266 of the justifications will be included in the record at this point.

(The information follows:)

FY 1973 BUDGET AMENDMENT

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

Program and Financing (in thousands of dollars)

Identification Code 07-20-1319-0-1-051	BUDGET PLAN Amendment Now Proposed			OBLIGATIONS Amendment Now Proposed		
	Request Pending	SALT Adjustment	Revised Request	Request Pending	SALT Adjustment	Revised Request
Direct Program by Activities						
1. Military sciences	151,144	-	151,144	151,353	-	151,353
2. Aircraft and related equipment	384,930	-	384,930	390,521	-	390,521
3. Missiles and related equipment	1,006,312	20,000	1,026,312	998,101	20,000	1,018,101
4. Military astronautics and related equipment	99,821	-	99,821	100,249	-	100,249
5. Ships, small craft and related equipment	430,203	-	430,203	425,976	-	425,976
6. Ordnance, combat vehicles and related equipment	44,753	-	44,753	45,720	-	45,720
7. Other equipment	517,522	-	517,522	519,615	-	519,615
8. Programwide management and support	159,102	-	159,102	158,252	-	158,252
Total direct	2,793,787	20,000	2,813,787	2,789,787	20,000	2,809,787
Reimbursable (total)	40,452	-	40,452	44,452	-	44,452
10 Total	2,834,239	20,000	2,854,239	2,834,239	20,000	2,854,239
Financing:						
Receipts and reimbursements from:						
11 Federal funds	-39,452	-	-39,452	-39,452	-	-39,452
14 Non-Federal sources	-1,000	-	-1,000	-1,000	-	-1,000
21 Unobligated balance available start of year:						
For completion of prior year budget plans	-	-	-	-150,000	-	-150,000
Available to finance new budget plans	-	-	-	-	-	-
Reprogramming from (-) or to prior year budget plans	-	-	-	-	-	-
22 Unobligated balance transferred from other accounts	-	-	-	-	-	-
23 Unobligated balance transferred to other accounts	-	-	-	-	-	-
24 Unobligated balance available, end of year for completion of prior year budget plans	-	-	-	150,000	-	150,000
Budget Authority	2,793,787	20,000	2,813,787	2,793,787	20,000	2,813,787
Budget Authority:						
40 Appropriation	2,774,700	20,000	2,794,700	2,774,700	20,000	2,794,700
43 Appropriation (adjusted)	2,774,700	20,000	2,794,700	2,774,700	20,000	2,794,700
44.95 January 1972 Pay Increase Amendment	19,087	-	19,087	19,087	-	19,087
Relation of Obligations to Outlays:						
71 Obligations incurred, Net				2,793,787	+20,000	2,813,787
72 Obligated balance, start of year				1,044,607	-	1,044,607
74 Obligated balance, end of year				-1,364,894	-10,000	-1,374,894
90 Outlays, excluding pay increase supplemental				2,473,500	+10,000	2,483,500

PREPARED STATEMENT

Chairman McCLELLAN. This request will be presented by Hon. Robert A. Frosch, Assistant Secretary of the Navy for Research and Development.

Mr. Secretary, you may proceed.

Dr. FROSCH. Thank you, Mr. Chairman.

I have a short statement. I would suggest that I put it before you for the record instead, and informally outline what the request contains along with some viewgraphs.

Chairman McCLELLAN. The statement may be printed in the record in full.

You may proceed.

(The statement follows:)

Mr. Chairman and members of the Committee, I am appearing before you today in support of the amendment to the FY 1973 RDT&E, Navy budget request which is for an additional $20 million to begin serious work on a strategic cruise missile to be launched from submerged submarines. The work which is proposed in this program would not replace any work reflected in our budget request prior to this amendment.

As a result of Secretary Laird's direction, the Navy has determined an approach to development of this system as follows:

The Navy will determine during the next few months the scheme for launching the missiles from the current submarines. No major structural changes to submarines are planned. The missiles would be designed so that launching from surface ships would be feasible if desired. Work to be accomplished this year will include model tests of the missile and its capsule in hydrodynamic and wind tunnel facilities, captive flight tests of the missile guidance system and beginning of full-scale test facility construction.

Additional details of the proposed development are provided in the justification material which has been provided to the Committee.

This completes my prepared statement, Mr. Chairman. I am ready now to respond to any questions you or the Committee may have.

BALLISTIC AND CRUISE MISSILES

Dr. FROSCH. Thank you, Mr. Chairman.

We have a few viewgraphs that I think will be informative. This is a request for funds to start the development of a submarine launched strategic cruise missile.

The strategic arms limitation agreements place a limit on strategic ballistic missiles, intercontinental ballistic missiles. They do not put a limitation on cruise missile systems. The distinction is that the ballistic missiles are initially launched under power. The power then turns off and the missile is in free, unpowered flight to a very high altitude and long range.

SOVIET DEPLOYMENT OF CRUISE MISSILES

Cruise missiles are continuously powered throughout their flight and normally run at very low altitude, certainly inside the atmosphere, never going outside it. The Soviets, the next viewgraph shows, have deployed such cruise missiles which we believe have nuclear capability in a fairly large number with several possible ranges. We are facing such a strategic threat from them.

The next viewgraph indicates the number of submarines that they have to carry these missiles.

The next one will indicate the extent to which they could attack us with these missiles if they have nuclear warheads in them from submarines as close in as 150 miles offshore.

Chairman McClellan. They could hit targets within that checked area?

CRUISE MISSILE CAPABILITY

Dr. Frosch. If they came within 150 miles of the United States they could hit the checked areas with such a missile.

The potential of the cruise missile we are proposing is that it would be effective [deleted] because it comes in at low alititude it complicates any possible antimissile or antiaircraft system and because it is a different kind of weapon which could be in many submarines, it increases their problem of protecting against it.

We also have the possibility of using the same kind of missile with conventional warheads as opposed to the nuclear warheads to be a regular conventional forces tactical missile.

We have done some analysis, asuming some hypothetical launch points for U.S. submarines [deleted] assuming those launch points, as a way of finding out what range missile would be reasonable.

We get this kind of curve. You can see if the missile has a range of something over [deleted]. So that sets the range area, which is interesting for such a missile.

Another way of looking at it is to show the ranges of various sea areas [deleted]. Here again you see when you have to get out beyond [deleted] to have a reasonable range to get in that area somewhere near [deleted] is reasonable sea room.

If one gets up to [deleted] there is a good deal of ocean from which these could be launched.

This next vugraph gives us a set of requirements that we can use for the missiles submerged and surface launched. The low altitude subsonic cruise range of [deleted]. We would like to get [deleted]. An accuracy of something of the order of [deleted] and a warhead which we believe will probably be about [deleted] or less.

CRUISE MISSILE DEVELOPMENT

There are a number of possible candidates that we are considering. The Harpoon missile which we are developing both for surface, air, and submarine use as a tactical missile. It is too short a range. The Scad, which is the bottom line, being developed by the Air Force, is a technology candidate. Something has to be done to increase its range.

We are now looking at the possibility of a, what I might call an advanced Harpoon or a brand new missile for this purpose.

I am ready for any questions now.

SALT ADJUSTMENT

Chairman McClellan. As I understand the justifications, the total of $20 million is for the initiation of development of the submarine launched strategic cruise missile, and it is considered as a strategic arms limitation agreement item. Am I correct about this?

Dr. Frosch. Yes, Mr. Chairman, you are correct.

SUBMARINE LAUNCHED CRUISE MISSILE

Chairman McClellan. Selected paragraphs from the revised descriptive summary on the submarine launched strategic cruise missile will be included in the record at this point.

(The information follows:)

Fiscal Year 1973 R.D.T. & E. Destructive Summary

Program element.—No. 63361N.
Category.—Advanced development.
Project.—No. W15X2 submarine launched cruise missile.
Date.—July 1972.
Title.—Strategic cruise missile.
Budget activity.—3-missiles and related equipment.
Background.—Recent studies have indicated that the sea based strategic cruise missiles could effectively diversify our strategic forces, and that the development of a strategic cruise missile system can be undertaken immediately at only a moderate technical risk. The development of the weapon system if initiated in FY 73 could result in operational demonstrations from a submarine test platform [deleted].

Description.—Design options for a submarine launched Strategic Cruise Missile include vertical launch from converted SSBN 598/608 class submarine missile tubes, and horizontal launch from existing SSN and SSBN torpedo tubes. The missiles under consideration for vertical launch have a range potential of up to [deleted] nautical miles. The torpedo tube version of the cruise missile will have a reduced range performance. Propulsion following submerged launch and boost will utilize a turbo fan engine sustainer. An inerital guidance system [deleted] for low altitude flight profile may be utilized. Either missile would be designed to be feasible for launching from surface ships and aircraft should that option be desired. A decision as to which missile design will be selected for actual development will be made in early FY 1973. The aim of this development program is to demonstrate a capability at the earliest possible time. The work proposed in this project does not replace any existing project.

Work performed by.—Navy Laboratories and activities; Naval Ordnance Laboratory, Naval Ship Research and Development Center, Naval Undersea Research and Development Center, Naval Ship Systems Command Headquarters, Naval Air Systems Command Headquarters, Naval Ordnance Systems Command, Naval Ship Engineering Center, Applied Physics Laboratory/John Hopkins University, McDonnell-Douglas, St. Louis, Missouri, Lockheed Missiles and Space Company, Sunnyvale, California.

Fiscal year 1971 and prior accomplishments.—Development efforts for the submarine launched cruise missile were limited to analyses to assess feasibility, effectiveness, cost and schedule of a series of possible missile sytems.

Fiscal year 1972 program.—Formal studies with respect to the development of sea based strategic cruise missiles were completed leading to the conclusions that sea based strategic cruise missiles could effectively diversify our strategic forces and that the development of a strategic cruise missile system is technically feasible without major new developments.

Fiscal year 1973 planned program.—The Navy Strategic Cruise Missile Program has progressed to the conceptual phase of advanced development. The aim of this program is to demonstrate a capability at the earliest possible time. At present the Navy is considering two types of missiles—one capable of being launched from existing torpedo tubes and a second capable of being launched from modified missile tubes in converted POLARIS submarines. A decision as to which missile will be selected for actual development will be made in early FY 1973. Either missile could be designed to be feasible for launching from surface ships and aircraft.

The missiles under consideration for the strategic mission will have a range up to [deleted] nautical miles, depending upon the particular missile and platform chosen, and an accuracy of [deleted]. Twenty million dollars in FY 1973 is requested to support engineering efforts as follows: testing of the weapon subsystems, (ie) airframe, engine, booster and guidance; wind tunnel tests to optimize airframe shape; and captive flight tests of the long range guidance system, [deleted].

Design and fabrication of scale models for hydrodynamic tests will begin in parallel with the construction of a full scale launch test complex utilizing as much of the existing Polaris facility at San Clemente Island as possible. Sustainer engine efforts for the Strategic Cruise Missiles will include modification and/or improvement of turbo-fan engines now under development. The program, including wind tunnel tests, guidance captive flight tests, engine validation and underwater launch facility construction, will be coordinated with the developing laboratories and activities in preparation for limited demonstration flight tests as early as [deleted].

Program to completion.—Continue the FY 1973 Planned Program. Preparation for demonstration flight tests as early as FY 1975 is planned. The development of the weapon system could result in an operational demonstration from a submarine test platform by [deleted].

Funding

R.D.T. & E.:	*Thousands*
1971 and prior	None
1972	None
1973	$20,000
Additional to completion	[Deleted]
Total estimated cost	[Deleted]

SUBCOMMITTEE RECESS

Chairman McClellan. There is another matter that we want to discuss with you. If there are no questions, we will adjourn this hearing until tomorrow.

The subcommittee stands in recess until tomorrow morning at 10 o'clock.

(Whereupon, at 4:15 p.m., Tuesday, September 12, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, September 13.)

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1973

WEDNESDAY, SEPTEMBER 13, 1972

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m. in room S–126, the Capitol, Hon. John L. McClellan (chairman) presiding.

Present: Senators McClellan, Stennis, Young, Hruska, and Thurmond.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

MILITARY PERSONNEL

STATEMENT OF BRIG. GEN. OLIVER W. LEWIS, DIRECTOR OF PERSONNEL PROGRAMS, DEPUTY CHIEF OF STAFF, PERSONNEL

ACCOMPANIED BY:

LT. GEN. OTTO J. GLASSER, DEPUTY CHIEF OF STAFF, RESEARCH AND DEVELOPMENT
MAJ. GEN. JOSEPH R. DeLUCA, DIRECTOR OF BUDGET, HEADQUARTERS, U.S. AIR FORCE
MAJ. GEN. WILLIAM W. SNAVELY, ASSISTANT DEPUTY CHIEF OF STAFF, SYSTEMS AND LOGISTICS
MAJ. GEN. L. W. BRAY, JR., DIRECTOR OF DOCTRINE, CONCEPTS AND OBJECTIVES, DCS/PLANS AND OPERATIONS
MAJ. GEN. JAMES A. HILL, DIRECTOR OF AEROSPACE PROGRAMS, DCS/PROGRAMS AND RESOURCES
COL. JAMES T. NELSON, JR., CHIEF, LOGISTICS PLANS DIVISION, ASSISTANT FOR LOGISTICS PLANNING, DCS/SYSTEMS AND LOGISTICS
COL. IRA L. LIVINGSTON, CHIEF, FORCE PROGRAMS DIVISION, DIRECTORATE OF PERSONNEL PROGRAMS, DCS/PERSONNEL
CHARLES D. McELHANON, PLANS AND PROGRAMS DIVISION, DIRECTORATE OF MAINTENANCE ENGINEERING, DCS/SYSTEMS AND LOGISTICS

JUNE 30 BUDGET AMENDMENTS

Chairman MCCLELLAN. This morning we will consider the June 30 budget amendment for the Air Force appropriations totaling $1,213,300,000, of which $1,178,300,000 represents increases for Southeast

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Asia and $35,000,000 is for increases stemming from the Strategic Arms Limitation Agreements.

These funds are included in the following appropriations:

Military personnel, Air Force	$24,500,000
Operation and maintenance, Air Force	258,100,000
Aircraft procurement, Air Force	529,200,000
Missile procurement, Air Force	44,500,000
Other procurement, Air Force	327,000,000
Research, development, test and evaluation, Air Force	30,000,000

PROGRAM AND FINANCING

At this point in the record there will appear certain programing and financing information from the justifications, reflecting the requests in the proposed amendment. The net amount requested in the amendment is $24.5 million. This is made up of a total of $4 million as a result of the Strategic Arms Limitation Agreements and a total of $20.5 million resulting from increased activity in Southeast Asia.

(The information follows:)

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	Amendment now proposed				
	Request pending	SALT adjustment	SEA adjustment	Net adjustment	Revised request
Program by activities:					
Direct program:					
1. Strategic forces	1,593,127	3,700	----------	3,700	1,596,827
2. General-purpose forces	1,849,185	----------	12,100	12,000	1,861,285
3. Intelligence and communications	815,153	----------	----------	----------	815,153
4. Airlift and sealift	415,105	----------	----------	----------	415,105
5. Guard and Reserve	23,020	----------	----------	----------	23,020
6. Research and development	206,608	----------	----------	----------	206,708
7. Central supply and maintenance	117,047	----------	----------	----------	117,047
8. Training, medical, and other general personnel activities	1,952,919	300	8,400	8,700	1,961,619
9. Administration and associated activities	217,041	----------	----------	----------	217,401
10. Support of other nations	61,410	----------	----------	----------	61,410
Total direct program	7,251,075	4,000	20,500	24,500	7,275,575
Reimbursable (total)	42,509	----------	----------	----------	42,509
Total obligations	7,293,584	4,000	20,500	24,500	7,318,084
Financing:					
Receipts and reimbursements from—					
Federal funds	−16,335	----------	----------	----------	−16,335
Trust funds	−5,510	----------	----------	----------	−5,510
Non-Federal sources [1]	−20,664	----------	----------	----------	−20,664
Unobligated balance transferred from other accounts	----------	----------	----------	----------	----------
Unobligated balance lapsing	----------	----------	----------	----------	----------
Budget authority	7,251,075	----------	----------	----------	7,275,575
Budget authority appropriation	6,894,700	4,000	20,500	24,500	6,919,200
January 1972 pay increase supplemental/amendment	356,375	----------	----------	----------	356,375

[1] Reimbursements are derived from sale of meals and clothing to service members (10 U.S.C. 9621).

Note: The amounts shown as January 1972 pay increase supplemental/amendment are not distributed to each individual appropriation in the fiscal year 1973 President's budget, but are reflected as a 1-line defense-wide contingency amount. The amounts shown above are estimates. pending final determination of the amounts to be requested when supplemental and amended estimates are formally transmitted.

STATEMENT OF GENERAL JOSEPH B. DE LUCA, DIRECTOR OF BUDGET, HEADQUARTERS, U.S. AIR FORCE

Chairman McClellan. The summary statement of Maj. Gen. Joseph R. DeLuca, Director of the Air Force Budget, will be included in the record.

(The statement follows:)

Mr. Chairman and members of the committee, on June 5, 1972 Secretary Laird discussed with the House Appropriations Committee prospective changes in the FY 1973 Defense budget. The changes were brought about by the increased activity in Southeast Asia and the necessity to augment certain programs to provide assurance of continued National Security in the environment being created by the Strategic Arms Limitation agreements. The Amendment was transmitted to Congress by the President on 30 June 1972.

We are now presenting this Committee, the Senate Appropriations Committee, the changes necessary in the Department of the Air Force FY 1973 program and budget as a result of the President's Amendment of 30 June 1972. With your permission, I will first address the changes made necessary by the increased combat activity in Southeast Asia. The funds being requested are directly related to increases in combat activity above that programmed in the FY 1973 budget request forwarded in January 1972.

When the North Vietnamese invaded the Republic of Vietnam across the DMZ, the Air Force was directed to retain forces in Southeast Asia that had been previously scheduled for return to the US and also to deploy additional units to Southeast Asia. These forces have had a major impact in stemming the North Vietnamese aggression.

The principal Air Forces involved are strategic bomber and air refueling aircraft and tactical fighter and airlift squadrons, with their associated support.

B–52 STRATEGIC BOMBERS

The Air Force program for FY 1973 called for B–52s to provide 12,000 sorties in Southeast Asia. The program was changed to a greater number of flying more sorties. The B–52 flying hours has increased in Southeast Asia over the original program and there is also a net increase to the Air Force flying hour program.

The programmed munitions expenditure by the B–52 bomber force has increased for FY 1973.

The increased B–52 operations have required the resumption of bombing flights to Southeast Asia from Andersen Air Force Base on Guam and additional bomber operations from U–Tapao Air Base in Thailand. Support facilities have been expanded at both of these bases.

KC–135 AIR REFUELING AIRCRAFT

The Air Force program for FY 1973 included KC–135 Air Refueling tankers engaged in Southeast Asian operations. The program has changed to increase the number of KC–135s engaged in providing aerial refueling for both tactical and strategic aircraft. These air refueling tankers extend the range and payload of the fighters, bombers and reconnaissance aircraft. They also provide emergency refueling to returning aircraft, and by so doing have assisted in reducing losses.

The increased tanker operations have resulted in more hours being flown over that programed for Southeast Asia activities and a net increase to the Air Force program.

The FY 1973 program called for KC–135 operations in Southeast Asia from only U-Tapao Air Base. The KC–135s are now operating from additional bases.

TACTICAL FIGHTER SQUADRONS

The Air Force had programed 13 Fighter/Attack squadrons in Southeast Asia. There are 24 squadrons in place flying combat missions against enemy forces in the Republic of Vietnam and against the war supporting structure of North Vietnam. The increased deployment of fighters has provided for an increase in combat sorties as compared to the FY 1973 budgeted program.

As a result of the increased combat sortie levels, the Air Force tactical fighters in the combat zone were programed to fly more hours than originally planned for FY 1973. Since the units now flying in combat were programed for a peacetime training rate, the net increase in the Air Force tactical flying hours is higher. However, the increase in combat exposure, the capability of enemy air defenses, and change in operational employment, have resulted in increased combat losses versus those previously projected. These increases in actual and projected losses must be replaced to maintain the programed forces.

The munitions expenditure by the tactical forces has increased from the tonnage programed for FY 1973. In addition, the mix of munitions includes iron free fall bombs and a greater proportion of the more effective and expensive guided bombs.

The tactical sorties are being flown from bases in the Republic of Vietnam and Thailand. The FY 1973 budget was based on continued operation of only four fighter bases in Thailand: Udorn, Ubon, Korat and Nakhon Phanom. DaNang AB, Republic of South Vietnam is still operational although all fighter squadrons have been relocated to Thailand. The beddown of the additional tactical units has necessitated the operation of six bases.

TACTICAL AIRLIFT SQUADRONS

The Air Force program for FY 1973 included five tactical airlift squadrons supporting operations in Southeast Asia. These are now more Air Force tactical airlift squadrons providing an air line of communication and combat resupply for U.S. and allied forces in Southeast Asia, principally in the Republic of Vietnam. They are flying more hours in the combat zone than originally envisioned with a net increase to the Air Force flying hour program. These intra-theater air operations are also experiencing higher than projected losses due to increased exposure and a marked increase in enemy antiaircraft capability within the Republic of Vietnam.

PERSONNEL DEPLOYMENTS

The increased Southeast Asia operations have required the deployment of additional military personnel. These personnel are flying the combat missions or directly supporting the combat operations. The deployments include personnel assigned to deploying units such as the tactical fighter squadrons and individual augmentations of units in Southeast Asia.

VIETNAMESE AIR FORCE SUPPORT

Military Assistance of the Vietnamese Air Force, funded in the U.S. Air Force program, is also experiencing increases as a result of the heightened level of combat activity. The Vietnamese Air Force is losing more aircraft than projected for FY 1973 due to the same factors experienced by U.S. forces—increased exposure and improved enemy defenses. Vietnamese Air Force munitions, POL, maintenance and repair, training and other support requirements have also risen with the increased level of combat operations.

STRATEGIC ASSURANCE PROGRAMS

As Secretary Laird stated on June 5, 1972, certain Air Force programs need to be augmented or accelerated due to the new environment created by the Strategic Arms Limitation Agreements. Four Air Force programs are involved, Satellite Basing of the Strategic Bomber and Tanker force—this will require construction of alert dedicated runways and austers supporting facilities on Ellsworth AFB, Glasgow AFB, Grand Forks AFB and Minot AFB; Advanced Ballistic Reentry System (ABRES), Military Satellite Communications System and SAC Communications—Research and Development funds are principally involved for the acceleration and initiation of development and technology programs. These programs will be discussed by witnesses that will follow.

APPROPRIATION SUMMARY

I would like to now give a brief overview of the dollar resources needed for the programs included in the Amendment and relate them for you to the FY 1973 budget request as it stood prior to this amendment.

Appropriation	Initial fiscal year 1973 budget	Prior amendment	Amendment SEA	Amendment SALA	Total
Aircraft	$2,612.7	$113.8	$529.2	.....	$3,255.7
Missile procurement	1,772.3	.....	44.5	.....	1,816.8
Other procurement	1,883.3	.....	327.0	.....	2,210.3
Operations and maintenance (AF)	6,122.4	80.0	257.1	1.0	6,460.5
Operations and maintenance (ANG)	455.0	6.7	.....	.....	461.7
Military personnel	6,894.7	356.4	20.5	4.0	7,275.6
Reserve personal (AF)	125.2	6.2	.....	.....	131.4
ANG personnel	160.2	9.2	.....	.....	169.4
R.D.T. & E.	3,178.6	53.6	.....	30.0	3,262.2
Military construction	327.2	.....	.....	40.0	367.2
Military construction (ANG)	10.6	.....	.....	.....	10.6
Military construction (AFR)	7.0	.....	.....	.....	7.0
Total, TOA	23,549.2	625.9	1,178.3	75.0	25,428.4

In summary, we are requesting an additional $1,253.3 million above previous requests for FY 1973. Of that amount $1,178.3 million is for requirements due to the increased level of combat activity in Southeast Asia and $75 million to augment strategic program in the environment being created by the Strategic Arms Limitation Agreements. This amendment when added to the FY 1973 Air Force program of $24,175.1 million previously before this committee will bring the total request to $25,428.4 million.

Mr. Chairman, this completes my statement. We have primary witnesses that will address each appropriation in greater detail. We are ready to respond to your questions.

MILITARY PERSONNEL

Chairman McClellan. We will now take up the additional request of $24,500,000 for "Military personnel, Air Force," which will be presented by Brig. Gen. Oliver W. Lewis, Director of Personnel Programs.

The original request for this appropriation was $7,251,075,000, and the revised request is $7,275,575,000.

SUMMARY OF REQUIREMENTS

Also at this point there will appear a "Summary of requirements" from the justifications, showing the effect of the amendment by budget program.

(The information follows:)

SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM

MILITARY PERSONNEL, AF

[In thousands of dollars]

Title	Request pending	Amendment now proposed			Revised request
		SALA adjustment	SEA adjustment	Net adjustment	
(1)	(2)	(3)	(4)	(5)	(6
Direct program:					
Pay and allowances of:					
Officers	$2,088,307	$455	$7,000	$7,455	$2,095,762
Enlisted	4,366,824	3,038	3,800	6,838	4,373,662
Cadets	16,544				16,544
Subsistence of enlisted personnel	291,600	207	1,300	1,507	293,107
Permanent change of station travel	471,500	300	8,400	8,700	480,200
Other military personnel costs	16,300				16,300
Total direct program	7,251,075	4,000	20,500	24,500	7,275,575
Reimbursable program:					
Pay and allowances of:					
Officers	7,571				7,571
Enlisted	9,838				9,838
Subsistence of enlisted personnel	24,900				24,900
Permanent change of station travel	200				200
Total reimbursable program	42,509				42,509
Total program:					
Pay and allowances of:					
Officers	2,095,878	455	7,000	7,455	2,103,333
Enlisted	4,376,662	3,038	3,800	6,838	4,383,500
Cadets	16,544				16,544
Subsistence of enlisted personnel	316,500	207	1,300	1,507	318,007
Permanent change of station travel	471,700	300	8,400	8,700	480,400
Other military personnel costs	16,300				16,300
Total obligations	7,293,584	4,000	20,500	24,500	7,318,084

BUDGET REQUESTS

Chairman McClellan. You may proceed, General Lewis.

General Lewis. Mr. Chairman and members of the committee, I am here to discuss the amendment recently submitted by the President to his fiscal year 1973 budget estimate for the "Military personnel, Air Force," appropriation.

Approval of $24,500,000 increase to the $7,251,075,000 estimate is requested for a revised total of $7,275,575,000.

The $24.5 million is to meet unprogramed funding requirements of $20.5 million due to increased activity in Southeast Asia and to provide personnel costs of assurance programs in the Strategic Arms Limitation Agreements environment of $4 million.

SOUTHEAST ASIA

The Air Force is requesting $20,500,000 for increased personnel costs associated with our current operations in Southeast Asia.

The Air Force military personnel strength deployed in support of Southeast Asia exceeds the level in the President's fiscal year 1973 budget by over 17,000. These personnel increases are a direct result of Air Force operations to meet the intensified North Vietnamese aggression in Southeast Asia.

The Air Force has been able to satisfy the bulk of the manpower needs by placing members from other locations on extended temporary

duty. This has been possible only by significantly reducing other missions and worldwide commitments.

PAY AND ALLOWANCES OF OFFICERS

Increased Southeast Asia costs totaling $7,000,000 for pay and allowances of officers occur in five major areas: Increased man-years; hostile fire duty pay; family separation allowances; voluntary reserve short tours; and increased missing in action (MIA) and prisoners of war (POW's).

The increased officer man-years are resulting from the slowdown of early release programs. We are delaying planned early release actions to meet current manpower requirements, to insure combat readiness, and to offset personnel turbulence.

Additional hostile fire duty pay and family separation allowances are required as a result of the deployments.

Increased requirements for airlift and other support are being met with additional voluntary short tours by Air Force Reserve and National Guard members.

With the increase in the number of people exposed to combat, we expect additional officers will become MIA or POW. Although their pay and allowances continue, they are dropped from the chargeable strength of the Air Force.

PAY AND ALLOWANCES OF ENLISTED

Fiscal year 1973 additive airman costs totaling $3,800,000 are being incurred because of the increased activity in Southeast Asia. The requirement for additional family separation allowances, hostile fire duty pay, and foreign duty pay requirements have increased for deployed personnel. Flight pay has increased due to additive enlisted crew requirements.

We are also meeting a limited amount of the additive manpower requirements through voluntary short active duty tours by Air Force Reserve and National Guard personnel. These volunteers are being used in the medical skills, communications, munitions, electronics, and crew members for airlift support.

SUBSISTENCE OF ENLISTED PERSONNEL

The requirements for combat and emergency rations in Southeast Asia have risen by $1.3 million due to the expanded deployment and higher level of combat activity.

PCS TRAVEL

An additional $8,400,000 is required for unprogramed PCS moves generated by personnel turbulence, unit relocations, and replacement actions needed to compensate for the increased number of personnel deployed on temporary duty to SEA.

STRATEGIC ARMS LIMITATION AGREEMENT

The $4,000,000 is for the satellite basing program which is required to support the acceleration of satellite basing for strategic aircraft.

The funds will provide for the pay and allowances, subsistence, and travel of officers and airmen required to implement the accelerated program.

SUMMARY

In summary, an additional $24,500,000 is required to support the increased activity level in Southeast Asia and for increased manpower costs required for the acceleration of the satellite basing program.

Mr. Chairman, this completes my statement.

I would be pleased to answer any questions.

SOUTHEAST ASIA: INCREASED LEVEL OF ACTIVITY

Chairman McClellan. This $20.5 million that you say is the increase required to support the increased activity level in Southeast Asia would support that increased level of activity for how long?

General Lewis. That was for the first quarter, sir, July, August, and September.

Chairman McClellan. Just for the first quarter?

General Lewis. Yes, sir.

Chairman McClellan. If the same conditions continue in the second and third quarter, then what will you do?

General Lewis. Then we will have to make additional requests and/or reprograming actions in order to meet those added costs.

Chairman McClellan. But it is clear that the $20.5 million only takes care of the situation until the end of September?

General Lewis. Yes, sir.

Chairman McClellan. Then you will be back for a supplemental?

General DeLuca. We had a whole basic program for fiscal 1973. That is all taken care of. That is about $7 billion.

Now for the increased activity that we had in Southeast Asia as it affected the military personnel budget, the movement of people, which increased permanent change of station requirements, hostile fire pay and so forth, in the surge period of July, August, and September, we need $20.5 million above what we budgeted.

Now, if the war continues, if the intensity continues and the duration continues beyond September 30, obviously there would be some commensurate military personnel additive fund requirements over and above our basic 1973 budget and over and above the surge requirements for fiscal 1973.

Chairman McClellan. This would not necessarily require as much for the second 3 months; would it?

General DeLuca. It would be commensurate, about $20 million.

Chairman McClellan. You have several requests for the first quarter which would not have to be made in the second quarter; am I right?

General DeLuca. It should be less.

Chairman McClellan. It should be less?

General DeLuca. That is right.

PAY AND ALLOWANCES FOR OFFICERS

Chairman McClellan. At the top of page 2 of your statement, General, you say:

"Increased Southeast Asia costs totaling $7,000,000 for pay and allowances of officers occur in five major areas:

"Increased man-years."

What do you mean by that? These personnel are already in the service; are they not?

General LEWIS. Under certain programs where we would have released officers and we have slowed them down and the officers have stayed with us longer, that means more man-years.

Chairman MCCLELLAN. They are being retained because of this urgent situation and, therefore, you have to pay for an increased number of man-years?

General LEWIS. Yes, sir.

Chairman MCCLELLAN. Otherwise, you would not have the obligation to pay?

General LEWIS. Really, it was a slowdown of our "early out" program.

HOSTILE FIRE DUTY PAY

Chairman MCCLELLAN. Hostile fire duty pay. Do aviators get extra pay when they are in combat?

General LEWIS. Yes, sir.

Chairman MCCLELLAN. How much extra do they get? Most of them are captains, aren't they?

General LEWIS. Yes, sir; the greatest number of people are in that grade category.

Chairman MCCLELLAN. What is the extra combat duty pay for a captain?

Colonel LIVINGSTON. Sixty-five dollars a month; officers and enlisted men get the same.

Chairman MCCLELLAN. That is hostile fire duty pay; is that correct?

General LEWIS. Yes, sir.

FAMILY SEPARATION ALLOWANCES

Chairman MCCLELLAN. Family separation allowances. What does that involve?

General LEWIS. Sir, people going overseas on unaccompanied tours receive $30 per month compensation for family separation.

Chairman MCCLELLAN. Are we moving Air Force officers and enlisted personnel overseas because of this extra surge of activity?

General LEWIS. Yes, sir; the personnel were deployed on temporary duty from the States with the aircraft and support equipment necessary to meet the surge in activity.

Chairman MCCLELLAN. You have to move more from the States?

General LEWIS. Sir, the units that deployed from the States to support the increased activity took the people to support the flying activities. When this request for supplemental funds was developed we had deployed over 17,000 personnel. As of September 1, [deleted] personnel were deployed on temporary duty supporting the increased Southeast Asia activity.

Chairman MCCLELLAN. To strengthen your personnel overseas?

General LEWIS. No sir, these [deleted] plus people deployed are tied to the additional forces deployed. The Air Force units that were already in Southeast Asia prior to the increased activity were up to strength.

Chairman McClellan. Volunteer reserves short tours. Please indicate the requirement.

General Lewis. These are primarily Reserve personnel who are associated with active units. There is a requirement for their services during a period of intensified activity and they volunteered to come on duty to fly missions and stay a short period of time. They augment the active forces by doing this.

Chairman McClellan. Can they get out? If a reservist says, "I will go on active duty for 2, 3 months", at that time can he be released?

General Lewis. It is usually more in the order of 10 days to 2 weeks.

Chairman McClellan. Is that all?

General Lewis. Yes, sir; Voluntary short tours.

MISSING IN ACTION AND PRISONERS OF WAR

Chairman McClellan. "Increased missing in action and prisoners of war." How does that increase your budget?

General Lewis. Since this buildup started, we have increased a total of 53 officers MIA and 29 known POW's.

BREAKDOWN OF ESTIMATED COSTS

Chairman McClellan. How does that increase the cost?

General Lewis. Sir, they are dropped from the active strength of the Air Force and we have somebody else who comes on board, so you are replacing them.

Chairman McClellan. General, so that I will understand it as well as the Senators who may need more information, would you have someone provide a breakdown of the estimated increased cost in each of these areas? Enumerate these items which require increased expenditures over and above your regular budget.

General Lewis. I will insert that in the record for each one of these accounts.

(The table follows:)

[In thousands of dollars]

	SEA	SALA	Tota
Officers' pay and allowance:			
Basic	4,068	355	4,423
Flight pay	215	32	247
BAQ	683	39	722
BAS	186	16	202
FICA	161	13	174
Hostile fire duty	488	----------	488
Family separation allowance	225	----------	225
MIA/POW	974	----------	974
Total	7,000	455	7,455
Airmen pay and allowance:			
Basic	247	2,541	2,788
BAQ	----------	361	361
Flight pay	514	----------	514
Hostile fire duty	1,324	----------	1,324
Family separation allowance	1,015	----------	1,015
Foreign duty	686	----------	686
FICA	14	136	150
Total	3,800	3,038	6,838
Enlisted subsistence	1,300	207	1,507
PCS travel	8,400	300	8,700
Total	20,500	4,000	24,500

BOMBING AND FIGHTER BASES

Chairman McClellan. Senator Young.

Senator Young. Are most of your bombing operations out of Thailand? The B–52's are further back. Most of them are from long-established bases.

General DeLuca. Primarily, the B–52's which do the bombing are stationed in U-Tapao, Thailand, and Anderson Air Force Base, Guam. The bulk of them are stationed in Guam. [Deleted] are at U-Tapao, and [deleted] are at Anderson.

Senator Young. You are using other bases in Thailand?

General DeLuca. We are using other bases in Thailand for tactical forces. I was talking about strategic bombers.

The B–52's are at U-Tapao and Anderson. The tactical fighters are stationed at Udorn, Ubon, Korat, Nakhon Phanom, Takhli.

RATIONS

Senator Young. Since these are on a regularly established basis, would you amplify your need for more emergency rations for your personnel?

General DeLuca. The movement of these people over there calls for in-flight rations and for emergency rations when they got into emergency areas. We had not budgeted for this cost.

Senator Young. Would there be a somewhat correspondent reduction?

General DeLuca. We did not have all the computations for these in-flight rations and emergency rations before because we did not anticipate [deleted] additional people in the combat areas.

Senator Young. How do you answer the argument that there will be some reduction in the cost where they were stationed before?

General DeLuca. If they were going on in-flight missions and sorties and so forth and they were going to eat, we would subtract that from the basic budget. It is infinitesimal.

Chairman McClellan. In your regular budget, you provide for rations for all of the personnel. What is the difference in the rations?

General DeLuca. These rations are provided as they are rotating from the United States to overseas. We did not anticipate fund requirements for these in-flight rations.

Chairman McClellan. Then this additional cost involves in-transit rations?

General DeLuca. That is right. It is not the food that they would normally consume, either on-site here or on-site there. It is that transited food that they consume that is not budgeted.

General Lewis. I think that is essentially correct, sir. We had [deleted] people in transit. They are not all at the locations where they were programed. So, there is some decrease at that point.

However, on board aircraft they are furnished meals; en route, they are furnished meals; and, of course, increased activity at the locations where they are, in other words, around-the-clock operations, requires increased rations.

AIR RESERVE AND AIR NATIONAL GUARD VOLUNTEERS: TOUR OF DUTY

Senator YOUNG. You mentioned volunteers from the Air Reserve and Air National Guard and that their tour of duty was only 10 days. How much help can they be to you with a tour of only 10 days in Vietnam?

General LEWIS. In some of our commands, we have associate Reserve flight crews. These people are fully qualified flight crews; they train with the Active crews and can operate the aircraft the same as an Active crew. During a period of intensified activity and during a period of time when the Active crews may be short in one squadron, the Reserve crew will take the flight and take it all the way through the system and back. That will take anywhere from 7 days to 2 weeks.

Senator YOUNG. In addition to the fighter pilots?

General LEWIS. No, sir; this would not be fighter pilots. This would be transport crews and air-evac crews.

Chairman MCCLELLAN. Senator Hruska.

Senator HRUSKA. I have no questions at this time.

INCREASE FOR SALT AGREEMENTS

Chairman MCCLELLAN. Of the total requested for "Military personnel, Air Force" $4 million is for increases resulting from the SALT agreements. Of this total, $455,000 is for the pay and allowances of officers, $3,038,000 is for pay and allowances of enlisted personnel, $207,000 is for subsistence of enlisted personnel, and $300,000 is for permanent change of station travel. The request envisions an increase of 26 officers and 416 airmen associated with the satellite basing program. Is what I have stated correct?

General LEWIS. Yes, sir; that is correct.

SATELLITE BASING

Chairman MCCLELLAN. For the record, would you describe the satellite basing program in unclassified terms, if possible?

General HILL. The satellite basing program was developed to counter the growing Soviet SLBM threat through dispersal and increasing available warning time by moving some alert aircraft to more interior locations. The program is comprised of three phases. Phase I is the least costly and provides the needed survival against a limited threat while Phase III is the most costly and provides aircraft survivability against the postulated threat of depressed trajectory SLBM's. Phase I was approved for implementation in 1969. Phase I will have 20 satellite bases when fully implemented in fiscal year 1974. Currently, 13 of these 20 bases are operational. Phase II provides for the construction of eight Alert Dedicated Runways (ADR's) at the most survivable interior bases. These are minimum cost runways for launching alert aircraft only and will be constructed parallel to the main operating runway. Phase III requires the construction of four Auxiliary Alert Complexes (AAC's) in the interior of the United States. These complexes will be minimum-cost airfields necessary to support alert operations and located close enough to a main base for day-to-day support, but not close enough to be neutralized, if the main base is attacked.

Chairman McClellan. Would you also indicate just what is contemplated in the proposed acceleration?

General Hill. The acceleration of satellite basing would fully implement the program by the end of fiscal year [deleted] rather than fiscal year [deleted] as scheduled in the President's original budget. All 20 satellite bases would be operational by the end of fiscal year 1973 rather than fiscal year 1974. Acceleration of satellite basing will counter possible improvements in the Soviet's SLBM's and insures the survival and thus the deterrence of the bomber force. The SAL agreement to limit ICBM's places additional emphasis on the bomber force and its survivability. Satellite basing improves bomber survivability through increased warning time from inland basing and shorter launch times due to dispersal. SAL limits SLBM subs; however, qualitative improvements such as depressed trajectory SLBM's are not limited and these could place our bomber force in jeopardy. The fiscal year 1973 funds necessary to accelerate satellite basing are estimated at $45 million; $40 million accelerates construction of three alert dedicated runways at Glasgow, Minot, and Grand Forks. This is in addition to the one at Ellsworth that is reflected in the fiscal year 1973 budget; $4 million provides for pay and allowances for 26 officers and 416 additional airmen associated with the acceleration. The satellite facility at Salina is being established in fiscal year 1973 instead of fiscal year 1974. Security personnel are also being increased to improve security at all 20 satellite bases. One officer as deputy commander and operations officer is being added at each base to relieve 24-hour duty of the existing commander. The remaining $1 million is operating and maintenance funds needed for accelerating the implementation of the Salina satellite facility from fiscal year 1974 into fiscal year 1973.

Senator Young. Please indicate the cost of the satellite basing program and the number of personnel involved as reflected in the fiscal year 1973 original budget.

General DeLuca. Sir, the fiscal year 1973 original budget for the military personnel appropriation included $14.4 million for the pay and allowances of 1,929 military personnel, 333 officers, and 1,586 enlisted personnel.

PAY AND ALLOWANCES OF OFFICERS

Chairman McClellan. Of the total of $7,455,000 requested for "Pay and allowances of officers," $7 million of the increase relates to increases in Southeast Asia costs. What are the increases by program element such as basic pay, and so forth?

General Lewis. Yes, sir. The $7 million pay and allowances of officers related to Southeast Asia include basic pay, $4,090,000; flight pay, $215,000; basic allowance for quarters, $683,000; basic allowance for subsistence, $186,000; social security payments, $161,000; hostile fire duty pay, $488,000; family separations, $225,000; and additional MIA's/POW's, $952,000. Included in these elements are the costs of the AFRES and ANG short tours.

Senator Young. What is the total number of increased officer man-years contained in the request?

General Lewis. Sir, we requested 350 officer man-years. Of this total, 287 man-years were to cover the slowdown in the early release programs 37 man-years were for reserve short tours and 26 man-years were to cover strategic arms limitation agreement requirements.

Chairman McClellan. Describe more fully the voluntary short tour requirement for Air Force Reserve and Air National Guard members, indicating their functions, number, and contemplated length of service.

General Lewis. Mr. Chairman, the additional short tour requirements are in direct support of the active force mission. We requested 37 officer man-years to meet additional airlift and other support requirements generated by the increased activity. These man-year requirements were fulfilled by volunteers from the Reserve Forces. Tour lengths are of short duration, usually not exceeding 2 weeks.

Senator Young. Could you enlarge on your reference to increases in personnel missing in action and prisoners of war?

General Lewis. Yes sir. In our budget amendment request, we anticipated 73 additional man-years would be required to pay added MIA/POW's. As of September 7, 1972, we had a total of 922 Air Force personnel in MIA/POW status. From April 1, 1972, to September 7, 1972, some 78 officers entered MIA/POW status. Of these 53 are carried as MIA and 25 are confirmed POW's.

Pay and allowances of aircrew personnel that enter MIA or POW status continues even though they are dropped from Air Force authorization and strength figures. The number of MIA/POW's is expected to continue to increase as long as the expanded air activity continues.

PAY AND ALLOWANCES OF ENLISTED PERSONNEL

Chairman McClellan. Of the total of $6,838,000 requested for "Pay and allowances of enlisted personnel," $3,800,000 is associated with activities in Southeast Asia. What are the increases by program element?

General Lewis. Yes, sir. The $3,800,000 pay and allowances associated with activities in Southeast Asia include family separations, $1,015,000; hostile fire duty pay, $1,324,000; foreign duty pay, $686,000; flight pay, $480,000; and AFRES and ANG short tours, $295,000—which is composed of basic pay, $247,000; flight pay, $34,000; and social security payments, $14,000.

Chairman McClellan. Are you requesting funds for any additional personnel for Southeast Asia activities?

General Lewis. No, sir. However, we requested funds for 38 additional enlisted man-years to cover Reserve forces voluntary short tours in support of the Southeast Asia activities.

Senator Young. Except for Reserve requirements, are all of the funds requested—the family separation allowance, hostile fire duty pay, and foreign duty pay—resulting from accelerated SEA deployments?

General Lewis. Yes, sir. The additional enlisted personnel deployed in support of the intensified SEA activity are enlisted to these additional pay and allowances.

Chairman McClellan. Please describe the magnitude of the voluntary short active duty tours by the Air Force Reserve and Air National Guard, and also indicate the estimated length of such tours.

General LEWIS. Sir, the additional enlisted short tour requirements are in direct support of the active force mission. We requested 38 enlisted man-years to meet additional airlift and other support requirements generated by the increased activity. These man-year requirements were fulfilled by volunteers from the Reserve forces. Tour lengths are normally about 4 to 8 days in length and usually do not exceed 2 weeks.

Chairman MCCLELLAN. Were these Reserve and National Guard personnel called up because of a shortage in personnel in the active service?

General LEWIS. Sir, frequently when sorties committed are extremely high in a short period of time, the operational commands have authority to permit associated Reserve crew/crew members to fly for brief periods in excess of the program rate.

Special tours are authorized only to meet temporary critical emergency active force personnel requirements beyond the capability of the active force. Tours are in direct support of the active force mission and enhance the qualifications of the reservist. Tours are of short duration and only volunteers are involved.

SUBSISTENCE OF ENLISTED PERSONNEL

Chairman MCCLELLAN. Of the total of $1,507,000 requested for "Subsistence of enlisted personnel," $1,300,000 relates to Southeast Asia activities. The justifications refer to increased consumption of operational rations and increases in payment of ration allowances under emergency conditions as reasons for this request. Please explain.

General LEWIS. Included in this request for $1.3 million is $650,000 for special rations which are food packets at $1.94 per day. This essentially provides for meals for members whose operational duties are such that they cannot use available facilities. Also, a total of $50,000 is required for operational rations which consist of "meals combat—individual" and survival food packets. In addition, because of increased flying hours and attendant utilization of aircraft, the Air Force will be required to furnish additional operational and special rations to be consumed inflight for passenger, aircrew, maintenance, and medical personnel moving on cargo and support-type aircraft.

The balance of $600,000 is to provide for increased costs due to the deployment of personnel to various locations in support of SEA and the resulting saturation of billeting and dining facilities. Regularly assigned personnel are authorized to subsist separately because they are being displaced by TDY personnel who must be immediately available to meet operational commitments. Estimated requirements in this area are based on the size of the deployed TDY forces plus the transfer of units from the Republic of Vietman to Thailand.

PERMANENT CHANGE OF STATION TRAVEL

Chairman MCCLELLAN. Of the total of $8.7 million requested for "Permanent change of station travel," $8.4 million is associated with increased costs in the Southeast Asia area. I wish you would describe the travel actions contained in this request rather fully.

General LEWIS. Sir, we need funds for additional PCS moves in support of the SEA for a number of reasons. First, we are bringing

units being deployed up to the fully manned level with trained personnel prior to departure from the CONUS. Second, we are retraining and reassigning onboard airmen to fill manning shortages in specialties which are critical to the SEA augmentation such as weapon mechanics and weapons handlers. Third, we are bringing the manning of communication units in the Philippines, Japan, and other Pacific locations up to the authorized level to allow them to fully support emergency augmentation deployments in Thailand and Vietnam. Fourth, we are replacing personnel in overseas locations who receive tour adjustments for TDY in Vietnam and Thailand and who will rotate earlier that programed. For example, personnel on TDY in SEA for 179 days from Japan get their 4 years tour reduced to 2 years. And finally, the voluntary extensions planned in Vietnam and Thailand are less than expected because of the increased activity and hostility. We estimate a total of 4,100 operational moves at a cost of $4.2 million. The rotational moves from overseas to CONUS and CONUS to overseas are estimated to be 2,400 at a cost of $4.2 million.

Senator YOUNG. To what degree are these costs absorbed by cancellation of previously planned actions?

General LEWIS. Sir, the increase in PCS movements indicated here would not cancel any other programs. As we have indicated the total involvement in SEA covers nearly [deleted] people participating in the current increased hostilities, concurrently all other programs are still ongoing. So what we require are funds to support not only ongoing programs, but also for the turbulence associated with keeping [deleted] individuals on TDY in SEA.

Chairman MCCLELLAN. Thank you very much, General Lewis.

Operation and Maintenance, Air Force

STATEMENT OF MAJ. GEN. JOSEPH R. DeLUCA, DIRECTOR OF BUDGET, HEADQUARTERS, U.S. AIR FORCE

BUDGET REQUESTS

Chairman McClellan. The next request is for an additional $258,100,000 for "Operation and maintenance, Air Force." The original request for this appropriation was $6,202,405,000, and the revised request is $6,460,505,000.

PROGRAM AND FINANCING

At this point in the record there will appear certain programing and financing information from the justifications, reflecting the requests in the proposed amendment. The total amount requested is $258.1 million. This is made up of two increases: one of $1 million as a result of the strategic arms limitation agreements and the other of $257.1 million as a result of increased activity in Southeast Asia.

(The information follows:)

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PROGRAM AND FINANCING

[In thousands of dollars]

	Request pending	Amendment now proposed: SALT adjustment	Amendment now proposed: SEA adjustment	Amendment now proposed: NET adjustment	Revised request
Program by activities:					
Direct program:					
1. Strategic forces	1,034,459	1,000	60,000	61,000	1,095,459
2. General purpose forces	878,583	----------	46,500	46,500	925,083
3. Intelligence and communications	590,451	----------	700	700	591,151
4. Airlift and sealift	177,566	----------	200	200	177,766
5. Guard and reserve	190,195	----------	----------	----------	190,195
7. Central supply and maintenance	2,124,490	----------	71,300	71,300	2,195,790
8. Training, medical, and other general personnel activities	807,570	----------	300	300	807,870
9. Administration and associated activities	193,268	----------	----------	----------	193,268
10. Support of other nations	205,823	----------	78,100	78,100	283,923
Total direct program	6,202,405	1,000	257,100	258,100	6,460,505
Reimbursable (total)	481,414	----------	----------	----------	481,414
Total obligations	6,683,819	1,000	257,100	258,100	6,941,919
Financing:					
Receipts and reimbursements from:					
Federal funds	−410,793	----------	----------	----------	−410,793
Trust funds	−50,848	----------	----------	----------	−50,848
Non-Federal sources [1]	−19,773	----------	----------	----------	−19,773
Unobligated balance available, start of year	----------	----------	----------	----------	----------
Unobligated balance transferred from other accounts	----------	----------	----------	----------	----------
Unobligated balance available, end of year	----------	----------	----------	----------	----------
Unobligated balance lapsing	----------	----------	----------	----------	----------
Budget authority	6,202,405	1,000	257,100	258,100	6,460,505
Budget authority:					
Appropriation	6,122,400	1,000	257,100	258,100	6,380,500
Transferred to other accounts	----------	----------	----------	----------	----------
Transferred from other accounts	----------	----------	----------	----------	----------
Appropriation (adjusted)	6,122,400	1,000	257,100	258,100	6,380,500
Proposed supplemental for wage-board increases	----------	----------	----------	----------	----------
January 1972 pay increase supplemental/amendment	80,005	----------	----------	----------	80,005

[1] Reimbursements are principally from sales to commercial enterprises and individuals of goods and services (10 U.S.C. 2481, 9621, 9625, and 9626).

Note: Includes $29,766,000 in 1973 for activities previously financed from, research, development, test, and evaluation, Air Force. 1971, $35,713,000, 1972, $31,900,000. The amounts shown as January 1972 pay increase supplemental/amendment are not distributed to each individual appropriation in the fiscal year 1973 President's budget, but are reflected as a 1-line defense-wide contingency amount. The amounts shown above are estimates, pending final determination of the amounts to be requested when supplemental and amended estimates are formally transmitted.

DAILY RUNNING COSTS OF AN AIR FORCE

Chairman McClellan. General DeLuca will present this request. General, you may proceed.

General DeLuca. As you know, operation and maintenance is the daily running cost of an air force. It is support of the base and facilities and weapons and equipment and the people.

It normally consists of things like supplies and maintenance and service and rent and communications and utilities and transportation of things and transportation of people and civil service pay.

Chairman McClellan. And, of course, the combat operation accounts involving damage and loss?

General DeLuca. Yes, sir. Therefore, our aircraft, weapons, and equipment require more maintenance; therefore, more supplies; therefore, more labor to work on that, and we bring the equipment and the weapons to serviceable condition.

Chairman McClellan. There is one thing I should like to have some comment about in the record.

DEVELOPMENT OF BUDGET: PEACETIME AND COMBAT LEVELS

In preparing your regular budget, did you not take into account the possibility of this escalation in the air war?

General DeLuca. Sir, when we prepare the base line budget in O. & M., it is based primarily on driving factors like the number of aircraft that we have, the flying hours, the sorties that they are going to have each day, and the flying hours they are going to have over a period of time.

Yes; we did budget on certain flying hour numbers by month throughout the year but, for example, when we moved the B–52D's and G's over to Southeast Asia, we increased our flying hour program for the B–52's a net of 56,943 hours that were not in our program.

Now we have B–52's at Anderson Air Force Base in Guam making daily trips to Southeast Asia, to South Vietnam and North Vietnam. That is increased flying hours.

The tactical fighters, the F–4's and F–105's, are going to fly in combat for more hours. We have had an increase of 41,000 flying hours for them. We had increased flying hours for the tankers that do the refueling and the airlift. Flying hours drive up the cost.

Chairman McClellan. I understand there is an increase in activity and an increase in cost in operation.

General DeLuca. It is the delta that we are financing.

Chairman McClellan. But when you made your original budget request, did you make it on the basis that we were going to be at peace and that there would be no combat? Is it a result of the present combat activity that more funds are required?

General DeLuca. Yes, sir. For example, in the B–52 aircraft that were in Southeast Asia, we programed those at 1,000 sorties per month, 12,000 sorties all year. During this period here we have increased their monthly sorties for July, August, and September, from 1,000 sorties per month, added an additional [deleted]; in other words, a [deleted] percent increase; [deleted] sorties per month.

So, we moved something like [deleted] additional B–52 aircraft over there, flying more sorties; therefore, flying more hours than we had budgeted. The net increase in the flying hours for the B–52's is 56,943 hours in this 3-month period.

Chairman McClellan. I understand that. I am just trying to get it in the record. In the original budget estimates, you premised your bequest on the basis of comparative peace.

General DeLuca. Less intensity of warfare.

Senator Hruska. Would the Senator yield?

Chairman McClellan. Yes.

Senator Hruska. You made your computation pretty much on past experience and such prospects as you could put into the picture, but when did you get notice and information about the [deleted] percent increase, for example?

General DeLuca. We developed our budget in November and December. The President submitted it in January. So, it was at that peacetime level rate plus the Southeast Asia rate of 1,000 sorties per month

for the B–52's. Then in February and in April, when they crossed the DMZ and the President decided to move more B–52's over there is when we accelerated. As I said before, we originally had [deleted] B–52 bombers there. We now have a total of [deleted].

Senator HRUSKA. That time table would explain what the chairman is trying to develop.

General DELUCA. It came after the budget was submitted.

BOMBER BASES

Senator YOUNG. Are all these B–52 flights out of Guam? It seems to me at one time you were flying some out of [deleted].

General DELUCA. The B–52 flights are from U–Tapao, Thailand and Anderson AFB, Guam. Those are the only places the B–52's fly out of. The tankers fly out of [deleted].

General BRAY. A couple of years ago, we did fly some B–52 sorties out of [deleted] and Guam. But reduced B–52 sorties over the years has resulted in flying B–52's only out of U-Tapao and Guam. With the increase, we did not go back into [deleted] with the B–52's.

Senator YOUNG. How far is it from Guam to Vietnam where you were flying?

General BRAY. There is a longer distance involved.

General HILL. 2,500 nautical miles.

Chairman MCCLELLAN. Do you have to refuel in the air?

General DELUCA. It is basically a 12-hour mission.

Senator YOUNG. We can't fly out of Taiwan or the Philippines?

General DELUCA. No, sir; a great deal has to do with the facilities, the runways, the operational requirements that you have. Anyway, U-Tapao and Guam are our B–52 launch points.

DURATION OF ACCELERATED ACTIVITY

Chairman MCCLELLAN. I have just been handed a note by the clerk of the committee. The Southeast Asia supplemental was first computed for 6 months' increased activity. The White House made the decision to ask for only 3 months. Is that correct?

General DELUCA. Yes. As you said earlier, certainly you have to compute ahead for what you expect the activity to be for any budget.

When the President decided to respond to the incursion or aggression of the North Vietnamese, we in the services developed a number of base-line computations. We had fiscal year 1972 that we were still in at that time, you will recall, and in fiscal year 1972 that took us through June. We came in with some transfer authority requests. We even went to deficiency financing in order to sustain the effort.

At that period of time, both war duration and intensity were still uncertain, so the Chief Executive did ask for a number of alternatives—1 month, 2 months, 3 months, 6 months, and we computed those various operations.

The President decided to submit the amendment on the basis of a 3-month or first-quarter requirement.

Chairman MCCLELLAN. You do contemplate now that you will have to come in for more funds in the next quarter?

General DELUCA. Like anyone else, we would hope that there is a diplomatic settlement. Should there not be a diplomatic settlement, yes; this carries us through September 30. If the intensity continues

as it is now, we will be in a deficit position for financing any continuing requirement.

Chairman McCLELLAN. As far as I can see right now, there is no reason to think that the intensity will not continue for a while unless there is some circumstances or fact I am not familiar with. It seems to me it will go on for some time.

PREPARED STATEMENT

You wish to proceed now with your statement?

General DELUCA. Yes, sir; if I may distill this, Mr. Chairman.

Chairman McCLELLAN. Your statement may be inserted in full in the record.

(The statement follows:)

Mr. Chairman and members of the committee, the budget amendment for the Operation and Maintenance Appropriation is $257.1 million for Southeast Asia related activities and $1.0 million to support the Strategic Arms Limitation Agreement for a total increase of $258.1 million. The FY 1973 Budget Estimate previously presented to this Committee was $6.202.4 billion. The revised FY 1973 Budget is $6.460.5 billion.

The O&M Increases by Major Force Program are:

[Dollars in millions]

	Budget request pending	Budget amendment	Revised request
Strategic forces	$1,034.4	$61.0	$1,095.4
General purpose forces	878.6	46.5	925.1
Intelligence and communications	590.4	.7	591.1
Airlift	177.6	.2	177.8
Guard and Reserve	190.2	0	190.2
Central supply and maintenance	2,124.5	71.3	2,195.8
Training, medical, and other	807.6	.3	807.9
Administration and associated	193.3	0	193.3
Support of other nations	205.8	78.1	283.9
Total	6,202.4	258.1	6,460.5

STRATEGIC FORCES

The request for Strategic Forces is $61.0 million. The increased activity is generating additional requirements in the amount of $57.1 million for aircraft fuel and oil, supplies for aircraft maintenance, transportation and temporary duty travel to support the various aircraft involved.

To support the increase in activity levels and deployed forces it has been necessary to provide additional base support personnel on a temporary duty (TDY) basis to supplement the overseas base complements. These personnel cover most of the functions normally associated with the day-to-day operation of an air base. The associated costs of this augmentation are $2.9 million.

In addition to the funds required for SEA activity, $1 million is required for costs of assurance programs in the Strategic Arms Limitation Agreement environment.

GENERAL PURPOSE FORCES

The $46.5 million increase for General Purpose Forces provides for tactical aircraft deployed to Southeast Asia and the associated activity rates.

To provide the aircraft fuel, supplies, temporary duty travel and transportation requirements to support the deployed aircraft and increased activity rates, the following additional costs are required:

	Millions
F–4	$24.9
F–105	1.1
C–130	.8
EB–66	.3

As with the Strategic Forces, to support the deployed General Purpose Forces, it has been necessary to deploy additional personnel and equipment to augment the existing operating bases in Southeast Asia, including the reactivation of the base at Takhli, Thailand. It has also been necessary to augment intra-theater airlift capability to provide for movement of personnel and equipment of the United States and Vietnamese Forces. The additional cost of these operations is $19.4 million.

INTELLIGENCE AND COMMUNICATIONS/AIRLIFT

Air Rescue and Recovery operational units were deployed from continental United States and other locations in the Pacific. $.7 million is required for the additional temporary duty travel for these deployments, and $.2 million is required for transportation of personnel and equipment.

CENTRAL SUPPLY AND MAINTENANCE

Depot Maintenance

The Depot Maintenance requirement is $52.1 million and is necessary for the overhaul of engines and exchangeable components generated from the increase in flying hours and labor for aircraft modifications. The Depot Maintenance requirement for labor and materials computed on the basis of the additional flying hours is:

Aircraft	Flying hours	Cost per hour	Total cost (millions)
B-52	56,943	$575	$32.7
KC-135	15,607	147	2.3
F-4	37,160	148	5.5
F-105	3,801	183	.7
EB-66	510	215	.1
C-130	4,570	155	.7
Total	118,591		42.0

The modification of aircraft requires $10.1 million.

Transportation

The movement of supplies to overseas locations requires $19.2 million.

TRAINING, MEDICAL AND OTHER ACTIVITIES

A total of $.3 million is required for travel of augmentation personnel such as Civil Engineers and Ammunition Handlers who are supporting higher activity levels.

SUPPORT OF OTHER NATIONS

A portion of the $78.1 million requirement $25.1 million is primarily related to increased flying activities. The Vietnamese Air Force flying hour program has increased by 99,000 hours over the original FY 1973 budget. The $25.1 million includes $4.3 million for aircraft fuel; $4.3 million for Depot Maintenance; $10.5 million for aircraft supplies to support the flying hour program and initial inventories in-country to support the additional deployed aircraft and $6.0 million for transportation of munitions, aircraft and other material.

SUMMARY

In summary, we are requesting an Appropriation of $6,460.5 billion for FY 1973, an increase of $258.1 million from our basic budget request. The amendment being presented today covers only immediate needs required to carry out the President's programs in Southeast Asia and Strategic Arms Limitation Agreement. It does not give any consideration to the additional funds that will be required for pay raises and Air Force Operation and Maintenance shortages that I addresed in my previous testimony on the basic budget request.

Mr. Chairman, this completes my statement. We are prepared to be responsive to your questions.

BASIC AREA REQUIREMENTS

General DeLuca. I would like to emphasize in O. & M. the primary need is in four basic areas:

One is in support of the strategic forces that are over there, the B–52's and KC–135 tankers.

Two, for the general purposes forces that are there and these are the tactical fighters and aircraft, the F–4's, F–105's, the EB–66's and C–130's.

We are requesting $61 million for the strategic forces and $46 million for the general purpose forces. The bulk of that money is for current operating costs associated with supplies, maintenance, fuel, and transportation of munitions; just the cost of running the airplanes, running the bases and providing the supply and the maintenance and the transportation of munitions.

The third large area that is involved in O. & M. is central supply and maintenance of $71.3 million. This $71.3 million is basically the cost—I am on page 5 and I want to highlight this. I would like to highlight the way the computations are made.

We take the primary aircraft, the surge hours that are over and above our basic budget. For example, the B–52, has 56,943 additional hours. The cost per flying hour for depot maintenance is $575, which is associated with supplies and labor to overhaul engines and components and arrive at a total cost for depot maintenance. It is depot work. The bases do whatever they can there. Whatever they cannot do, they ship back.

Chairman McClellan. Does it also include the ordinary checkup after flight? Aren't all planes inspected after a flight?

ORGANIZATIONAL AND FIELD MAINTENANCE

General DeLuca. Yes, sir. That is not depot maintenance. That is organizational and field maintenance which is also important.

The other part of central supply and maintenance that is important is the transportation of munitions, to overseas locations. As you note in my statement, it will take $19 million to move all those munitions over there.

That, too, Mr. Chairman, has a cost per sortie. We know how many sorties we programed to fly. I might add this regarding the B–52's. We programed to fly [deleted] sorties on the D's and [deleted] on the G's. In the actual real world, we are just 176 sorties below our program.

O. & M. in the Air Force is very, very short of funds. We ended 1972 in a short position. The House Appropriations Committee reorganized our position. In a fiscal year 1973 appropriation request of $6,460 million, they reduced us only $46 million in recognition of our problems.

Right now, even with that allowance of almost every dollar that we have asked for, we in the Air Force are short $325 million in 1973. It

is going to mean the filling of only one out of every five personnel vacancies or a reduction in force; or a reduction in flying hours. When you ask me, O. & M. is just like running a house. When you go to war, it just eats up money fast.

SUPPORT OF OTHER NATION'S

The other significant point that I would like to make, Mr. Chairman, is on page 7. This is the other big increase in O. & M. This is in support of other nations which is primarily, of course, South Vietnam. We have asked for $78 million for that. As you will see there, the bulk of this is the support of the Vietnamese Air Forces.

Chairman McCLELLAN. There will be strong opposition to this, so it should be carefully justified.

Senator YOUNG. I agree with the chairman. Many want to end the war by cutting off funds.

Chairman McCLELLAN. So this is critical.

General DELUCA. Yes, sir; this is critical.

If you were to ask what is needed in support of Vietnam, we really need $13 million over and above this amendment in terms of the sorties, the flying hours, the bases they have taken over in their own interest in Vietnamization to try to do the job.

If I may, I will try to go through that.

Chairman McCLELLAN. Briefly.

General DELUCA. The bulk of this is again supply and maintenance and base operating support. We have a project officer here for Vietnamization logistics, Colonel Nelson. Colonel Nelson, do you want to summarize anything on the overall situation?

Chairman McCLELLAN. Come to the table, Colonel, if you will.

Colonel NELSON. On this subject, we have made a massive effort to try to build maximum self-sufficiency within the VNAF so that we can withdraw U.S. Air Forces as rapidly as possible. This has been our objective.

In doing this—as you know, our President announced we will withdraw in 4 months after we get the prisoners or peace has been signed—there are a lot of things that have to be done to achieve this objective. As you know, we are giving the VNAF around [deleted] airplanes; this encompasses 21 different weapons systems. Just flying them is one thing, but they also have to learn to maintain them. This is the skill that we are trying to develop within the VNAF.

They are developing these skills more rapidly than we believed they could. We are amazed at the capability they do have. When they stand on their own two feet and we depart, they will be able to do something. We are trying to give them the highest degree of skill so that they can continue to function in this manner to support their air force when we depart.

This is the objective that General DeLuca is talking about here; a depot maintenance capability to maintain their aircraft. We have a program which we have developed and goals toward which they have been working. It is very organized and laid out and, believe me, they are on schedule. Every now and then, we get a setback, such as a bombing or accident or accidental explosion, but they recover and get back on the timetable.

SPARE PARTS

Senator YOUNG. Do we furnish spare parts for the South Vietnamese? Is this included in the $78 million?

Colonel NELSON. Yes, sir. We are developing in them a skill to repair those spare parts so that we don't have to bring them back to the United States. Eventually they will be able to repair them in their country.

General DELUCA. Senator Young, that $78 million is like supporting our own planes. It is the fuel they consume supplies they need to repair them. It is the maintenance contractual services they need. It is the running of the bases we have turned over to them. It is the total support of the Vietnam Air Force.

Senator YOUNG. Do you furnish supervision in repairing?

Colonel NELSON. Yes, sir. We have supervision right now, but we are developing their middle managers so that they can supervise.

VIETNAMESE APTITUDE IN MECHANICS AND REPAIR

Senator YOUNG. Do they have reasonable aptitude in mechanics?

Colonel NELSON. Sir, some of the results are amazing. For example:

In helicopters alone, they have had numerous combat damaged aircraft. They have repaired them and got them back into the air. I can give you some figures here. It is up in the hundreds that they have repaired and returned to the air, flying combat missions.

Senator HRUSKA. On their own?

Colonel NELSON. Yes, sir; all the way on their own.

General DELUCA. General Brey is the assistant for Vietnamization on the air staff.

PERCENTAGE OF SOUTHEAST ASIA WAR EFFORT FINANCED BY UNITED STATES

Chairman MCCLELLAN. Taking into account all of the effort the South Vietnamese are making in this war, what percentage of the cost of that effort is the United States now financing?

General DELUCA. I can provide the Air Force cost of that effort, Mr. Chairman.

Chairman MCCLELLAN. I wish you would.

I know that they are providing the major ground forces for the war effort. But there is also the cost of maintaining those forces, feeding them, supplying them with equipment, and countless other items. But we are paying for practically all of it, if I am informed correctly. I would like you to provide for me in as accurate an estimate as is possible, what part of the total South Vietnamese war effort the United States is paying.

General DELUCA. I can't supply it in that sense since I don't know the Army and Navy portion. I think the Secretary of Defense would have to answer that.

Chairman MCCLELLAN. We will submit that question to him. I think you are correct; he is the one who should answer this question, but I would like to have that in this record.

General DELUCA. We do have what is in our budget. What is in our budget for 1973 is $692 million. In support of operations and maintenance, we have $208 million. In support of aircraft procurement and

spares, $277 million; and in support of munitions and other equipments, $207 million, or a total of $692 million.

Chairman McClellan. That is your budget for 1973?

General DeLuca. Yes, sir.

Chairman McClellan. How many million dollars?

General DeLuca. $692 million.

Chairman McClellan. How much is the total cost? We are paying $692 million for that effort. What part are they paying?

General DeLuca. You would have to refer that to the Secretary of Defense.

Chairman McClellan. We will do that.

I think this record ought to reflect their contribution to the war effort, which would include the Vietnamization of the war.

I think that Vietnamization means they are going to do the fighting and we will pay the cost. That is what is comes down to. I think we need to make the record clear.

(The information follows:)

During the fiscal year 1972 the Department of Defense provided about 85% of the cost for the South Vietnam defense effort.

BUDGET REQUEST

Senator Thurmond. Mr. Chairman, may I ask a question?

Chairman McClellan. Senator Thurmond.

Senator Thurmond. As I understand, you are requesting an additional $1,253.3 million above previous requests for fiscal year 1973.

General DeLuca. That is correct.

Senator Thurmond. $1,178.3 million is for requirements due to increased level of combat activity in Southeast Asia, and $75 million is for strategic programs in the environment being created by the strategic arms agreement.

General DeLuca. That is correct.

Senator Thurmond. Is this the amount you visualize will be needed over and above the appropriations already provided for and for what period of time?

General DeLuca. This is an amendment in addition to our 1973 budget that we submitted. This basically takes care of July, August, and September costs of running the surge intensity to the war in Southeast Asia, including the procurement of certain aircraft that we have lost.

Senator Thurmond. Do you visualize this will provide for the situation for how long?

General DeLuca. Until September 30, this year.

ANTICIPATED FUTURE BUDGET REQUIREMENTS

Senator Thurmond. If you are going to continue operations which you have to do, why don't you ask for anticipated future requirements?

General DeLuca. We are in the position, of course, where the President is seeking to arrive at some diplomatic settlement, some negotiations of the relationship between us and the North Vietnamese. Therefore, when this budget amendment was presented in June, the cut-off period was 90 days. That is what we are defending here.

Senator Thurmond. If the war goes beyond September 30, you will have to come back for more?

General DeLuca. If the war goes beyond September 30, at the present intensity, yes, sir; we will have to come back for additional financing.

Senator Thurmond. Thank you, Mr. Chairman.

STRATEGIC ARMS LIMITATION INCREASE FOR OFFENSIVE OPERATIONS

Chairman McClellan. The requested increase for "Operation and Maintenance, Air Force" is $61 million. Of this amount, $1 million is for offensive operations related to the strategic arms limitation agreements. Please describe the justification for this request.

General DeLuca. Acceleration of satellite basing will counter possible improvements in the Soviet's submarine launched ballistic missiles (SLBM) and insures the survival and thus the deterrence effect of the bomber force. Part of the $1 million requested is required to place Salina, Kans., in an operational status as a satellite base during fiscal year 1973 rather than fiscal year 1974, as previously planned. In addition, the security forces at the satellite bases have been determined to be inadequate in some instances, and are being bolstered. The operations and maintenance funds requested in this amendment will also be used to support this increased security force.

Chairman McClellan. Please describe the present satellite basing program and any changes currently contemplated.

General DeLuca. The satellite basing program was developed to counter the growing Soviet SLBM threat through dispersal and increasing available warning time by moving some alert aircraft to more interior locations. The program is comprised of three phases. Phase I is the least costly and provides the needed survival against a limited threat while phase III is the most costly and provides aircraft survivability against the postulated threat of depressed trajectory SLBM's. Phase I was approved for implementation in 1969. Phase I will have 20 satellite bases when fully implemented in fiscal year 1974. Currently, 13 of these 20 bases are operational. Phase II provides for the construction of eight alert dedicated runways (ADR's) at the most survivable interior bases. These are minimum cost runways for launching alert aircraft only and will be constructed parellel to the main operating runway. Phase III requires the construction of four auxiliary alert complexes (AAC's) in the interior of the United States. These complexes will be minimum cost airfields necesary to support alert operations and located close enough to a main base for day-to-day support, but not close enough to be neutralized, if the main base is attacked.

As a result of the strategic arms limitation (SAL) agreements, acceleration of satellite basing is currently contemplated to fully implement the program by end of fiscal year 1977 rather than fiscal year 1979 as scheduled in the President's original budget. All 20 satellite bases would be operational by end of fiscal year 1973 rather than fiscal year 1974.

Senator Young. Indicate the relationship of this request to the strategic arms limitation agreements.

General DeLuca. SAL agreements to limit ICBM's places additional emphasis on the bomber force and its survivability. Satellite basing improves bomber survivability through increased warning time from inland basing and shorter launch times due to dispersal. SAL lim-

its SLBM subs, however, qualitative improvements such as depressed trajectory SLBM's are not limited and these could place our bomber force in jeopardy. The request provides for acceleration of the satellite basing program to insure survival of the bomber force.

Chairman McClellan. Please provide a detailed tabulation as to the cost of the satellite basing program by appropriation and by fiscal year.

General DeLuca. Yes, sir.

(The information follows:)

RECAP OF FUND REQUIREMEMTS BY APPROPRIATION

[Dollars in millions]

	Fiscal year—			
	1971	1972	1973	To completion
Other procurement		$0.4	$2.4	$1.3
Military construction	$12.0	5.3	10.0	240.0
O. & M.	1.3	1.5	7.5	14.3
Military personnel	3.9	9.4	18.4	46.4
Total	17.2	16.6	78.3	181.9

SUMMARY OF REQUEST FOR STRATEGIC FORCES

Chairman McClellan. At this point in the record there will appear a summary of the request for Program I, strategic forces, broken down by program element.

(The information follows:)

OPERATION AND MAINTENANCE, AF NARRATIVE JUSTIFICATION

[Fiscal year 1973 request pending: $642,274; fiscal year 1973 proposed amendment: $61,000; fiscal year 1973 revised budget; $703,274]

[Dollars in thousands]

		Amendment now proposed			
Force program I: Strategic forces	Request pending	SALT adjustment	SEA adjustment	Net adjustment	Revised request
Offensive (by program element groupings):					
(a) Aircraft	$278,538	0	$57,056	$57,056	$335,594
(b) Missiles	28,043	0	0	0	28,043
(c) Offensive operations	335,693	$1,000	2,944	3,944	339,637
Total, strategic offensive	642,274	1,000	60,000	61,000	703,274

STRATEGIC FORCES: OFFENSIVE AIRCRAFT

Chairman McClellan. Under "Strategic forces," Program I, $57,056,000 is requested in the amendment for offensive aircraft. I wish you would provide for the record at this point information based on the five items contained on page 73 of the justifications, showing the items involved and the amounts requested.

General DeLuca. Yes, sir.

(The information follows:)

Summary of requirements:	Thousands
(a) Increased TDY costs for personnel deployed	$2,576
(b) Return transportation of equipment and personnel from SEA locations, and transportation cost of rotating crews	12,380
(c) Increased aviation POL costs for B–52 and KC–135 aircraft	27,900
(d) Increased supply requirements to support additional flying hours for B–52 and KC–135 aircraft	12,300
(e) Increased fund requirements to support SR–71 operations	1,900
Total	57,056

SOUTHEAST ASIA TEMPORARY DUTY INCREASE

Chairman McCLELLAN. The first item is $2,576,000 for increases in temporary duty for personnel deployed to Southeast Asia. What is the nature of this request?

General DeLUCA. To support the B–52 and KC–135 aircraft deployments, adequate aircrews and maintenance personnel are necessary to sustain operations. These personnel were not available at the locations to which the aircraft were deployed, so personnel were placed on temporary duty from bases in the United States. The $2,576,000 is for the per diem payments being paid to these personnel.

Chairman McCLELLAN. How many personnel are involved?

General DeLUCA. Approximately 8,300 in connection with "Strategic offensive forces, aircraft."

Senator YOUNG. Why were these personnel placed on temporary duty?

General DeLUCA. It is the Air Force policy to deploy people on temporary duty when the period that the individual will be required is for a short duration, normally for a period of less than 179 days. Due to the uncertainty of the duration of this requirement, it was decided to send personnel in a temporary duty status. Historically, this method has proven to be the least costly method during similar periods of uncertainty.

Senator YOUNG. How long a period is involved in this TDY?

General DeLUCA. Sir, for this amendment, we are requesting funds to cover a 90-day TDY period. Since the buildup started in April, the personnel deployed on temporary duty were deployed for periods ranging from 60 to 179 days. This variance was associated with requirements levied on the various units at the time they were deployed. Subsequent to these deployments the length of the TDY period has been standardized for each type of aircraft and we have implemented a rotational plan for the personnel involved to minimize hardship, turbulence, and family separation and to more equitably distribute the requirement over the total force in the event the increased activity continues beyond September 30.

Chairman McCLELLAN. What part of the aircrews in Southeast Asia are on TDY?

General DeLUCA. The fighter wings, attack units, recce squadrons and their supporting elements with their personnel which were located in SEA prior to the increased activity are permanently assigned. The strategic aircrews and certain key maintenance personnel were deployed on temporary duty. The additional forces deployed since April to support the increased activity are also on temporary duty.

TRANSPORTATION OF EQUIPMENT

Chairman McClellan. The second item is an increase of $12,380,000 for transportation of equipment and personnel to Southeast Asia. Please describe this requirement.

General DeLuca. The funds requested cover the return of personnel and their equipment from Southeast Asia. In addition, these funds will be used to transport personnel to their home stations in the United States when they have completed their TDY tour, and to transport replacement personnel to the SEA locations.

Senator Young. To what locations will these personnel be deployed?

General DeLuca. Crews and maintenance personnel supporting the B–52's go to Andersen AB, Guam, and U-Tapao Airfield, Thailand. Those personnel involved in KC–135 operations are deployed to [deleted].

Chairman McClellan. Describe generally, the magnitude of the equipment and the number of personnel deployed.

General DeLuca. To support an additional [deleted] B–52 bomber and [deleted] KC–135 tanker aircraft, about 300 C–141, C–5, and commercial aircraft flights were employed in transporting about 7,500 tons of equipment and [deleted] personnel for deployment of augmentation Strategic Forces to Southeast Asia.

Senator Young. Please speak to the crew rotation.

General DeLuca. I mentioned previously, Mr. Chairman, that we directed the TDY over permanent change of station to avoid, or at least minimize, the hardship on the members and their families resulting from the involuntary separation. The rotation of personnel further assists the Air Force to do this and at the same time avoid the greater cost of PCS moves.

INCREASED POL COSTS

Chairman McClellan. The third item is $27.9 million for increased POL costs. Describe the types of aircraft involved.

General DeLuca. There are only two types of aircraft involved—B–52 bombers, and KC–135 tankers.

Chairman McClellan. What was the original number by type of aircraft budgeted for deployment to Southeast Asia and the increased number provided for in this request?

General DeLuca. In the initial budget estimate, we provided for [deleted] B–52 and [deleted] KC–135 aircraft. This amendment covers an increase of [deleted] B–52's and [deleted] KC–135 aircraft.

Senator Young. Considering the age of the B–52, what effect will the present operation have on the continued availability of this plane?

Mr. McElhanon. Sir, we are using both the B–52D's and the B–52G's in Southeast Asia. We foresee no problems with the B–52G's since they have adequate service life to meet program objectives.

The present operation adds further to the already high accumulation of B–52D fatigue damage. The precise impact of the surge cannot be measured. However, the B–52D's have been used in SEA for several years and are of concern to the Air Force because of the high fatigue damage which has accumulated.

Out of a total of 143 B–52D's, 36 will be grounded during fiscal year [deleted] and early fiscal year [deleted], and the balance during fiscal

year [deleted] unless modified to extend their service life to meet the programed phase-out in the fiscal year 1979–1981 period.

SUPPLY REQUIREMENTS

Chairman McClellan. The fourth item under this head is a request of $12.3 million for supply requirements. Please indicate what is involved in this request.

General DeLuca. This request covers the general support and systems support spares that will be consumed by the additional B–52's and KC–135's deployed to Southeast Asia.

Senator Young. How are these supplies transported to Southeast Asia bases?

General DeLuca. Initially these supplies were airlifted overseas, due to the urgency of the situation. After the initial requirement was satisfied and pipelines were established, movement has been accomplished by surface transportation.

SR–71 OPERATIONS

Chairman McClellan. The fifth item is $1.9 million for SR–71 operations. Indicate the nature of this request and the magnitude of the overall operation.

General DeLuca. [Deleted.]

OFFENSIVE OPERATIONS

Chairman McClellan. Also under Strategic Forces there is a request of $2,944,000 for offensive operations. Please supply for the record an indication of the three items listed on page 74 of the justification that will identify these requests.

General DeLuca. Yes, sir.

(The information follows:)

Summary of requirements:	*Thousands*
(a) Additional TDY cost of support personnel deployed to augment existing base support units	$224
(b) Return transportation of support personnel and equipment, and rotation of support personnel	120
(c) Other base support cost increases generated by the deployment including laundry, utilities, equipment rental and housekeeping supplies	2,600
Total	2,944

TDY FOR SUPPORT PERSONNEL

Chairman McClellan. For the record, differentiate between additional TDY for support personnel and the previous item on this subject.

General DeLuca. In the previous item, we were discussing the TDY of aircrews and maintenance personnel all of whom are directly associated with the aircraft. In this category we are requesting funds for support personnel such as cooks, civil engineers, security police, and vehicle mechanics. There had to be an augmentation of the existing base support functions to cope with the increased base populations at the SEA locations.

Senator YOUNG. Indicate the number of support personnel contemplated in the original budget for fiscal year 1973 and the number in the augmented program.

General DELUCA. In the original budget, provisions had been made for a support element of approximately [deleted] personnel in a PCS status to sustain the strategic bomber and tanker missions in Southeast Asia. The amendment provides for an augmentation force of [deleted] TDY personnel to perform the added support required by deployment of the additional bombers and tankers.

Chairman MCCLELLAN. In addition to the $224,000 for TDY costs, there is an item of $120,000 for rotation. Please describe this.

General DELUCA. The funds are for the rotation of TDY base support personnel. As individuals complete their TDY, they are returned home, and other individuals replace them. In addition to paying for the travel cost of these people, there are funds for the return of some equipment.

OTHER BASE SUPPORT COSTS

Chairman MCCLELLAN. The third item under this head is $2.6 million for other base support costs. What is the nature of this increase?

General DELUCA. The increase covers a spectrum of base services. The increased deployments to bases in Southeast Asia raises the need for base housekeeping supplies and services such as laundry and utilities.

Senator YOUNG. To what does the equipment rental refer?

General DELUCA. Rapid deployments of aircraft and personnel such as we had to Southeast Asia, cause a significant increase in the workload at the deployment location. It is often uneconomical, or infeasible to transport certain pieces of equipment such as Xerox office copiers and items that are peculiar to the civil engineer. Where we can, we rent the equipment wherever it is needed, rather than buying new pieces or transporting bulky items.

SUMMARY OF REQUEST FOR GENERAL PURPOSE FORCES

Chairman MCCLELLAN. At this point in the record there will appear a summary of the request for Program II, General Purpose Forces, broken down by program element.

(The information follows:)

Fiscal year 1973 request pending	$878,583,000
Fiscal year amendment	46,500,000
Fiscal year 1973 revised request	925,083,000

OPERATION AND MAINTENANCE, AIR FORCE—NARRATIVE JUSTIFICATION

		Amendment now proposed			
	Request pending	SALT adjustment	SEA adjustment	Net adjustment	Request
Force Program II—General purpose forces (by program element groupings):					
a. Tactical fighters	$139,033	0	$26,032	$26,032	$165,065
b. Tactical/Attack/Interceptors/Bombers	680	0	0	0	680
c. Tactical reconnaissance/Tactical electronic warfare	26,375	0	320	320	26,695
d. Special operations forces	12,813	0	0	0	12,813
f. Tactical airlift	35,611	0	772	772	36,383
g. JCS directed and Coordinated exercises	33,600	0	0	0	33,600
h. Tactial operations	630,471	0	19,376	19,376	649,847
Total, General purpose fofces	878,583	0	46,500	46,500	925,083

GENERAL PURPOSE FORCES

Chairman McClellan. The next budget activity is "General Purpose Forces" for which $46.5 million is requested in the amendment. The first budget program under this head is tactical fighters for which $26,032,000 is requested. Please describe generally what the intended utilization of the funds will accomplish.

General DeLuca. Yes, sir. These funds will provide for the flying hour related costs, aviation POL and supplies, for the additional tactical fighter, reconnaissance, and airlift aircraft deployed to Southeast Asia; TDY for the crews and support personnel; special mission airlift for redeployment of the personnel and ground support equipment; TDY for personnel of one Red Horse Squadron; reopening and operation costs for Takhli Air Base; intratheater airlift, which is the movement of personnel and material for United States and Vietnamese Forces within Southeast Asia; and for the purchase of chaff used during air strikes for radar jamming.

Chairman McClellan. What aircraft types are we talking about?

General DeLuca. Tactical fighters, F–4's and F–105's.

TACTICAL FIGHTER PERSONNEL

Chairman McClellan. There seem to be four items within this request headed "Tactical Fighters." The first of these is temporary duty for personnel deployed and amounts to $2,732,000. I assume the justification for this is similar to that given for personnel employed in "Offensive Aircraft," but would you indicate briefly just what is involved?

General DeLuca. Yes, sir. These funds provide for per diem costs for the crews and support personnel deployed to Southeast Asia from the United States on a temporary duty basis, as well as some personnel who have had to be temporarily reassigned to SEA from within the Pacific Air Forces.

REDEPLOYMENT OF EQUIPMENT

Senator Young. The next item is for redeployment of equipment and personnel for which $11.6 million is requested. Please justify this item.

General DeLuca. This will provide for the purchase of special mission airlift from the Military Airlift Command Industrial Fund. This airlift will be used to return personnel and equipment from Southeast Asia after the surge activity is completed.

INCREASED POL COSTS

Chairman McClellan. The third item involves $6,160,000 for increased POL costs. Please explain this.

General DeLuca. These funds are to provide for an additional 3,801 F–105 flying hours at $147 per hour and an increase of 37,160 F–4 flying hours at $151 per hour.

Chairman McClellan. In that request, please explain the seeming discrepancy in the number of flying hours in the amendment as a part of the number in the original request as compared with the revised number of sorties as compared with the original request.

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General DeLuca. The 515,972 flying hours in the original budget request are for all tactical fighters, worldwide. The tactical sorties figures in both, the original estimate and the amendment, include only sorties in Southeast Asia. If we look only at both flying hours and sorties in Southeast Asia it becomes clear that within the 515,972 flying hours, 78,042 are Southeast Asia hours. Let me provide the flying hours and sorties for Southeast Asia in a revised schedule.

(The information follows:)

SOUTHEAST ASIA FLYING HOURS/SORTIES

	Request pending	SEA adjustment	Revised request
Flying hours	78,042	40,916	119,003
Sorties	44,400	[deleted]	[deleted]

INCREASED SUPPLY SUPPORT

Chairman McClellan. The fourth and last item under "tactical fighters" is $5,540,000 for increased supply support. Please explain the need for these funds.

General DeLuca. The increase in flying hours generates a requirement for additional aircraft maintenance at base level. The supplies are required for this maintenance. It includes such items as electronic components and engine parts.

TACTICAL RECONNAISSANCE/TACTICAL ELECTRONIC WARFARE

Chairman McClellan. The next budget program to be considered is tactical reconnaissance and tactical electronic warfare for which $320,000 is requested. I note this includes relatively small amounts for temporary duty, $120,000; POL, $90,000; and supply support, $110,000. Please describe the role of the tactical reconnaissance/tactical electronic warfare aircraft.

General Pattillo. Yes, sir. Tactical air reconnaissance forces constitute the basic information gathering agency for tactical Armed Forces in combat. The information is gathered by aircraft flown by specially trained aircrews, and carry a variety of sensors to record information about the enemy or his environment. On some occasions, information may be sought about our own forces or environment. In any case, tactical air reconnaissance acts as the eyes of our combat forces and must function on a round-the-clock basis in all weather conditions. Partial monitoring is unacceptable and can be dangerously misleading. When proper reconnaissance is performed, the collected and processed information is analyzed and combined with information from other sources to become the disseminated intelligence which indicates the structure, movement, strength, disposition, capability, and location of enemy forces.

The only tactical electronic warfare support (TEWS) aircraft now providing electronic warfare (EW) support in SEAsia are the EB-66C/Es. The EB-66C is basically an electronic reconnaissance platform designed to [deleted] more responsively than electronic intelligence (ELINT) systems. Because of this electronic warfare support

measures (ESM) capability, the EB–66C is able to [deleted] and also provides jamming support to strike and reconnaissance aircraft.

The EB–66E was designed to provide jamming support and is therefore effective in degrading North Vietnamese early warning and acquisition radars.

Both the EB–66C and EB–66E are used to support airborne operations in North Vietnam. These aircraft were members of the electronic warfare team that enabled the B–52's to successfully penetrate and bomb the Haiphong area last spring.

TACTICAL AIRLIFT

Chairman McClellan. The next program request is for $772,000 for tactical airlift.

Describe the function of the tactical airlift in Vietnam.

General Hill. The mission of tactical airlift in Vietnam is to deliver and recover personnel and supplies to, within, and from the combat zone, as far forward in the combat zone as requirements demand. Deliveries may be made through airland, assault airland, airdrop, extraction or other delivery techniques. Tactical airlift aircraft are also used to perform special air support operations and air evacuation of casualties from the combat zone as necessary for interface with both Army and strategic aeromedical evacuation.

TACTICAL OPERATIONS

Chairman McClellan. The next program is tactical operations for which $19,376,000 is requested. Of the four items in this program, the first is temporary duty costs involving $876,000. I believe previous testimony has provided sufficient data regarding this type of request, but you might describe what the Red Horse unit is.

General DeLuca. Yes, sir. Red Horse is an acronym for rapid engineer deployable heavy operations repair squadrons engineer. A Red Horse squadron is a 400-man mobile civil engineering unit which provides a quick reaction heavy repair force, organic to the Air Force, that can be used to support tactical forces deployed during war, national emergency or other contingency. Each Red Horse squadron is manned, trained and equipped to perform heavy repair and upgrade airfields to support weapons systems deployed to a theater of operations. These squadrons are capable of operating on a self-supporting basis, that is, they have organic food service, vehicle maintenance, supply, medical and engineering capability.

INTRA-THEATER AIRLIFT

Senator Young. $4.1 million is requested for intratheater airlift requirements. Please explain.

General DeLuca. These funds are to provide for the purchase of special mission airlift to move U.S. and Vietnamese personnel and materiel within Southeast Asia in conjunction with tactical deployments, supply, and resupply of combat activities. Normally intratheater airlift is provided by the Tactical Airlift Force of C–130's. However, when the demands exceed the available tactical airlift it is

necessary to supplement it with purchase of airlift capability from the Airlift Industrial Fund operated by the Military Airlift Command.

BASE OPERATING COSTS

Chairman McClellan. For the third item, base operating costs, the request is for $8 million. I wish you would justify such items as local transportation, rentals, communications, other contracts, and supplies and equipment.

General DeLuca. We had to reopen Takhli Air Base in Thailand as well as increase the activity at several other bases within Southeast Asia. I would like to provide detailed information for the record.

(The information follows:)

BASE OPERATING COSTS

	Thousands
Travel of personnel:	
Travel and per diem costs of support personnel temporarily relocated to Southeast Asia due to the increased activity at the several bases	$150
Transportation of things:	
Overland transportation of supplies and materials from the port of entry to Takhli Air Base	450
Utilities and rents:	
Provides for electricity, water, gas, and rentals of equipment such as forklifts, tractors, and concrete mixers for Takhli	100
Communications:	
Provides for telephone communications on base	50
Other purchased services:	
Provides for such costs as minor building repair projects, vegetation control, boiler maintenance, laundry, and additional security guards provided by the Royal Thailand Government	1,300
Other supplies:	
Provides for supplies required to operate Takhli during the first quarter of fiscal year 1973	3,500
Equipment:	
Replacement equipment purchased from the stock fund; for example, heavy duty jacks, torque wrenches, et cetera	100
Deactivation and redeployment costs from Takhli:	
Provision is made for the closure of Takhli after the surge and the return of personnel, supplies, and equipment to the continental United States or other locations	2,300
Total	8,000

DIRECT MISSION SUPPORT

Chairman McClellan. Explain the purpose of the $6.4 million for the direct mission support material costs.

General DeLuca. These funds are for the purchase of 39,000 cartons of chaff used during air strikes to jam enemy radar.

SUMMARY OF REQUEST FOR INTELLIGENCE AND COMMUNICATIONS

Chairman McClellan. At this point in the record there will appear a summary of the request for program III, Intelligence and communications, broken down by program element.

(The information follows:)

Fiscal year—	Thousands
1973 request pending	$590,451
1973 proposed amendment	700
1973 revised budget	591,151

OPERATION AND MAINTENANCE, AIR FORCE NARRATIVE JUSTIFICATION

FORCE PROGRAM III—INTELLIGENCE AND COMMUNICATIONS

	Request pending	Amendment now proposed			Revised request
		SALT adjustment	SEA adjustment	Net adjustment	
Program element groupings:					
General defense intelligence program	$165,831	0	0	0	$165,831
Other intelligence programs	69,071	0	0	0	69,071
Communications	266,743	0	0	0	266,743
Special activities	88,806	0	$700	$700	89,506
Total, intelligence and communications	590,451	0	700	700	591,151

Note: Justification for SEA adjustment—Temporary duty travel for deployment of air rescue and recovery operational units, +$700.

AIR RESCUE FORCES

Chairman McClellan. Under the budget activity "Intelligence and communications" there is a request for $700,000 for special activities, "involving temporary duty travel for Air rescue and recovery units." Please explain.

General DeLuca. Yes, sir. This amount is for additional deployment of Air Rescue Forces required to support the increased strategic and tactical forces now in Southeast Asia.

SUMMARY OF REQUEST FOR AIRLIFT FORCES

Chairman McClellan. At this point in the record there will appear a summary of the request for program IV, Airlift forces, broken down by program element.

(The information follows:)

Fiscal year—	Thousands
1973 request pending	$177,566
1973 proposed amendment	200
1973 revised budget	177,766

OPERATIONS AND MAINTENANCE, AIR FORCE NARRATIVE JUSTIFICATION

FORCE PROGRAM IV—AIRLIFT FORCES

	Request pending	Amendment now proposed			Revised request
		SALT adjustment	SEA adjustment	Net adjustment	
Program element groupings:					
Air Force mission activities	$37,241	0	$200	$220	$37,441
Airlift operations	140,325	0	0	0	140,325
Total, airlift forces	177,566	0	200	200	177,766

Note: Air Force mission activities—SEA adjustment, +$200. Special airlift costs for troop and cargo shipments to support return of deployed air rescue and recovery units.

AIRLIFT FORCES

Chairman McCLELLAN. There is another relatively small item listed under airlift forces—$200,000 for Air Force mission activities. These funds are to be used to provide for the return to the United States of deployed air rescue and recovery units, I believe. Is that correct?

General DELUCA. Yes, sir.

SUMMARY OF REQUEST FOR CENTRAL SUPPLY AND MAINTENANCE

Chairman McCLELLAN. At this point in the record there will appear a summary of the request for Program VII, "Central Supply and maintenance," broken down by program element.

(The information follows:)

Fiscal year—	Thousands
1973 request pending	$2,124,490
1973 proposed amendment	71,300
1973 revised budget	2,195,790

OPERATION AND MAINTENANCE, AIR FORCE NARRATIVE JUSTIFICATION

FORCE PROGRAM VII—CENTRAL SUPPLY AND MAINTENANCE

		Amendment now proposed			
	Request pending	SALT adjustment	SEA adjustment	Net adjustment	Revised request
Program element groupings:					
Depot operations	$734,696	0	0	0	$734,696
Procurement operations	69,997	0	0	0	69,997
Depot maintenance	934,227	0	$52,100	$52,100	986,327
Transportation	251,069	0	19,200	19,200	270,269
Other logistical support activities	39,107	0	0	0	39,107
Eastern test range	95,394	0	0	0	95,394
Total, central supply and maintenance	2,124,490	0	71,300	71,300	2,195,790

DEPOT MAINTENANCE

Chairman McCLELLAN. I believe there are two items under the budget activity for central supply and maintenance. The first of these is $52.1 million for depot maintenance. Describe the need for this request.

Mr. McELHANON. The request includes $42 million to overhaul unserviceable aircraft engines and components generated by the increased sorties and flying hours. The overhaul cost per flying hour runs $575 for B–52's; $147 for KC–135's; $148 for F–4's; $183 for F–105's; $215 for EB–66's and $155 for C–130's.

An additional $9.3 million is required for labor to convert [deleted] C–130E aircraft to gunships, and $0.8 million to improve the identification, friend or foe (IFF) capability of our F–4's.

Chairman McCLELLAN. Indicate the type of modifications that are planned for the C–130 aircraft.

Mr. McELHANON. Mr. Chairman, the modification of C–130E aircraft involves the installation of equipment to convert them to gunships. The modification includes side firing guns, low light level

television, forward looking radar, forward looking infrared, beacon tracking radar, fire control console, sensor slaving units and the 105-millimeter gun. These gunships have been very successful in their primary mission which is detecting and destroying enemy trucks. In addition, they are very effective for the support of troops under enemy attack at night and during adverse weather conditions.

Senator YOUNG. What are the modifications required on the F–4 aircraft?

Mr. MCELHANON. Sir, the modification of F–4 aircraft is to enable aircrews to identify hostile targets at far greater ranges than is possible by visual means, thereby increasing the effectiveness of airborne fire control systems.

Chairman MCCLELLAN. I note that the number of flying hours estimated for the B–52 is 56,943. What was the estimated number in the original submission?

Mr. MCELHANON. Sir, the basic budget estimated 224,363 flying hours for all the B–52 operations worldwide. Of this amount 44,400 was requested for SEA operations in the basic budget. The 56,943 flying hours are the additional requirement for the SEA surge.

TRANSPORTATION

Chairman MCCLELLAN. The next budget activity to be considered is "Transportation." The proposed amendment includes $19,200,000 for this activity. Of this, $12.9 million is for transportation of ammunition for B–52's and $6.3 million is for transportation of ammunition for tactical fighters. Please explain the requirement for these funds.

General DELUCA. Yes, sir. The transportation funds are for the cost of commercial transportation of ammunition from depots in the United States to the port; stevedoring at the port and ocean transportation to Southeast Asia. I will provide a table for the record which supplies additional transportation cost details by type of aircraft.

(The information follows:)

Aircraft	Sorties	Transportation cost per sortie	Requirement
B–52D	[Deleted.]	[Deleted.]	$6,998
B–52G			5,949
TAC fighters			6,283
Total			19,230

SUMMARY OF REQUEST FOR TRAINING, MEDICAL, AND OTHER GENERAL PERSONNEL ACTIVITIES

Chairman MCCLELLAN. At this point in the record, there will appear a summary of the request for program VIII, "Training, medical and other general personnel actions," broken down by program element.

(The information follows:)

Fiscal year—	Thousands
1973 request pending	$807,570
1973 proposed amendment	300
1973 revised budget	807,870

OPERATION AND MAINTENANCE, AIR FORCE NARRATIVE JUSTIFICATION

FORCE PROGRAM VII—TRAINING, MEDICAL, AND OTHER GENERAL PERSONNEL ACTIONS

	Request pending	Amendment now proposed: SALT adjustment	Amendment now proposed: SEA adjustment	Amendment now proposed: Net adjustment	Revised request
Program element groupings:					
Training and education	$501,091	0	$300	$300	$501,391
Medical	306,479	0	0	0	306,479
Total	807,570	0	300	300	807,870

Note: Justification for SEA adjustment: Temporary duty travel of Air Training Command personnel to train maintenance and munitions handlers, +$300.

TRAINING AND EDUCATION FOR TDY TRAVEL OF ATC

Chairman McClellan. Under "Training, medical, and other general personnel actions," there is a request of $300,000 for training and education for temporary duty travel of Air Training Command personnel to train maintenance and munitions handlers.

Are there special techniques involved in the handling of munitions that cannot be provided by personnel already in-country?

General DeLuca. Yes, sir. The latest types of aircraft munitions and aerospace ground equipment (AGE) require training which can only be provided by USAF personnel. VNAF personnel do not yet possess the expertise, particularly in the area of avionics such as integrated fire control systems, weapons delivery, and automatic pilot equipment. Some VNAF instructors are available due to previous training efforts. However, with the continuing high level of combat activities, additional trained U.S. Air Force personnel are required to augment the training of the VNAF.

SUMMARY OF REQUEST FOR SUPPORT OF OTHER NATIONS

Chairman McClellan. At this point in the record, there will appear a summary of the request for program X, "Support of other nations," broken down by program element.

(The information follows:)

Fiscal year—	Thousands
1973 request pending	$205,823
1973 proposed amendment	78,100
1973 revised budget	283,923

OPERATIONS AND MAINTENANCE, AIR FORCE NARRATIVE JUSTIFICATION

PROGRAM X: SUPPORT OF OTHER NATIONS

	Request pending	Amendment now proposed: SALT adjustment	Amendment now proposed: SEA adjustment	Amendment now proposed: Net adjustment	Revised request
Program element groupings:					
Support of allies	$204,604	0	$78,100	$78,100	$282,704
International military headquarters and agencies	441	0	0	0	441
Military assistance advisory groups and missions	778	0	0	0	778
Total direct obligations	205,823	0	78,100	78,100	283,923

Note: Justification for SEA adjustment:

The proposed amendment represents increased funding to support the Vietnamese Air Force in fiscal year 1973. These funding requirements are for:

Civilian pay: Reduced U.S. civilian training support in Conus	−$32
Transportation, increased movement of munitions, aircraft, and support items	+6,038
Utilities and rents, reduced computer rental requirement with transfer of computers from USAF to Vietnamese Air Forces	−429

SUPPORT FOR VIETNAMESE AIR FORCE

Chairman McClellan. Under the budget activity "Support of other nations," there is a request for $78.1 million to support the Vietnamese Air Force. Please provide an itemized list of the elements that make up this request.

General DeLuca. Yes sir.

(The information follows:)

SUPPORT OF OTHER NATIONS

[In thousands of dollars]

Element:	*Fiscal year adjustment*
Civilian personnel	−32
Transportation	6,038
Utilities and rents	−429
Depot maintenance	4,338
Other purchased services	53,353
POL	4,291
Supplies	10,541
Total	78,100

TRANSPORTATION: MOVEMENT OF MUNITIONS, ET CETERA

Senator Young. Listed under "Transportation," the first request is for $6,038,000 for increased movement of munitions, aircraft, and support items. Please explain.

General DeLuca. Accelerated delivery to the Vietnamese was necessary due to the increased combat activity. I would like to provide additional details for the record.

(The information follows:)

Transportation cost

Items being transported:	*In thousands*
UH–1 helicopters	$1,700
C–119G	300
C–123	200
A–37B	1,400
F–5A	400
AC–47	100
Munitions	1,500
Vehicles	300
Specialist augmentation	200
Miscellaneous items	−62
Total	6,038

DEPOT MAINTENANCE

Chairman McClellan. The next item is for depot maintenance, for which $4,338,000 is requested. Please justify this item.

General DeLuca. Depot maintenance contracts are necessary to meet VNAF needs while training the Vietnamese in the required skills. The contractor will train the VNAF, and will phase out as the necessary VNAF skill is attained. A few exceptions might occur in maintenance of the most sophisticated equipment. Also, in some cases, such as for aircraft modification of short duration, contractor support may be used. Contract depot augmentation is currently required for XM–93 miniguns installed in UH–1 helicopters, C–119G modification of aircraft for maritime patrol, CH–47 maintenance, RC–47 modification of C–47 to RC–47 configurations, AC–119K demodification from USAF to VNAF configuration, and Beacon bombing system.

Chairman McClellan. What is the order of magnitude of the depot-level-type overhaul we are discussing?

General DeLuca. We are providing the VNAF with most of depot maintenance functions required to support their end force of about [deleted] aircraft, consisting of 21 different weapon systems. We will build the VNAF maintenance capability to the maximum degree of self-sufficiency possible, and reduce or eliminate USAF blue-suit assistance.

Senator Young. How do the costs per overhaul compare with costs in the United States?

General DeLuca. We don't have precise cost comparison figures at this time, due to the learning curve being experienced in Vietnam. However, even though the man-hours required for an overhaul in Vietnam are greater than in the United States, the low labor rate and avoidance of transportation costs should result in lower overall costs when the work is done in-country by the Vietnamese.

Senator Young. Is this overhaul work done by indigenous personnel, under contract or otherwise?

General DeLuca. The overhaul work is done by contract U.S., third country and indigenous personnel, and by VNAF personnel being trained by contractors. Eventually, as the VNAF develop the skill and the contractors will withdraw, overhaul work will be almost totally accomplished by the Vietnamese.

OTHER CONTRACTS

Chairman McClellan. Listed under "Other Contracts" are eight items totalling $53,353,000. Please indicate generally the purpose of this request.

General DeLuca. The contracts are designed to meet VNAF maintenance requirements while VNAF personnel develop the necessary skills. Most of the contracts will contain incentive clauses requiring the VNAF to be trained into self-sufficiency.

Chairman McClellan. Why are all these services to be provided under contract?

General DeLuca. Time precludes normal development of VNAF self-sufficiency. We can't take them through the normal step-by-step sequential effort required to develop a depot capability. Therefore, we have to solicit contract support to come in and help train the VNAF in some of the critical field and depot maintenance skills, as our blue suiters are withdrawn. There are also some skills that we don't have in-country, like big sheet metal depot type skills. We'll have to contract to provide this support rather than provide a blue suiter. The VNAF must become self-sufficient. Contracting these services and training the VNAF is the best method of meeting this goal.

Chairman McClellan. Provide for the record a detailed list of all such contracts, the amounts, the lengths of the contracts, and the function to be performed.

General DeLuca. Sir, since the proposed contracts are not yet let, the individual dollar amounts and the name of the contractors for each contract are not now available. These contracts, totaling $53.4 million, will most likely be fixed price, advertised and negotiated. The operational demand will dictate the actual contract procedure. The length of these proposed contracts are 1 year, with follow-on dependent on the VNAF learning curve and skills attained. It is expected that most contracts will run a year to 18 months, with a few extending possibly to 2 or 3 years. Also, there are some areas where the VNAF will never attain the skills, or contractor proprietary rights precludes anyone else from doing the work. We will provide a list of the type and purposes of the contracts required.

(The information follows:)

TYPE CONTRACT AND PURPOSE

UH–1 helicopter training—Train Vietnamese in depot level skills; that is, power train and zero engine overhaul et cetera.

UH–1 transmission and gear box repair—Provides for overhaul/repair of helicopter transmission and gearbox. Contractor will train VNAF and subsequently phase out.

UH–1 rotor blade overhaul—In-country depot maintenance capability. Contractor will train VNAF to self-sufficiency.

A–37 training—Organizational, field, and depot level maintenance and training for the Vietnamese due to increase in force size and dispersion plus pilot transition training.

EC–47 internal operator maintenance—Because of the peculiarity of the systems on the EC–47, contract maintenance is required.

RC/EC/C–47 maintenance—Organizational, field, and depot level maintenance of peculiar systems.

AC–119K—Contract technical assistance personnel to perform specific maintenance is required on certain exotic equipment (i.e., Forward Looking Infra Red, Forward Looking Radar, etc.) on the AC–119K; training to increase VNAF capability in maintaining this equipment, and maintenance of AC–119K aircraft.

A–1 flying hours—Adjustment in the A–1 Flying as a result of not activating the 4th squadron.

Reciprocating engine overhaul—Provides in-country depot level overhaul for reciprocating engines of all types in the VNAF aircraft inventory and contractor training of the Vietnamese into self-sufficiency.

Crash battle damage maintenance support—Expand existing and establish new maintenance contracts to perform this function presently performed by USAF personnel.

Communications, airborne—Provides for contract of airborne communications and training support of the Vietnamese Air Force depot. Numerous new airborne communication, electronic navigational, and avionics systems are being introduced into its VNAF fleet. Contractor will train Vietnamese to self-sufficiency.

Communications, ground—Provides maintenance and training for the Vietnamese Air Force depot in the communications-electronic area of mobile and fixed radar, navigational aids, transmitters, transceivers, etc.

Component repair—This contract provides for maintenance and repair of approximately 300 components for which the Vietnamese Air Force depot does not have a repair capability.

Vehicle repair—Develop VNAF vehicle overhaul capability and augment the Vietnamese base level repair capability. Expand depot vehicle repair contract as required.

Computer maintenance—Provides maintenance support for the Vietnamese Air Force depot computer system and ancillary equipment.

Modification of production as well as existing aircraft to conform to standard configurations.

Base services—Non technical services and Vietnamese training at Phu Cat and Phan Rang VNAF Bases. Includes such services as operation of motor pool and messing facilities, civil engineer base operation and maintenance functions including utility plant operations at Phu Cat and Phan Rang.

VNAF depot operaton—Depot production and Vietnamese production training at Bien Hoa. Covers full depot support for 19 aircraft systems and multiple sub-systems.

CONTRACT DURATION

Chairman McClellan. Will the contractors employ indigenous personnel?

General DeLuca. Yes sir.

Senator Young. Are there any estimates as to the length of time it is anticipated will be required until the South Vietnamese can handle this work themselves?

General DeLuca. Sir, this depends on many variables—the time required to teach a particular skill, the level of skill desired, the learning curves of the VNAF in training; even the availability of VNAF personnel. Coupled with this is the need in many areas to maintain a required level of production while training is being accomplished. However, we anticipate that the majority of contracts will be from 1 to 2 year duration. Of necessity, some will be longer. However, there are a few exceptions, such as occurs from low repair rate items which do not warrant the large initial plant investment that would be required to establish self-sufficiency. Another exception is support for a weapon system that is due to phase out soon, such as the A–1. In these areas it just wouldn't be economically feasible to develop a VNAF in-house capability.

AVIATION POL

Chairman McClellan. There is a request for $4,291,000 for aviation fuel associated with the increased flying hour program. Please explain.

General DeLuca. The basis for computing aviation fuel is the application of historical factors to total flying hours by type of aircraft. The increased funding requested for aviation fuel results from the application of the cost factors used in the original fiscal year 1973 Budget to the additional 98,600 flying hours required.

Senator Young. How is fuel shipped?

General DeLuca. Aviation fuel shipped to RVN comes primarily from two sources. [Deleted] is the source for JP–4, while most aviation gasoline is shipped from the U.S. gulf coast.

Ocean tankers discharge at various points along the coast of RVN, usually into contractor owned terminals. Fuel is moved over land to the using bases by truck, pipeline and/or barge. In some instances it may be flown from an air base to forward operating locations by C–130 transports in steel drums, 500 gallon rubber drums, or in 6,000 gallon increments by specially equipped bladder bird C–130s. At Tan Son Nhut, JP–4 is delivered by barges filled at the contractor's terminal at Saigon/Nha Be. Aviation gasoline is delivered to Tan Son Nhut by truck. Coastal barges deliver from larger terminals to small using activities in the Delta areas that are inaccessible by road.

Generally, current POL contract costs include delivery to destination. However, additional transportation expense is entailed by floating storage. Here, the POL is afloat Military Sealift Command vessels, which transit the coast of Vietnam to accommodate usage surges. These vessels are on a flat per diem rate, of which the Air Force currently pays 37 percent as a prorata share.

SUPPLIES AND EQUIPMENT

Chairman McClellan. The last item is for $10,541,000 and relates to aircraft spares and logistical support supplies and equipment. What is the requirement for this?

General DeLuca. The increased number of aircraft within the last 6 months coupled with the increased flying hour program (98,600), together with increased crash battle damage, has dictated a greater consumption of spare parts and materiels for aircraft and component repair than previously programed in the original fiscal year 1973 budget submission.

VIETNAMESE AIRCRAFT

Chairman McClellan. Would you provide for the record the number of South Vietnamese aircraft in inventory by type of aircraft?

General Hill. Yes, sir. I will be glad to provide it.

(The information follows:)

As of August 31, 1972, the VNAF had the following types of aircraft:

A–1	65
A–37	164
C–7	53
C/RC–47	70
C/AC–119	53
C–123	56
F/RF–5	35
UH–1H	629
CH–47	49
O–1	248
T–41	24
U–6	10
U–17	80
T–37	24
Total	1,560

VIETNAMESE FLYING PROGRAM

Chairman McClellan. Would you also provide a comparison between the estimated South Vietnamese flying hour rates anticipated in the first quarter of fiscal year 1973 and any recent period?

General Hill. Yes, sir. I will be glad to provide it.

(The information follows:)

HOURS PER AIRCRAFT PER QUARTER

	Average actual (March and April, fiscal year 1972)	Programed (January, fiscal year 1973)
A–1	116	139
A–37	108	120
F–5	74	90
RF–5	59	105
UH–1	177	183
C–7	240	230
CH–47	146	155
O–1	273	210
U–6	224	210
U–17	156	170
C/AC–119	182	159
C–123	198	211
C–47	189	222
T–41	162	210
Average, all aircraft	179	179

Chairman McClellan. Are there any other questions?

Have you concluded, General?

General DeLuca. Yes, sir.

Chairman McClellan. Thank you very much.

STATEMENT OF LT. GEN. OTTO J. GLASSER, DEPUTY CHIEF OF STAFF, RESEARCH AND DEVELOPMENT

BUDGET REQUESTS

Chairman MCCLELLAN. The next request is for an additional $573,700,000 for the procurement of aircraft and missiles. Of the total requested, $529,200,000 is for the appropriation "Aircraft Procurement, Air Force," and $44,500,000 is for the appropriation "Missile Procurement, Air Force."

The original request for aircraft procurement was $2,726,500,000, and the revised request is $3,255,700,000. The original request for missile procurement was $1,772,300,000, and the revised request is $1,816,800,000.

AIRCRAFT PROCUREMENT, AIR FORCE

The June 30 budget amendment includes, as I indicated, an increase of $529.2 million for the appropriation "Aircraft Procurement, Air Force." The original request for this appropriation was $2,726.5 million, and the revised request is $3,255.7 million. Pages 217 and 219 of the justifications will be included in the record at this point.

General GLASSER. Yes, sir. I will provide it.

(The information follows:)

AIRCRAFT PROCUREMENT, AIR FORCE

PROGRAM AND FINANCING

[In thousands of dollars]

	Budget plan (amounts for procurement actions programed)			Obligations		
	Request pending	Amendment now proposed, SEA adjustment	Revised request	Request pending	Amendment now proposed, SEA adjustment	Revised request
Program or activities:						
Direct:						
1. Combat aircraft	984,500	247,100	1,231,600	942,300	247,100	1,189,400
2. Airlift aircraft	226,600	127,700	354,300	269,600	127,700	397,300
3. Trainer aircraft	46,100		46,100	45,000		45,000
4. Other aircraft	261,900	69,200	331,100	217,600	69,200	286,800
5. Modification of inservice aircraft	465,600	38,400	504,000	511,000	38,400	549,400
6. Aircraft spares and repair parts	504,100	38,100	542,200	489,700	38,100	527,800
7. Aircraft support equipment and facilities	237,700	8,700	246,400	245,400	8,700	254,100
Total, direct	2,726,500	529,200	3,255,700	2,720,600	529,200	3,249,800
Reimbursable (total)	425,000		425,000	661,700		661,700
Total	3,151,500	529,200	3,680,700	3,382,300	529,200	3,911,500
Financing:						
Receipts and reimbursements from:						
Federal funds	−62,200		−62,200	−62,200		−62,200
Trust funds	−362,300		−362,300	−362,300		−362,300
Non-Federal sources [1]	−500		−500	−500		−500
Unobligated balance available, start of year:						
For completion of prior year budget plans				−1,531,800		−1,531,800
Available to finance new budget plans						
Reprograming from (−) or to prior year budget plans						
Unobligated balance transferred from other accounts						
Unobligated balance transferred to other accounts						
Unobligated balance available, end of year:						
For completion of prior year budget plans				1,301,000		1,301,000
Available to finance subsequent year budget plans						
Budget authority	2,726,500	529,200	3,255,700	2,726,500	529,200	3,255,700
Budget authority:						
Appropriation	2,726,500	529,200	3,255,700	2,726,500	529,200	3,255,700
Transferred to other accounts						
Transferred from other accounts						
Appropriation (adjusted)	2,726,500	529,200	3,255,700	2,726,500	529,200	3,255,700

[1] Reimbursements are derived principally from cash sales to foreign governments (22 U.S.C. 2315).

AIRCRAFT PROCUREMENT, AIR FORCE—FISCAL YEAR 1973 BUDGET AMENDMENT SUBMISSION

	Thousands
Fiscal year 1973 request pending	$2,726,500
Fiscal year 1973 amendment	+529,200
Fiscal year revised request	3,255,700

The budget amendment request of $247.1 million in *Combat Aircraft* will provide for procurement of 48 F–4E aircraft at $190.2 million for USAF attrition replacement and 44 A–37 aircraft at $23.2 million to replace A–1 losses in the South Vietnamese Air Force (UNAF). In addition, 49 A–37's at $25.9 million, 6 F–5A and 1 RF–5A aircraft at $7.8 million will be provided the VNAF as force augmentation.

The budget amendment request of $127.7 million in *Airlift Aircraft* will provide for procurement of 30 C–130E aircraft. These aircraft are required to replace projected USAF losses of C–130 and AC–130 aircraft in SEA operations and to replace USAF C–130 aircraft diverted to the Air Force Reserves in place of C–123 assets used to replace VNAF losses.

The budget amendment request of $69.2 million in *Other Aircraft* will provide for procurement of 6 HH–53 helicopters at $20.8 million to replace USAF losses, 6 CH–47 helicopters at $13.7 million and 100 UH–1H helicopters at $26.3 million to be provided the U.S. Army as payback for VNAF helicopter losses. In addition, 32 UH–1H helicopters at $8.4 million are being repaid the U.S. Army for Army assets which accommodated an increase in the VNAR helicopter force structure.

The budget amendment request of $38.4 million in *Modification of In-Service Aircraft* will provide $15.3 for modification of C–130 aircraft to AC–130 Gunship configuration to replace USAF Gunship losses. Mission essential modifications to USAF and VNAF aircraft, including laser guided bomb delivery capability for F–4 aircraft, modification of UH–1H helicopters with the XM–93 gun system, an improved gun camera for VNAF reconnaissance aircraft, improved air-to-ground communications for VNAF close air support aircraft, improved A–37 firepower and sensor delivery capability and improved Radar Homing and Warning/Electronic Countermeasures (RHAW/ECM) capability for USAF/VNAF aircraft operating in the high threat areas will require $23.1 million.

The budget amendment request of $38.1 million in *Aircraft Spares and Repair Parts* will provide for initial spares support for the force augmentation aircraft and replenishment spares to support increased flying activity associated with increased USAF/VNAF operations in Southeast Asia.

The budget amendment request of $8.7 million in *Aircraft Support Equipment and Facilities* will provide for increases in Common Aerospace Ground Equipment (AGE) and Other Production Charges to support the force augmentation aircraft and increased USAF/VNAF operational requirements.

JUNE 30 BUDGET AMENDMENT

Chairman McClellan. This request will be presented by Lt. Gen. Otto J. Glasser, Deputy Chief of Staff, Research and Development.

You may proceed, General.

General Glasser. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee: It is my pleasure to appear before you to discuss the need for additional funds for aircraft and missile procurement as requested in the budget amendment forwarded on June 30, 1972.

As you are aware, this procurement is needed because of the heightened level of combat activity in Southeast Asia.

I can assure you that the request has been carefully structured to meet previously unprogramed commitments in that area.

AIRCRAFT PROCUREMENT

Earlier this year, we presented the aircraft procurement program for fiscal year 1973, totaling $2.727 billion. Additional funds of $529.2 million are required, which brings the total to $3.256 billion.

The funds are required for the purchase of aircraft, modifications of in-service aircraft, and spares and support equipment for the aircraft. These requirements are directly related to the increased combat activity in Southeast Asia.

I will briefly discuss each of these additional requests.

We are requesting $247.1 million in combat aircraft. $190.2 million will provide for the procurement of 48 F–4E aircraft to replace unprogramed losses that are now being experienced due to a higher sortie level and the heavy enemy air defenses.

Senator YOUNG. How does the price of the aircraft such as the F–4 now compare with the price in the past? Is the cost of an F–4 going up?

General GLASSER. Yes, sir; they have been going up steadily for two reasons, one being the continuing inflation which has always driven up our cost. Coupled with that has been reduction in the production rate. As the production rate goes down, the unit cost goes up.

Senator YOUNG. They have not shut down their line of production?

General GLASSER. No, sir. It is still running but at a reduced rate.

Senator YOUNG. What does an F–4 cost?

General GLASSER. In the vicinity of $4 million.

The $49.1 million is needed for procurement of 93 A–37 aircraft to replace A–1 and A–37 losses in SEA by both the U.S. Air Force and the South Vietnamese Air Force (VNAF). The U.S. Air Force aircraft were programed to be transferred to the VNAF. The VNAF also require $7.8 million for six F–5A's and one RF–5A.

To provide for the procurement of 30 C–130E aircraft, we are requesting $127.7 million. These aircraft are required to replace projected U.S. Air Force losses of C–130 and AC–130 aircraft engaged in SEA operations and to replace U.S. Air Force C–130 aircraft diverted to the Air Force Reserve. The Reserve has been reducing its tactical airlift inventory to replace VNAF losses.

HELICOPTERS

The $69.2 million is needed for helicopter requirements. This includes $20.8 million for the procurement of six HH–53 helicopters to replace U.S. Air Force losses; $48.4 million for six CH–47 helicopters and 132 UH–1H helicopters to be provided the U.S. Army as payback for helicopters transferred to the VNAF. The Air Force is charged with the funding responsibility for military assistance furnished the VNAF.

Senator YOUNG. What is the cost of a helicopter?

General GLASSER. The unit cost is around $300,000—$299,000.

Senator YOUNG. You say this included $20.8 million for the procurement of six HH's helicopters to replace U.S. losses?

General GLASSER. Those are the big HH–53's. I was referring to the UH–1's.

Chairman MCCLELLAN. What is the capacity?

General GLASSER. They could carry a substantial number of personnel. I guess in the 40 or 50 maximum. They are used for other purposes than personnel carriers. They are rescue aircraft.

Chairman MCCLELLAN. You don't use them for rescuing a single pilot?

General GLASSER. It is more a case of their survivability; they carry suitable armament on board; they have the crane on board. They have to be out there for extended periods of time and they go considerable distances.

Chairman MCCLELLAN. Do they have the capability to fight off the enemy?

General GLASSER. Yes, sir. Very often when they pick up the crew, members are fighting off people on the ground who are attempting to reach the downed airplane.

MODIFICATIONS

$38.4 million is needed for modification of in-service aircraft. $15.3 million will be used to modify C–130 aircraft to the AC–130 Gunship configuration to replace U.S. Air Force Gunship losses. $23.1 million is required for mission essential modifications to U.S. Air Force and VNAF aircraft.

This includes the laser guided bomb delivery capability for F–4 aircraft; modification of UH–1H helicopters with XM–93 gun system, improved communications for VNAF aircraft; improved A–37 firepower and sensor delivery capability, and improved radar homing and warning/electronic countermeasures for USAF/VNAF aircraft made necessary by the higher threat environment now being experienced.

SPARES AND REPAIR PARTS

$38.1 million is required for aircraft spares and repair parts to provide $8.1 million in initial spares support for the new production aircraft and $30 million in replenishment spares to support increased flying operations and battle damage in Southeast Asia.

SUPPORT EQUIPMENT

Finally, in aircraft Support Equipment, $3.7 million will provide for increases in Common Ground Equipment for A–37, C–130, and UH–1H squadron, and $5 million is included in other production charges to provide support for increased reconnaissance requirements generated by higher activity levels in Southeast Asia.

This completes my discussion of the aircraft procurement amendment.

SOUTHEAST ASIA COST

Chairman McClellan. It is my understanding that this total additional request of $529.2 million is considered as a Southeast Asia cost item. Am I correct about this?

General Glasser. Yes, sir.

F–4E AIRCRAFT

Chairman McClellan. An additional $190.2 million is requested for the procurement of 48 F–4E aircraft. The aircraft data sheet for the F–4E aircraft will be included in the record at this point.

General Glasser. Yes, sir. I will provide it.

(The information follows:)

COST DATA

[Costs in millions of dollars]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate, total program
Aircraft procurement:										
Quantity	680	24	36	48						788
Cost	$1,738.9	$87.9	$141.8	$190.2						$2,158.8
Less: Advanced procurement	96.9	18.1	9.6							124.6
Net current year program	1,642.0	69.8	132.2	190.2						2,034.2
Advance procurement, current year	115.0	9.6								124.6
Weapon system cost	1,157.0	79.4	132.2	190.2						2,158.8
Initial spares	92.4	.6	1.0	1.8						95.8
R.D.T. & E	17.9									17.9
Milcon										
Program acquisition cost	1,867.3	80.0	133.2	192.0						2,272.5
Program unit cost										(2.884)

FY 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE AIRCRAFT DATA SHEET

Service: Air Force—Nomenclature: F–4E; P–1 Line Item No: 9; Popular Name: Phantom II.

Description/Mission.—Twin engine two pilot jet fighter performs all functions of tactical air close support, interdiction and counter air. Its avionics provide for all weather navigation, launch of semi-active radar air-to-air missiles (4 AIM–7 SPARROWS) and a nuclear delivery capability against ground targets. For visual attack it can use the 20mm gun, infra-red air-to-air missiles and the spectrum of tactical weapons in varying combinations of loads.

Basis for FY 1973 Budget Amendment Request.—The FY 1973 buy provides a partial replacement for SEA attrition, and will assist in maintaining the approved 14 wing force.

TEST DATA—SCHEDULE FOR COMPLETION—F–4E

(a) CAT I (Contractor), Aug 68
(b) CAT II (AF Technical), May 70
(c) CAT III (Using Command), Jun 68

CONTRACT DATA

Major subsystem and contractor
Airframe.—McDonnell Douglas (firm fixed price).
Engine (J79–GE17).—General Electric (fixed price redeterminable).
Radar (APQ–120).—Westinghouse (firm fixed price).
20MM Cannon (M–81).—General Electric (firm fixed price).

Characteristics	Class	Item model, series, class, etc. (F–4E)
Takeoff wt.[1]	U	58,000.
Length/wing span	U	63 ft./38 ft.
Speed/maximum	U	2.2 Mach.
Radius combat	U	250 NM.
Engines, number/design	U	2 J–79–GE–17.
Ceilings/combat	U	57,000.
Crew	U	2.
Payload/maximum practical	U	14,000 lbs.
Range, ferry	U	1600 NM.

[1] Max weight for basic conventional weapons mission.

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE—AIRCRAFT DATA SHEET

Production data	Deliveries, fiscal year (quarters)—																					
	1971 and prior	1972				1973				1974				1975				1976				1977	Beyond 1977
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
Procurement:																							
Fiscal year:																							
1970 and prior	679		2	16	7																		
1971																							
1972								15	14	4	3												
1973															5	24	19						
1974																							
1975																							

COST HISTORY COMPARISON—F-4E

[Dollars in millions]

	Quantity	Amount
Initial planning estimate:		
Procurement	273	$760.2
R.D.T. & E.		
Milcon		
Total program costs	273	760.2
Total program acquisition cost (fiscal year 1972 budget submission):		
Procurement	764	2,236.6
R.D.T. & E.		17.3
Milcon		20.2
Total program costs	764	2,274.1
Total program acquisition cost (fiscal year 1973 budget submission):		
Procurement	788	2,254.6
R.D.T. & E.		17.9
Milcon		
Total program costs	788	2,272.5

Note: Changes in cost between fiscal year 1972 and fiscal year 1973 submission due to price, quantity and configuration changes and increased plant loading resulting from foreign military sales.

SOUTHEAST ASIA LOSSES

Senator YOUNG. On the aircraft data sheet, I note the following statement, "The fiscal year 1973 buy provides a partial replacement for Southeast Asia attrition and will assist in maintaining the approved 14-wing force." How many of these aircraft have you lost since the beginning of the North Vietnamese offensive last spring?

General HILL. The USAF has lost 57 F–4 aircraft in Southeast Asia since the beginning of the recent North Vietnamese offensive through September 11, 1972.

Chairman MCCLELLAN. Through fiscal year 1970, 680 of these aircraft were funded, 24 were funded in 1971, and 36 were funded in 1972. In view of the large number of aircraft in your existing inventory and the fact that you have an active production line on this aircraft, why do you feel that it is necessary to provide these additional funds in the fiscal year 1973 act?

General HILL. The past procurement provided the resources to attain the programed 14 F–4 wing force level. To retain the 14 wings, F–4E aircraft must be procured to replace F–4 aircraft losses and reduce a [deleted] plus airframe deficit. The fiscal year 1973 procurement would deliver the 48 aircraft during fiscal year 1975. If the procurement were to be included in the fiscal 1974 act, the F–4 airframe deficit would be carried into fiscal year 1976.

F–4E AIRCRAFT

Chairman MCCLELLAN. Of the 740 aircraft funded through fiscal year 1972, how many have not yet been delivered, and when will they be delivered?

General GLASSER. I will be glad to furnish it.

(The information follows:)

As of September 14, 1972, 86 F–4Es, which were funded through fiscal year 1972, have not been delivered.

(Additional information was provided to the subcommittee.)

F–4 AIRCRAFT DELIVERIES

Senator YOUNG. When would the additional 48 F–4Es be delivered?

General GLASSER. I will be glad to furnish it.

(The information follows:)

The proposed delivery schedule for the remaining 48–4E's is:

Fiscal year 1975:	
November	1
December	4
January	8
February	8
March	8
April	8
May	8
June	3

F/RF–5A AIRCRAFT

Chairman MCCLELLAN. $7.8 million is requested for the procurement of seven F/RF–5A aircraft. The aircraft data sheet will be included in the record at this point.

General GLASSER. Yes, sir. I will provide it.

(The information follows:)

FY 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE AIRCRAFT DATA SHEET

Service: *Air Force*—Nomenclature: *F/RF–5A (MASF)*; P–1 Line Item No; *11;* Popular name: *Freedom Fighter.*

Description/Mission.—The F–5 is a light weight, twin-engine jet (afterburning) supersonic fighter aircraft. The F–5 provides free world forces an air defense aircraft with offensive capabilities of local air superiority (non-nuclear), interdiction and close air support of ground forces. There are no F–5s presently assigned or programmed for USAF operational units. The RF–5 is the reconnaissance version of the F–5.

COST DATA

[Dollar amounts in millions]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate, total program
Aircraft procurement:										
Quantity	60	8		7						75
Cost	$46.5	$8.8		$7.8						$63.1
Less: Advance procurement	8.1									8.1
Net CY program	38.4	8.8		7.8						55.0
Advance procurement CY	8.1									8.1
Weapon system cost	46.5	8.8		7.8						63.1
Initial spares	2.9	.1								3.0
R.D.T. & E										
Milcon										
Program acquisition cost	49.4	8.9		7.8						66.1
Program unit cost										.881
Total additional cost										

Basis for FY 1973 Budget Amendment Request.—Six F–5A and 1 RF–5A aircraft will be provided to complete VNAF squadron authorizations.

TEST DATA: SCHEDULE FOR COMPLETION

Flight Testing (Cat II) completed 16 November 1964.

CONTRACT DATA:

Major subsystem, contractor and type of last contract

Airframe, Northrop, Firm Fixed Price (FFP).
Engine, General Electric, Fixed Price Redetermined Annually w/incentives FPRA (MOD).

Characteristics	Class	Item model, series, class, etc. F–5A	RF–5A
Take-off weight		13,663#	17,637#.
Length/wing span		47.2 ft./25.8 ft	46.8 ft./25.8 ft.
Speed/maximum		803 kts	598 kt.
Radius combat		235 NM	425 NM.
Engines number/design		(2) J85–G3–13	(2) J85–G3–13.
Ceiling, combat		50,600 ft	45,000 ft.
Crew		1	1.
Range, ferry		1,145 NM	1,145 NM.

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE—AIRCRAFT DATA SHEET

Production data	1972 and prior	Deliveries, fiscal year: 1972 (quarters) 1	2	3	4	1973 (quarters) 1	2	3	4	1974 (quarters) 1	2	3	4	1975	1976	1977	Beyond 1977
Procurement:																	
Fiscal year:																	
1970 and prior	60																
1971				5	3												
1972																	
1973						[1] 7											
1974																	
1975																	

[1] Schedule indicates availability of aircraft to VNAF.

COST HISTORY COMPARISON—F/RF-5A

[Dollars in millions]

	Quantity	Amount
Initial planning estimate:		
Procurement		
R.D.T. & E	NA	NA
Milcon		
Total program costs		
Current estimate total program (fiscal year 1972 budget submission):		
Procurement		
R.D.T. & E	NA	NA
Milcon		
Total program costs		
Current estimate total program (fiscal year 1973 budget submission):		
Procurement	75	$66.1
R.D.T. & E		
Milcon		
Total program costs	75	66.1

COMPARISON: F4E AND F5E

Chairman McClellan. In order that the record on this matter will be clear, just how do these aircraft differ from the F–5E aircraft for which the original budget includes $92.7 million for the procurement of 57?

General Glasser. The F–5E is an advanced version of the F/RF–5A aircraft. Improvements include an engine thrust increase from 4,000 to 5,000 pounds, increased top speed from 803 knots to 843 knots and increased altitude capability from 50,000 feet to 53,000 feet. Features on the F–5E that are not on the F–5A include a radar fire control system, heated windscreen, a "maneuvering" flap and a two-position nose gear for improved take-off performance. The RF–5A is similar to the F–5A except for the installation of 4 KS–92A cameras in the nose section. The F–5E does not have a reconnaissance version. All three aircraft, F/RF–5A, F–5E have the same primary air-to-air armament: two 20 MM M–39 cannon and two AIM–9 Sidewinder missiles.

Senator Young. It is my understanding that these seven aircraft are available as the result of the disapproval of an export license to a particular country under the Federal military sales program. Would you please comment on this matter?

General Snavely. The F/RF–5As were originally purchased on the basis of an anticipated reimbursement for a foreign military sales to [deleted] which was later disapproved by the State Department. With the escalation of hostilities in Vietnam in early spring an immediate requirement existed for additional F/RF–5's to support the VNAF units and anticipated attrition aircraft. The seven F/RF–5s were available and were sent to Vietnam for VNAF Air Defense as well as support for the Vietnamese ground forces.

PAYMENT TO MANUFACTURERS

Senator Young. What funds were used to pay the manufacturer for these seven aircraft?

General SNAVELY. An anticipated reimbursement of $7.8 million was established upon receipt of a valid order from [deleted]. Funds in the reimbursable account to which foreign military sales are deposited were used to pay the contractor for procurement of the seven aircraft. In this instance, the $7.8 million anticipated reimbursement failed to materialize due to our being unable to deliver the aircraft to the foreign government recipient, as an export license was denied by the State Department. Therefore, our aircraft procurement reimbursable account is delinquent to the extent of $7.8 million provided the contractor for procurement of the seven aircraft. It is on this basis that we are requesting restoration of the $7.8 million for the seven F/RF–5A aircraft.

Senator YOUNG. In the event that the Congress does not provide the $7.8 million, just what will happen to these seven aircraft?

General SNAVELY. The aircraft are presently in Vietnam and are assigned to VNAF units. The operational need for immediate combat capability was recognized in May 1972 and the aircraft were assigned to the VNAF. Without these aircraft, VNAF air defense and support of Vietnamese ground forces would be degraded in the presence of heavy enemy pressure.

A–37 AIRCRAFT

Chairman MCCLELLAN. The additional request includes $49.1 million for the procurement of 93 A–37 aircraft. The aircraft data sheet will be included in the record at this point.

General GLASSER. Yes, sir. I will provide it.

(The information follows:)

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE—AIRCRAFT DATA SHEET

Service: Air Force—Nomenclature: A–37B P–1 Line Item No: 3; Popular Name: N/A

Description/Mission.—The A–37B is a lightweight, twin-jet engine, subsonic, low wing, ground attack aircraft. It provides offensive capabilities for close air support of ground forces, interdiction, counter-insurgency, and limited warfare.

COST DATA

[Dollar amounts in millions]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate, total program
Acft. proc.:										
Qty	327	81		93						501
Cost	$146.1	$36.5		$49.1						$231.7
Less: Adv. proc	10.6									10.6
Net CY prog	135.5	36.5		49.1						221.1
Adv. proc. CY	10.6									10.6
Weapon sys. cost	146.1	36.5		49.1						231.7
Initial spares	8.5	2.8		.8	$3.9					16.0
R.D.T. & E										
Milcon										
Program acquisition cost	154.6	39.3		49.9	3.9					247.7
Program unit cost										
Total additional cost										.494

Basis for FY 1973 Budget Amendment Request.—Forty-four A–37B aircraft will be used to replace A–1 losses in the South Vietnamese Air Force (VNAF). In addition, 49 A–37, will be provided the VNAF as force augmentation.

A–37B

TEST DATA

Schedule for Completion.—Flight testing (Cat II) completed April 1969.

CONTRACT DATA

Major subsystem, contractor, and type of last contract

Airframe.—Cessna: Fixed Price Incentive Fee (FPIF).

Engine.—General Electric: Fixed Price Redetermined Annually w/incentives FPRA (MOD).

Characteristics	Class	Item, model, series, class, etc.: A–37B
Take-off weight		14,000#.
Length/wing span		31.8 ft./38.4 ft.
Speed/maximum		416 kts.
Radius combat		140 NM.
Engines, number/design		(2) J85–GE–17A.
Ceiling/combat		25,000 ft.
Crew		2.
Range, ferry		808 NM.

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE, AIRCRAFT DATA SHEET

Production data	Fiscal year 1971 and prior	Deliveries, fiscal year—																	
		1972 (quarters)				1973 (quarters)				1974 (quarters)				1975 (quarters)				1976	1977	Beyond 1977
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
Procurement:																				
Fiscal year 1970 and prior	327																			
Fiscal year 1971			2	16	24	24	15													
Fiscal year 1972																				
Fiscal year 1973														18	27	27	21			
Fiscal year 1974																				
Fiscal year 1975																				

A–37B

Cost history comparison	Quantity	Million
Baseline estimate total program:		
Procurement		
R.D.T. & E.	(1)	(1)
Milcon		
Total program costs		
Total program acquisition cost (fiscal year 1976 budget submission):		
Procurement		
R.D.T. & E.	(1)	(1)
Milcon		
Total program costs		
Total program acquisition cost (fiscal year 1973 budget submission):		
Procurement	501	$247.7
R.D.T. & E.		
Milcon		
Total program costs	501	247.

1 Not available.

A–37 AIRCRAFT UTILIZATION

Chairman McClellan. How many of these aircraft are for the replacement of actual South Vietnamese aircraft losses, and how many represent funds for an increased capability for the South Vietnamese Air Force?

General Hill. Forty-four of the A–37 aircraft are for replacement of aircraft losses in South Vietnam. Because A–1 aircraft are neither available nor in production, A–37 aircraft will be used to replace both A–1 and A–37 losses. Also, because A–1 and A–37 aircraft currently assigned to the U.S. Air Force were programed for transfer to the South Vietnamese, U.S. Air Force losses in Southeast Asia are included in the request.

Forty-nine of the A–37 aircraft are for augmentation of the South Vietnamese Air Force in accordance with the approved Vietnamization program. In that program an additional (sixth) A–37 squadron and an additional (fourth) A–1 squadron were to be formed. Because of A–1 attrition and lack of a production base, no A–1 aircraft are available for formation of the fourth squadron. Instead, another A–37 squadron (the seventh) will be formed.

A–37 AIRCRAFT LOSSES

Chairman McClellan. How many of the A–37 aircraft and the propeller driven A–1 aircraft have the South Vietnamese lost since the beginning of the North Vietnamese offensive last spring?

General Hill. Since the beginning of the North Vietnamese offensive last spring, a total of 41 A–1 and A–37 aircraft have been lost by the Vietnamese Air Force and the U.S. Air Force (22 A–1's and nine A–37's by the VNAF, and five A–1's and five A–37's by the U.S. Air Force) through September 10, 1972. U.S. Air Force losses are included because these aircraft were programed for turnover to the South Vietnamese Air Force in support of the approved Vietnamization program. An additional eight aircraft, four A–1's and four A–37's, are estimated to be lost by the end of September 1972, for a total of 49 aircraft.

Senator YOUNG. Why are we procuring the A–37's which are jet-powered aircraft to replace the older propeller driven A–1 aircraft?

General HILL. No propeller driven aircraft are being produced at the present that would provide the combat capability of A–1 aircraft. The A–37, which is currently in production, is immediately available and will satisfy normal mission requirements. Furthermore, it provides considerable cost saving advantages as compared to the A–1. Namely, improved maintenance reliability, system simplicity which results in reduced maintenance manpower (approximately one-half less), and relatively low unit cost. In addition, the VNAF have experience in the operation and maintenance of A–37 aircraft, whereas the introduction of any other new weapon system would result in added training and logistics costs.

C–130 AIRCRAFT

Chairman MCCLELLAN. $127.7 million is requested for the procurement of 30 C–130E cargo aircraft. The aircraft data sheet will be included in the record at this point.

General GLASSER. Yes, sir. I will provide it.

(The information follows:)

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE—AIRCRAFT DATA SHEET

Service: Air Force—Nomenclature: Cargo/Transport C–130E. P–1 Line Item No. 19: Popular Name: Hercules.

Description/Mission.—The C–130E is a medium size tactical transport powered by four T–56–A–7B turbo-prop engines. Principal mission is air transport of personnel and materiel by parachute or landing as required. The normal crew consists of a pilot, co-pilot, flight engineer, navigator, and a load master. Additional features include a integral ramp and cargo door, crew and compartment pressurization, ground and in-flight air conditioning, thermal deicing system for wings and empennage leading edge, single-point refueling and auto pilot.

COST DATA

[Dollars in millions]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate total program
Acft. proc.:										
Qty	375		12	30						417
Cost	$810.8		$44.8	$127.7						$983.3
Less: Adv. proc	−136.3									−136.3
Net CY program	674.5		44.8	127.7						847.0
Adv. proc. CY	136.3									136.3
Weapon system cost	810.8		44.8	127.7						983.3
Initial spares	121.1		.2	1.5						122.8
R.D.T. & E										
Milcon										
Program acquisition cost	931.9		45.0	129.2						1,106.1
Program unit cost										(2.653)
Total additional cost										

Basis for FY 1973 Budget Amendment Request.—Because of the surge activity in Southeast Asia by the North Vietnamese, Airlift Aircraft losses have exceeded the number programmed for attrition. Based on revised attrition rates, an additional 30 aircraft are required. These aircraft will provide for USAF attrition replacements for C–130 aircraft losses in Southeast Asia, and airlift aircraft to replace Air Force Reserve C–123 assets provided the VNAF as replacement for C–123 losses.

TEST DATA

Not Applicable—follow on buy to a FY 1953 initial procurement for C–130A aircraft.

CONTRACT DATA

Major subsystem, contractor, and type of last contract

Airframe.—Lockheed Georgia Co., Marietta, Ga.: FP.

Engine.—General Motors (Allison Div.), Indianapolis, Ind.: FPIF.

Performance	Class	Demonstrated
Maximum takeoff wt	U	155,000 lbs.
Cruise speed	U	280 knots.
Range/ferry	U	4,350NM.
Ceiling	U	35,000 ft.
Engines	U	4,500 h.p.
Weight operating	U	72,900 lbs.

Characteristics	Class	Item model, series, class, etc., C–130E
Length/wing span/height	U	98 ft./132.6 ft./38.6 ft.
Cargo compt l/w/h	U	41.3 ft./10 ft./9 ft.
Crew	U	5.
Payload	U	45,000 lbs.
Engines no/desig	U	4/T56–A–7B.

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE, AIRCRAFT DATA SHEET

PRODUCTION DATA C-130E—END OF FISCAL YEAR 1973 FDP

Quarter	Fiscal year 1971 and prior	1972				1973				1974				1975	1976	1977	Beyond 1977
		1	2	3	4	1	2	3	4	1	2	3	4				
Procurement	365	7	3							6	4	5	9	18			

COST HISTORY COMPARISON—C–130E

[Dollar amounts in millions]

	Quantity	Amount
Initial planning estimate (no baseline available for C–130E):		
Procurement		
R.D.T. & E.		
Milcon		
Total, program costs		
Current estimate total program (fiscal year 1972 budget submission):		
Procurement	387	$974.3
R.D.T. & E.		
Milcon		
Total, program costs	387	$974.3
Current estimate total program (fiscal year 1973 budget amendment submission):		
Procurement	417	1,106.1
R.D.T. & E.		
Milcon		
Total, program costs	417	1,106.1

DIFFERENCE BETWEEN FISCAL YEAR 1972 BUDGET SUBMISSION AND FISCAL YEAR 1973 BUDGET AMENDMENT SUBMISSION

The increases of $131.8 in the fiscal year 1973 budget amendment procures 30 aircraft at a cost of $129.0 million including initial spares. The remaining $2.8 million increase provides for program adjustments which occurred in prior year programs subsequent to the submission of the fiscal year 1972 Budget.

C–130 LOSSES

Chairman McClellan. On April 27, 1972, the Department of Defense advised the House Armed Services Committee of an urgent need for 12 C–130 aircraft. Are these 12 a part of the 30 you are now requesting?

General Glasser. Yes, sir.

Chairman McClellan. How many of these aircraft have we actually lost since the beginning of the North Vietnamese offensive last spring?

General Hill. Since the beginning of the North Vietnamese offensive and through September 11, 1972, the U.S. Air Force has lost six C–130E aircraft and three gunships (AC–130s) in Southeast Asia. In addition, another C–130 deployed to Southeast Asia in support of the increased activity was destroyed on a training mission outside the geographical limits of Southeast Asia.

Senator Young. How many of these aircraft are to replace Air Force Reserve C–123 aircraft that have been transferred to the South Vietnamese?

General Hill. Seven aircraft are to replace C–123's recently provided the VNAF which were either possessed by or programed for transfer to the Air Force Reserve.

Chairman McClellan. Is it absolutely essential that the funds be provided for the procurement of these 30 aircraft in the fiscal year 1973 Defense appropriation bill?

General Glasser. These aircraft are scheduled for delivery at a rate of three per month starting in March of 1974 and continuing through December of that year. This was done to insure a minimum economi-

cal delivery rate without a gap occurring in the production line. Based on this schedule and utilizing an 18-month leadtime for production, all of the funds are required in fiscal year 1973.

UH-1H HELICOPTERS

Chairman McClellan. $34.7 million is requested for the procurement of 132 additional UH–1H helicopters. The original budget included $35.9 million for the procurement of 120 of these helicopters. The aircraft data sheet for this helicopter appears on page 537 of part 4 of the committee's hearings.

It is my understanding that all of these 252 helicopters will be transferred to the Army as a repayment for helicopters transferred from the Army inventory to the South Vietnamese Air Force. Am I correct about this?

General Hill. You are correct. All 252 helicopters are for payback to the Army.

Chairman McClellan. As of this date, how many of these helicopters has the Army transferred to the South Vietnamese Air Force?

General Snavely. 197 of these 252 helicopters have been transferred to the VNAP as of this date; 55 remain to be transferred.

Senator McClellan. How many of these 252 helicopters represent losses of the South Vietnamese Air Force, and how many represent increases to their inventory?

General Hill. Thirty-two of the 252 requested helicopters represent increases to the South Vietnamese Air Force inventory. Two hundred and twenty represent attrition replacements.

CH-47 CHINOOK HELICOPTERS

Chairman McClellan. $13.7 million is requested for the procurement of six CH–47 Chinook helicopters. The aircraft data sheet for this helicopter will be included in the record at this point.

General Glasser. Yes, sir. I will provide it.

(The information follows.)

TEST DATA

Complete.

CONTRACT DATA

Major subsystem and contractor

Airframe.—Boeing Vertol (Fixed Price), Morton, Pa.

Engine.—Lycoming (Fixed Price), Bridgeport, Conn.

Characteristics	Class	CH-47C
Take-Off Wt	U	46,000 lbs.
Length/Rotor	U	98'11"/60".
Speed/Max	U	174 kts.
Radius Combat	U	100 NM.
Engines, No/Desig	U	2/T-55-L-11.
Ceiling/Combat	U	15,000.
Crew	U	4.
Payload/Max Practical	U	17,000 lbs. (combat configured).
Range Ferry	U	1,100.[1]

[1] With the addition of 1 2,000 gal. ferry tank.

COST HISTORY COMPARISON—CH-47

[Dollar amounts in millions]

	Quantity	Amount
Initial planning estimate:		
Procurement (Army developed and procured)		
R.D.T. & E		
Milcon		
Total, program costs		
Current estimate total program (fiscal year 1972 budget submission):		
Procurement		
R.D.T. & E		
Milcon		
Total, program costs		
Current estimate total program (fiscal year 1973 budget amendment submission):		
Procurement	6	$13.8
R.D.T. & E		
Milcon		
Total, program costs	6	13.8

Note: Difference between fiscal year 1972 budget submission and fiscal year 1973 budget amendment submission: The fiscal year 1973 budget amendment procures 6 aircraft at $13,800,000. This is the 1st Air Force procurement of CH-47's

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE—AIRCRAFT DATA SHEET

Service: Air Force Nomenclature: Helicopter CH-47C. P-1 Line Item No: 27a: Popular Name: Chinook.

Description/Mission.—The CH-47 "Chinook" is a medium transport helicopter with twin T-55 engines and dual rotor. The integral rear ramp permits straight-in loading and unloading. It provides air mobility to military forces in the field by the transport of personnel, weapons, bulk liquids and cargo in both combat assault support and logistical support roles.

[Cost data in millions of dollars]

	Fiscal year 1973	Current estimate, total program
Acft proc.:		
Quantity	6.0	6.0
Cost	13.7	13.7
Less adv proc		
Net CY prog	13.7	13.7
Adv proc CY		
Weapon system cost	13.7	13.7
Initial spares	.1	.1
R.D.T. & E		
Milcon		
Program acquisition cost	13.8	13.8
Program unit cost		
Total additional cost		

Basis for FY 1973 Budget Amendment Request.—The Air Force is procuring these aircraft as payback to the Army for VNAF helicopter losses as a result of the continued North Vietnamese aggression.

PAYBACK TO ARMY FOR TRANSFER OF HELICOPTERS

Chairman MCCLELLAN. I understand that these six helicopters are a payback to the Army for similar helicopters transferred to the South Vietnamese. Am I correct about this?

General HILL. You are correct. These six helicopters are for payback to the Army.

Chairman MCCLELLAN. Do these six helicopters represent actual losses or an increase in the South Vietnamese aircraft inventory?

General HILL. These six helicopters are to replace losses occurring since the invasion by the North Vietnamese. As of September 13, 1972, eight actual losses have occurred.

Chairman MCCLELLAN. How many of these helicopters have actually been transferred from the Army inventory to the South Vietnamese Air Force as of date?

General SNAVELY. All six aircraft have been transferred to the South Vietnamese Air Force.

HH–53C HELICOPTERS

Chairman MCCLELLAN. $20.8 million is requested for the procurement of six HH–53C rescue helicopters. The aircraft data sheet for this helicopter will be included in the record at this point.

General GLASSER. Yes, sir. I will provide it.

(The information follows:)

TEST DATA

Completed December 1971.

CONTRACT DATA

Major subsystem and Contractor

Airframe.—Sikorsky Aircraft (Fixed price MIPR to Navy), Stratford, Conn.
Engine.—General Electric (AF GFAE), Lynn, Mass.

Characteristics	Class	HH–53C
Take-off weight	U	42,050 lbs.
Lenght/Rotor	U	88 feet 5 inches/72 feet 3 inches.
Speed/Max	U	170 kts.
Radius Combat [1]	U	350 NM.
Engines, No./Desig	U	2/T–64–7.
Ceilings/Combat	U	20,400.
Crew	U	5.
Payload/ max practical	U	16,500 (combat configured).
Range ferry [1]	U	900 NM.

[1] Combat radius and ferry range is unrefueled. The HH–53 helicopters are equipped for aerial refueling and their range can be extended as desired by in-flight refueling.

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE—AIRCRAFT DATA SHEET

Service: Air Force—Nomenclature: Helicopter HH–53C. P–1 Line Item No.: 27b: Popular Name: Sea Stallion.

Description/Mission.—The HH–53C "Sea Stallion" is a heavy assault cargo transport helicopter with two T–64 turbine engines. It is amphibious and is capable of sustained all weather flight. The HH–53C provides a heavy lift, fast reacting combat crew recovery helicopter for the Aerospace Rescue and Recovery Service.

COST DATA

[In millions of dollars]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate, total program
Aircraft procurement:										
Quantity	46.0			6.0						52.0
Cost	120.8			20.8						141.6
Less advance procurement										
Net current year program	120.8			20.8						141.6
Advance procurement current year										
Weapon system cost	120.8			20.8						141.6
nitial spares	25.6			.2						25.8
R.D.T. & E										
Military construction										
Program acquisition cost	146.4			21.0						167.4
Program unit cost										
Total additional cost										

Basis for FY 1973 Budget Amendment Request.—The Air Force is procuring these aircraft to replace USAF losses that resulted from the continued North Vietnamese aggression.

FISCAL YEAR 1973 PRESIDENT'S BUDGET AMENDMENT ESTIMATE, AIRCRAFT DATA SHEET

Production data	Fiscal year 1971 and prior	Deliveries, fiscal year—															
		1972 (quarters)				1973 (quarters)				1974 (quarters)				1975	1976	1977	Beyond 1977
		1	2	3	4	1	2	3	4	1	2	3	4				
R. & D. test items																	
Procurement:																	
Fiscal year:																	
1970 and prior	46																
1971																	
1972																	
1973														6			
1974																	
1975																	

HH–53C

Cost history comparison	Quantity	Millions
Initial planning estimate:[1]		
Procurement		
R.D.T. & E.		
Milcon		
Total program costs		
Current estimate total program (fiscal year 1972 budget submission):		
Procurement	64	$221.8
R.D.T. & E.		
Milcon		
Total program costs	64	221.8
Current estimate total program (fiscal year 1973 budget amendment submission):		
Procurement	52	167.4
R.D.T. & E.		
Milcon		
Total program costs	52	167.4

[1] Navy developed and procured.

DIFFERENCE BETWEEN FISCAL YEAR 1972 BUDGET SUBMISSION AND FISCAL YEAR 1973 BUDGET AMENDMENT SUBMISSION

The FY 72 Budget Submission indicated a total program of 64 HH–53C helicopters at $221.8M. During development of the FY 73 Budget, 18 aircraft at $72.2M planned for FY 73 procurement were deleted. In addition, $2.7M was reduced by program adjustments in prior year programs. The FY 73 Budget Amendment provides for procurement of 6 HH–53C helicopters at a cost of $21.0M, for a new total of 52 aircraft at $167.4M.

REPLACEMENT OF HELICOPTER LOSSES

Chairman McClellan. Are these helicopters to replace actual losses or projected losses?

General Hill. These helicopters are to replace projected losses occurring since the invasion by the North Vietnamese. As of September 13, 1972 two actual losses had occurred.

Senator Young. As I understand it, these aircraft are for the use of the U.S. Air Force and are not to be transferred to the South Vietnamese. Am I correct about this?

General Hill. You are correct. These aircraft are for the use of the U.S. Air Force.

MODIFICATION OF AIRCRAFT

Chairman McClellan. An additional $38.4 million is requested for the budget activity entitled "Modification of In-Service Aircraft." The original request for this budget activity was $465.6 million, and the revised request is $504 million.

Please provide for the record a tabulation setting out each of the aircraft types included in this request, the number of such aircraft, and the estimated cost.

General Glasser. I will provide that for the record.

(The information follows:)

Title	Aircraft	Number aircraft	Fiscal year 1973 cost (millions)
Increased firepower	A-37	53	2.9
Sensor implant capability	A-37	8	.1
Modify C-130 Es to gunship configuration	AC-130E	3	15.3
Laser target designator	F-4	8	3.3
Radar homing and warning	F/RF-5	30	4.6
VNAF coastal surveillance	C-119G	13	3.8
Infra-red suppression kit	UH-1H	410	3.3
Increased firepower	UH-1H	48	1.9
VNAF communications modernization	A-1, O-1, U-17, U-6	377	3.2
Total			38.4

AC-130 GUNSHIP MODIFICATIONS

Chairman McCLELLAN. I note that, of the total requested for aircraft modifications, $15.3 million is for modification of C-130 aircraft to the AC-130 gunship configuration. Please comment on the need for these modifications.

General GLASSER. Yes, sir. The AC-130E is an improved model of the Gunship which includes a 105-millimeter cannon. The mission of the AC-130 Gunship has been expanded to include close support along with the normal truck interdiction role. This weapon system has proven to be one of the most effective interdiction and close support systems in Southeast Asia. It was a critically needed asset during the recent defenses of An Loc, Pleiku, and Kontum. With the [deleted], attrition of these Gunships may increase. From May 1972 through June 1972 we lost three AC-130 aircraft: one to anti-aircraft artillery; [deleted] guided missile. In addition, three other AC-130's were severely damaged from enemy ground fire and missiles. Therefore, these requested AC-130E modifications are needed to bring our existing force back up to the needed level and to replace expected losses.

AIRCRAFT SPARES AND REPAIR PARTS

Chairman McCLELLAN. An additional $38.1 million is requested for the budget activity, entitled "Aircraft spares and repair parts." The original request for this activity was $504.1 million, and the revised request is $542.2 million. How much of this additional request of $38.1 million is for the procurement of initial spares to support the additional aircraft requested in the budget amendment, and how much is for the procurement of replenishment spares?

General GLASSER. $8.1 million is for initial and $30 million is for replenishment spares.

Senator YOUNG. Please provide a tabulation for the record listing each of the aircraft types included in the total requested for initial spares.

General GLASSER. Since the $8.1 million for initial spares covers both support of new aircraft and spares for aircraft modifications, I will provide for the record the identification of the end item programs and the spares.

(The information follows:)

Initial spares

Procurement program:

	Millions
93 A–37	$0.8
48 F–4E	1.8
7 F/RF–5A	.1
30 C–130E	1.3
132 UH–1H	.3
6 CH–47	.1
6 HH–53	.2
AC/modifications	3.5
Total	8.1

AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES

Chairman McCLELLAN. Tell us exactly what you plan to do with the $8.7 million additional requested for the activity entitled "Aircraft support equipment and facilities."

General GLASSER. Of the $8.7 million increase, $5 million is for increased reconnaissance requirements in support of higher activity levels in Southeast Asia. The remaining $3.7 million is required to provide for procurement of common ground equipment. Of this amount, $2 million is required for common ground equipment to support conversion of an Air Force Reserve squadron from C–123 to C–130 aircraft. The C–123 aircraft were diverted to the VNAF as attrition replacements. An increase of two helicopters in unit equipage of each VNAF UH–1H helicopter squadrons will require $600,000 in common ground equipment. In addition, $1.1 million is required to support one new squadron of A–37B's and the conversion of one A–1E squadron to A–37B's in the VNAF.

MISSILE PROCUREMENT, AIR FORCE

Senator YOUNG (presiding). The June 30 budget amendment includes an additional sum of $44.5 million for the appropriation "Missile procurement, Air Force." The original request for this appropriation was $1,772.3 million, and the revised request is $1,816.8 million. Pages 224 and 226 of the justifications will be included in the record.

(The information follows:)

PROGRAM AND FINANCING

[In thousands of dollars]

	Budget plan (amounts for procurement actions programed)			Obligations		
	Request pending	Now proposed SEA adjustment	Revised request	Request pending	Now proposed SEA adjustment	Revised request
Program by activities:						
Direct:						
1. Ballistic missiles	692,900	.....	692,900	702,700	.....	702,700
2. Other missiles [1]	316,000	+43,700	359,700	283,900	+43,700	327,600
3. Modification of inservice missiles	43,900	.....	43,900	44,100	.....	44,100
4. Spares and repair parts	46,700	+800	47,500	51,400	+800	52,200
5. Other support	672,800	.....	672,800	664,100	.....	664,100
Total, direct	1,772,300	+44,500	1,816,800	1,746,200	+44,500	1,790,700
Reimbursable (total)	5,500	.....	5,500	3,800	.....	3,800
Total	1,777,800	+44,500	1,822,300	1,750,000	+44,500	1,794,500
Financing:						
Receipts and reimbursements from:						
Federal funds	−3,500	.....	−3,500	−3,500	.....	−3,500
Trust funds	−2,000	.....	−2,000	−2,000	.....	−2,000
Non-Federal sources						
Unobligated balance available, start of year:						
For completion of prior year budget plans				−505,870	.....	−505,870
Available to finance new budget plans						
Reprograming from (−) or to prior year budget plans						
Unobligated balance transferred from other accounts						
Unobligated balance transferred to other accounts						
Unobligated balance available, end of year: For completion of prior year budget plans				533,670	.....	533,670
Budget authority (appropriation)	1,772,300	+44,500	1,816,800	1,772,300	+44,500	1,816,800

[1] Reimbursements are derived principally from cash sales to foreign governments (22 U.S.C. 2315).

Fiscal year:	*Thousands*
1973 Request pending	$1,772,300
1973 Proposed amendment	44,500
1973 Revised request	1,816,800

FISCAL YEAR 1973 BUDGET AMENDMENT SUBMISSION

The $43.7 million budget amendment request in the *Other Missiles* budget activity is requested for procurement of the AGM–78, Standard ARM, air-to-ground missile ($42.7) and AGM–45, Shrike propulsion units ($1.0) to counter the enemy anti-aircraft defenses. The Standard ARM missiles will provide a minimum inventory of anti-radiation missiles until a new missile now under development by the Navy becomes available. The Shrike propulsion units will provide a balance between missile components to maintain an adequate inventory of complete rounds.

The budget amendment request in the *Missile Spares and Repair Parts* budget activity of $.8 million will provide resources to procure initial spares in support of the new procurement of the AGM–78, Standard ARM, air-to-ground missile.

Senator YOUNG. Proceed with your statement.

General GLASSER. In the missile procurement account, our request earlier this year was $1.772 billion. An additional $44.5 million is needed to meet unprogramed fiscal year 1973 requirements. This brings the total to $1.817 billion. These additional funds are for the procurement of Shrike propulsion units and the air-to-ground standard ARM missile to counter enemy air defenses.

We are requesting $1.0 million to procure Shrike propulsion units. This will provide a balance between missile components to maintain an adequate inventory of complete rounds in Southeast Asia. $43.5

million is needed to procure AGM–78 Standard ARM missiles and their initial spares to provide missiles capable of a continuing capability to counter enemy defenses and protect the aircraft flying into higher threat areas.

SUMMARY

The Air Force Aircraft and Missile Procurement program for fiscal year 1973 is $4.499 billion. The budget amendment request is $573.7 million which increases the Procurement program to $5.073 billion. These additional funds are needed to permit the Air Force to meet commitments in countering the increased level of North Vietnamese aggression in Southeast Asia. I will be happy to respond to your questions.

SHRIKE MISSILE

Chairman MCCLELLAN. An additional $1 million is requested for the Shrike missile. The original budget included $10.8 million for the procurement of [deleted] of these missiles, and the revised request is for $11.8 million. The missile data sheet for the Shrike missile appears on page 580 of part 4 of the Committee's hearings.

As I read the justifications, I get the impression that this $1 million is not for the procurement of any additional missiles, but rather for the procurement of additional propulsion units. Am I correct about this?

General GLASSER. Yes. The additional $1 million will be used to procure additional propulsion units.

Senator YOUNG. On the revised missile data sheet, I note the following statement: "An increase to the fiscal year 1973 Shrike procurement will provide funds to procure 460 propulsion units to provide a balance between missile components and to maintain an adequate inventory of complete missiles rounds." Would you please comment on this statement.

General GLASSER. The Air Force procurement of Shrike missiles consists of the acquisition of missile sections which are then delivered to the field where they are assembled into all-up rounds. Early in the Shrike program more guidance sections were procured than control or propulsion sections to cover the frequency threat. Since these control and propulsion sections are interchangeable with the guidance sections, the commander is afforded more operational flexibility with respect to aircraft load-out. The $1 million will be used to improve the balance of our Shrike inventory with additional rocket motors.

I will be happy to respond to your questions.

SHRIKE AND STANDARD ARM MISSILES

Senator YOUNG. Earlier we heard testimony concerning requirements to buy additional modular guided glide bombs to attack [deleted]. Now you are requesting funds to purchase Shrike and ARM missiles to counter air defenses. Are there three different types of weapons for this mission?

General GLASSER. Yes, sir; there are. The Shrike missile is the oldest missile in our inventory which has been used in great numbers ever since we have been in Southeast Asia. All we are asking for here is an additional quantity of motors that will be mated with previously procured guidance heads.

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You will recall in the past we have often bought only the guidance heads for different missiles. We have those in stock. By the addition of these motors, we can come up with complete rounds to replace rounds which have been expended during the surge.

Standard ARM is a much more capable and more modern version of this antiradiation missile but it is more expensive. So, we have used those more sparingly. During this surge, we have expended quite a few more of the standard ARMs than we have in the past. Meanwhile, in our efforts to constantly find better ways to do these things, we have been working on the modular guided glide bomb you referred to. We are attempting to put together right now the additional deployment of that missile and those funds for that deployment I believe are what you are referring to.

STANDARD ARM ANTIRADAR MISSILE

Senator YOUNG. $42.7 million is requested for the procurement of [deleted] Standard ARM antiradar missiles. The missile data sheet will be included in the record at this point.

(The information follows:)

FISCAL YEAR 1973 BUDGET AMENDMENT ESTIMATE—MISSILE DATA SHEET

Service: Air Force—Nomenclature: AGM–78, P–1 Line Item: 10a; Popular Name: Standard ARM

Description/Mission.—The AGM–78, Standard ARM, is an anti-radiation non-nuclear missile, designed to detect, identify and destroy/suppress enemy radars. The Standard ARM has [deleted] target coverage with high seeker sensitivity employing multi-frequency coverage. The Standard ARM is used with F–105G WildWeasel (W/W) aircraft and is programmed for use with the F–4D W/W aircraft.

COST DATA

[Dollars in millions]

	Fiscal year 1970 and prior	Fiscal year— 1971	1972	1973	1974	1975	1976	1977	Cost to complete	Current estimate, total program
Missile procurement:										
Quantity	490			[deleted]						[deleted]
Cost	88.0			42.7						130.7
Advance procurement, plus										
Missile program unit cost	.180			[deleted]						[deleted]
Weapon system cost	88.0			42.7						130.7
Initial spares	.7			.8						1.5
R.D.T. & E.										
Milcon										
Program acquisition cost	88.7			43.5						132.2
Program unit cost	.181			[deleted]						[deleted]
Total additional cost	14.1			0						14.1

Basis for Fiscal Year 1973 Amendment to the Budget Request.—The recent increase in the consumption rate of the Standard ARM in Southeast Asia has generated concern about depleting the inventory of this missile before a suitable replacement becomes available. The Standard ARM proposed procurement program will sustain the inventory at an acceptable level.

TEST DATA

The tentative Test Program is for—
(1) I.O.T. & E.: 4 missiles, 20 captive flights, 2 to 4 firings, 6 week duration.
(2) O.T. & E.: 6 missiles, 30 captive flights, 4 to 6 firings, 8 weeks duration.

CONTRACT DATA

Contractor, and type of last contract

Prime contractor.—General Dynamics, Pomona, Calif.; FPIF.
Subsystem guidance and control.—General Dynamics, Pomona, Calif; FPIF.
Propulsion.—Navy.
Warhead.—Navy.

Performance	Class	Data
Accuracy	(S)	[Deleted] feet CEP.
Max launch range	(S)	[Deleted] nautical miles.
Thrust	(S)	[Deleted] lb.
Max launch speed	(S)	[Deleted] mach.
Characteristics:		
Length	(U)	180 inches.
Diameter	(U)	13.5 inches.
Weight, total	(U)	1,378 lb.
Weight, warhead	(U)	[Deleted] lb.
Propulsion	(U)	Solid.

PRODUCTION DATA

Fiscal year 1973 budget amendment estimate, missile data sheet (continued)

	End of fiscal year FDP
Inventory Objective/Requirements:	
Assets beginning fiscal year 1972	450
Deliveries through fiscal year 1973 FDP (add)	[deleted]
Consumption through fiscal year 1973 FDP (minus)	[deleted]
Assets end of fiscal year 1973 FDP	[deleted]
Wartime reserve material (WRM) requirements	0
Shortage end of fiscal year 1973 funded delivery period (FDP)	0

The AGM–78 quantities are available against the WRM of the AGM–45, SHRIKE which has an estimated shortfall of [deleted] through the fiscal year 1973 FDP.

MISSILE PROCUREMENT AND AVAILABLE EXPERTISE

Senator YOUNG. Please comment on the need for the funds for the procurement of this missile, and tell us why it is essential that these funds be provided in the fiscal year 1973 appropriation act.

General GLASSER. The recent surge in expenditures of AGM–78 Standard Arm missiles in Southeast Asia requires that additional missiles be procured. The fiscal year 1973 funds are needed to maintain the inventory at an acceptable level to satisfy projected usage and protect against contingencies.

The contractor is currently producing the guidance section for this missile for the Navy's program to update AGM–78A missiles to the AGM–78D configuration. This update program is scheduled for completion in December 1972. The tooling and technical expertise are

available now. If the Air Force procurement request were deferred to a later fiscal year, we would incur additional startup costs, estimated to be $4 million.

MISSILE SPARES AND REPAIR PARTS

Senator YOUNG. Please comment on need for the $800,000 additional that is requested for missile spares and repair parts.

General GLASSER. The additional $800,000 is required to provide initial spares in support of the additional procurement requirement of [deleted] AGM–78 (Standard Arm) missiles at an acquisition cost of $42.7 million.

LASER GUIDED BOMB

Senator YOUNG. The laser guided bomb is proving to be very effective in Southeast Asia?

General GLASSER. Yes, sir. That is yet a different thing. That is not an antiradiation missile. What that does is take a standard weapon out of the bomb dump and put a laser guidance kit on board so that the aircraft is able to designate the target with the laser and have the bomb fly directly to the designated target.

Senator YOUNG. By what percent do you estimate that the laser guided bomb has increased efficiency or effectiveness?

General GLASSER. There are a number of ways of computing that.

Senator YOUNG. Has it doubled the effectiveness?

General GLASSER. Much more than doubled the effectiveness. The classic example you might use is the Thanh Hoa Bridge which was bombed by all weapons but never dropped.

When we came back in there with the later surge with laser-guided bombs, it was dropped with a few rounds. On point targets—after all, that is what a laser-guided bomb is for, the hard point target where to destroy it you must hit it—on point targets you can say in general the effectiveness is something between 10 and 100 times better than with unguided iron bombs.

Mr. WOODRUFF. You illuminate the target with a laser for the bomb to home in on?

General GLASSER. Yes, sir. The air crew actually zeroes in on an optical line of sight; that is the target. He puts laser radiation on that target. It is that laser radiation that the bomb is seeking. So, it is coming in and finding its way to that just like a bird dog working his way right in to the target. So, we get phenomenally accurate hits.

Senator YOUNG. Can you stand off further from the target with the laser?

General GLASSER. Indeed we can, because the kits we put on there add glide to the bomb, so it adds to the capability of extending the range. That is why it is able to get to the target. It is not captive to the launch conditions. It is able to adjust its trajectory, depending on where there is radiation.

So, it can extend, shorten or turn left or right. In other words, it compensates for any of the launch errors that normally cause a miss. It ends up that we get hits almost all the time down to within [deleted] feet of the target.

Chairman McClellan. What is it on the target that holds it there?

General Glasser. If you think in terms of a laser as being a flashlight with an extraordinarily narrow beam, we know with a flashlight the beam diverges and gets wider with distance. The laser, because it is so-called coherent light, does not expand with distance. It stays almost as small at a great distance as it did right at the flashlight. So, you have a pencil of light which is focused on that target.

In addition to that, this light is monochromatic light. It has only one single frequency of light in there. All other frequencies are out of it.

If I have a seeker which says I am looking for light of that frequency and only that frequency and I will find my way to it—that is, a laser-guided kit that is on the bomb—the man on the airplane puts his flashlight on that target and that just reflects light like any other thing would reflect the light from your flashlight. Now, it is only one kind of light and it exists only on that target for the bomb to hunt for the source of that light to hit the target.

Chairman McClellan. The light does not come from the target?

General Glasser. It is a reflected light. You shine your flashlight at the wall and you see a bright spot on the wall.

Chairman McClellan. The bomb hunts the source of reflection and goes to it?

General Glasser. That is right. So, you wipe out all the launch conditions. You get to the source of that reflected light.

Chairman McClellan. Does the enemy have anything comparable to that?

General Glasser. They don't as yet. Of course, they would not be using it because they don't use any bombing capability out there. It is amazing they have not used some other applications of this.

Chairman McClellan. Why would that not be a good weapon for Navy use?

General Glasser. It is, indeed. There are numerous applications of lasers, one of the breakthroughs which has come out of the Vietnam war.

Chairman McClellan. It seems as though time is awasting. Why not use them to destroy every military weapon they have over there?

General Glasser. We are working at it very diligently. We have limited assets of that particular type. We are building more as rapidly as we can get to them. This is a research and development fallout of the war.

Chairman McClellan. This is not a hit-and-miss operation; it is a hit operation.

General Glasser. You have described it. We say we no longer build missiles, we build hittles.

Chairman McClellan. We need such a weapon in this war to destroy their military capability.

General Glasser. There is an interesting sidelight to the breakthrough you have described. Certainly, we cannot give up the massive numbers completely, but it does reduce the quantities of munitions that will be required in future warfare.

Chairman McClellan. And the number of sorties.

General Glasser. Yes, sir. There will be beneficial fallouts.

Chairman McClellan. It reduces the time required to terminate this war if we use it effectively.

General Glasser. But we must remember the age-old lesson of warfare, that there are countermeasures to these. I know what the countermeasures are already and I worry every day that the enemy will use them. So, it is not the ultimate weapon. You always are working ahead.

Chairman McClellan. Before they get countermeasures in operation, let us mow the hay while the sun shines.

General Glasser. Precisely.

Senator Young. That is the best argument I know of for having a modern military force, the most modern force possible—not the biggest force in the world, but the most modern.

BUDGET REQUEST AUTHORIZATION

Chairman McClellan. One other thought before I yield to further questions by my colleagues.

Is any part of your budget request authorized?

General Glasser. What part is not?

General DeLuca. The Senate Armed Services Committee, Mr. Stennis, on all of the $529.2 million that we are talking about deferred it all without prejudice.

Chairman McClellan. Deferred it all without prejudice?

General DeLuca. That is right.

Chairman McClellan. Deferring without prejudice is not tantamount to authorization.

General DeLuca. That is right, sir. However, the House Appropriations Committee, Mr. Mahon, treated it all and acted on it. Now, as we understand, Congressman Mahon will seek to get the necessary rule or approval to proceed with the appropriation including the amendment—in effect obtaining House authorization and appropriation. It is a somewhat unique situation in a unique year.

Chairman McClellan. We have some complications on this matter of authorizations. I have just come aboard as chairman of this committee and I can see a little problem here. We have to be a little careful about establishing a precedent if we were to make an appropriation without authorization. We also have an emergency that has to be dealt with.

General DeLuca. That is why it is a unique situation.

Chairman McClellan. Off the record.

(Discussion off the record.)

PLANE AND HELICOPTER TRANSFERS

Senator Hruska. You mentioned some transfers have been programed with regard to combat planes and helicopters. You don't include transports or other types?

General Glasser. There are transports involved as well, the C–123's which we are replacing with C–130's.

Senator Hruska. To go to the Vietnamese Air Force?

General Glasser. Yes, sir. No 130's to them but we are taking our 123's out of the Air Force assets and transferring them to VNAF.

Chairman McClellan. The Chair states for the record he has to leave at this time to appear before the Public Works Committee to testify on a matter of considerable interest to my State. I am going to ask Senator Young to conduct the remainder of the hearings this morning. Then we shall recess, subject to call of the Chair.

I thank you gentlemen for your appearance this morning.

STATEMENT OF LT. GEN. OTTO J. GLASSER, DEPUTY CHIEF OF STAFF, RESEARCH AND DEVELOPMENT, HEADQUARTERS, U.S. AIR FORCE

BUDGET REQUESTS

Senator YOUNG (presiding). The next request is for an additional $30 million for "Research, Development, Test and Evaluation, Air Force." The original request was $3,232,177,000 and the revised request is $3,262,177,000.

PROGRAM AND FINANCING

At this point in the record there will appear certain program and financing information from the justifications.

(The information follows:)

DEPARTMENT OF DEFENSE—MILITARY: RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	Budget plan (amounts for R.D.T. & E. actions programed)			Obligations		
	Request pending	Proposed amend-ments	Revised request	Request pending	Proposed amend-ments	Revised reques
Program by activities:						
Direct:						
1. Military sciences	146, 280	0	146, 280	149, 300	0	149, 300
2. Aircraft and related equipment	1, 343, 060	0	1, 343, 060	1, 337, 201	0	1, 337, 201
3. Missiles and related equipment	395, 400	20, 000	415, 400	391, 190	20, 000	411, 190
4. Military astronautics and related equipment	345, 700	5, 000	350, 700	355, 950	5, 000	360, 950
6. Ordnance, combat vehicles, and related equipment	100, 580	0	100, 580	96, 250	0	96, 250
7. Other equipment	516, 992	5, 000	521, 992	514, 333	5, 000	519, 333
8. Programwide management and support	384, 165	0	384, 165	386, 753	0	386, 753
Total direct	3, 232, 717	30, 000	3, 262, 177	3, 230, 977	30, 000	3, 260, 977
Reimbursable (total)	180, 340	0	180, 340	181, 540	0	181, 540
Total	3, 412, 517	30, 000	3, 442, 517	3, 412, 517	30, 000	3, 442, 517
Financing:						
Receipts and reimbursements from—						
Federal funds	−178, 340	0	−178, 340	−178, 340	0	−178, 340
Trust funds						
Non-Federal sources [1]	−2, 000	0	−2, 000	−2, 000	0	−2, 000
Unobligated balance available, start of year:						
For completion of prior year budget plans				−194, 000		−194, 000
Available to finance new budget plans						
Reprograming from (−) or to prior year budget plans						
Unobligated balance transferred from other accounts						
Unobligated balance transferred to other accounts						
Unobligated balance available, end of year for completion of prior year budget plans				194, 000		194, 000
Budget authority	3, 232, 177	30, 000	3, 262, 177	3, 232, 177	30, 000	3, 262, 177
Budget authority appropriation	3, 232, 177	30, 000	3, 262, 177	3, 232, 177	30, 000	3, 262, 177
Appropriation (adjusted)	3, 232, 177	30, 000	3, 262, 177	3, 232, 177	30, 000	3, 262, 177

[1] Reimbursements are derived principally from provision of laboratory services to private organizations (10 U.S.C. 2481).

Note: Excludes $29,300,000 in 1973 for activities transferred to operation and maintenance, Air Force.

BUDGET REQUESTS

Senator YOUNG. General Glasser will present this request.

General, you may proceed.

General GLASSER. Thank you, Mr. Chairman.

We are requesting an additional $30 million required for research and development for the strategic arms limitation agreements. This brings the total fiscal year 1973 R.D.T. & E. request to $3.262 billion.

Of the additional funds requested, $20 million is required for advanced ballistic reentry systems to start advanced development of an improved reentry vehicle for use by ballistic missile forces.

This improved reentry vehicle will provide improved vehicle/warhead performance and thus increase booster efficiency, a factor which is significant under the proposed strategic arms limitation agreement booster ratio. These additional funds will bring the total requested for this line item to $132 million for fiscal year 1973.

In the command, control, and communications area, $10 million is required, including $3.5 million for the military satellite communications system for component development and design studies related to survivable satellites. This and an additional $1.5 million for DCA WWMCS engineering studies bring the total requested for this program element to $29.8 million for fiscal year 1973.

Another $3.5 million is needed for the development and test of a new multiwire trailing wire antenna and an improved transmitter for use by the minimum essential emergency communications network. This brings the total requested for strategic communications program element to $7.9 million for fiscal year 1973.

Each of these programs will improve the command, control, and communications for our strategic forces and the new equipment will be compatible with the advanced Airborne Command post. The remaining $1.5 million of the $10 million requested is for improvements in NSA programs.

This concludes my prepared statement.

I will be happy to address any questions you may have.

AUTHORIZATION: HOUSE ALLOWANCE AND SENATE ACTION

Senator YOUNG. This is one of the authorization problems wherein the House allowed $20 million authorization. The Senate specifically disallowed it, and it was disallowed in the conference. So, here we do not have a disallowance without prejudice. We have a disallowance on the merits.

This was further complicated when the House Appropriations Committee included $10 million in its bill for the specific item. This may very well cause problems for the committee.

This is command, control, and communications?

MILITARY STRATEGIC COMMUNICATIONS SYSTEM

General GLASSER. This is for the advanced ballistic reentry systems line item.

Senator YOUNG. In your statement, you say:

In the Command, Control, and Communications area, $10 million is required, including $3.5 million for the Military Satellite Communications System for component development and design studies related to Survivable Satellites.

What difference is there in this from the other? This is for the command.

General GLASSER. There is $10 million in the communications area, of which $3.5 million is for the purpose you just described, survivable satellites. There are two broad categories.

Senator YOUNG. I believe this $10 million is authorized.

General DELUCA. That is right.

Senator YOUNG. The $10 million is authorized and the $20 million is not?

General GLASSER. That is correct.

Senator YOUNG. There being no further questions, we shall proceed with the next appropriation.

STATEMENT OF MAJ. GEN. WILLIAM W. SNAVELY, ASSISTANT DEPUTY CHIEF OF STAFF, SYSTEMS AND LOGISTICS

BUDGET REQUESTS

Senator YOUNG. The next request is for an additional $327 million for "Other procurement, Air Force." The original request for this appropriation was $1,883,300,000, and the revised request is $2,210,300,000.

PROGRAM AND FINANCING

Pages 230 and 232 of the justifications will be included in the record at this point.

(The information follows:)

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	Budget plan (amounts for procurement actions programed)			Obligations		
	Request pending	Amendment now proposed (SEA adjustment)	Revised request	Request pending	Amendment now proposed (SEA adjustment)	Revised request
Program by activities:						
Direct:						
1. Munitions and associated equipment	621,000	300,000	921,000	563,000	275,200	838,200
2. Vehicular equipment	32,300	3,200	35,500	39,300	2,900	42,200
4. Electronics and telecommunications equipment	236,200	9,100	245,300	229,400	8,400	237,800
7. Other base maintenance and support equipment	993,800	14,700	1,008,500	1,000,400	13,500	1,013,900
Total direct	1,883,300	327,000	2,210,300	1,832,100	300,000	2,132,100
Reimbursable (total)	55,000	.....	55,000	49,000	.....	49,000
Total	1,938,300	327,000	2,265,300	1,881,100	300,000	2,181,100
Financing:						
Receipts and reimbursements from—						
Federal funds	−44,000	.....	−44,000	−44,000	.....	−44,000
Trust funds	−10,900	.....	−10,900	−10,900	.....	−10,900
Non-Federal sources	−100	.....	−100	−100	.....	−100
Unobligated balance available, start of year—						
For completion of prior-year budget plans				−317,998	.....	317,998
Available to finance new budget plans						
Reprograming from (—) or to prior-year budget plans						
Unobligated balance transferred from other accounts						
Unobligated balance transferred to other accounts						
Unobligated balance available, end of year—						
For completion of prior-year budget plans				375,198	27,000	402,198
Available to finance subsequent year budget plan						
Budget authority	1,883,300	327,000	2,210,300	1,883,300	327,000	2,210,300
Budget authority:						
Appropriation			2,210,300	1,883,300	327,000	2,210,300
Transferred to other accounts						
Transferred from other accounts						
Appropriation (adjusted)	1,883,300	327,000	2,210,300	1,883,300	327,000	2,210,300

Note: Reimbursements are derived principally from cash sales to foreign governments (22 U.S.C. 2315).

	Thousands
Fiscal year 1973 request pending	$1,883,300
Fiscal year 1973 proposed amendment	±327,000
Fiscal year 1973 revised budget	2,210,300

NARRATIVE JUSTIFICATION

This amendment provides for increased funds required for support of the United States Air Force and Free World Forces in Southeast Asia as a result of the continued North Vietnamese aggression.

Included in this amendment is $300,000 thousand for additional procurements of munitions and associated equipment. Of this amount, 72% (or $217,100 thousand) is required for increased quantities of the 500 Lb. MK–82 and the 750 Lb. M–117 General Purpose Bombs and their associated components. Other munitions requiring additional procurement include rocket heads and motors, other type bombs and a variety of other items associated with the overall Southeast Asia air munitions support program.

The balance of the amendment ($27,000 thousand) provides for additional quantities of carryall, pickup, and R–8 refueling trucks, air cargo pallets, and net assemblies. Also included are funds for electronic sensors and first destination transportation costs associated primarily with the increase in the munitions program.

BUDGET REQUESTS

Senator YOUNG. This request will be presented by Maj. Gen. William W. Snavely, Assistant Deputy Chief of Staff for Systems and Logistics.

General, you may proceed.

General SNAVELY. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, the funds in the fiscal year 1973 budget amendment for the Air Force "Other procurement" program are needed to meet immediate unprogramed requirements in support of the U.S. Air Force and free world forces in Southeast Asia as a result of increased and continuing North Vietnamese aggression. Only minimum needs to respond to that aggression are included.

The Air Force's fiscal year 1973 "Other procurement" program request totaling $1,883.3 million was presented to this committee in February of this year. At that time, this request included $329.9 million for support of both our Air Force and the free world forces in Southeast Asia. And $327 million has been added to this program, which revises the Air Force total "Other procurement" requirement to $2,210.3 million. These added funds are required to buy $300 million of munitions, with the balance of the amendment, $27 million, needed for the procurement of vehicles, refueling trucks, air cargo pallets and nets, certain electronic sensors, and first destination transportation costs associated primarily with increased munitions shipments.

MUNITIONS

I will now briefly discuss each of these requirements.

The fiscal year 1973 munitions requirement was originally programed at $621 million. An additional $300 million for a total program of $921 million is now needed to meet the unprogramed higher expenditure rates being experienced. The increased expenditure is a result of increased B–52, and tactical bombing sortie levels including VNAF. The largest quantity of munitions being expended are MK–82, 500-pound; and M–117, 750-pound general-purpose bombs.

In order to support these increased sorties, $217.1 million is needed for the additional procurement of 306,900 M–117 bombs and 827,000

MK–82 bombs and their associated component items such as fuzes. The MK–82 is used by both the B–52's and the tactical fighters.

The necessity to strike new hard enemy targets has created an unprogramed requirement for 4,153 of the 2,000-pound MK–84 bombs at $3.6 million, including associated components.

Similarly, the introduction by the enemy of large ground formations into the Republic of Vietnam has created the need for antipersonnel and material cluster bombs. This requirement will be met by procurement of 24,746 CBU–52's for $22.3 million.

We are adjusting our FMU–56 proximity fuze procurement by 11,380 at $3.5 million to accommodate higher than programed expenditures. Also included is $1.1 million for leaflet bombs to meet the increased requirements to dispense chaff.

VNAF munitions requirements include procurement of 251,600 2.75-inch MK–40 motors with the 17-pound high explosive antipersonnel warhead for $16.3 million, and an increase of $20.5 million for 10,250 CBU–55's, a fuel air explosive munition being used by the Vietnamese Air Force.

The amended program includes $5.4 million for 180 each distance measuring equipment guidance units for the weapons associated with the deployment of the advanced location strike system. This system will provide a significant increase in the ability to find and kill [deleted] installations under all weather conditions. Also, $10.2 million is included for the procurement of 80 modular guided glide bombs. These weapons are the MK–84 electro-optical bombs modified with a range extension system and data link. The outstanding feature of this weapon is the ability to accurately deliver a bomb on target from an extended range, thus keeping the aircraft outside the area of enemy terminal defenses.

Senator YOUNG. The original request for this budget activity was $621 million, and the revised request is $921 million.

Do you wish to add to what you have said as to the need for the $300 million?

General SNAVELY. Sir, the [deleted] increase in B–52 sorties coupled with the higher sortie level of U.S. tactical air forces has severely reduced our worldwide inventory of general purpose bombs, particularly the M–117 (750 lb) and MK–82 (500 lb). An additional drawdown of assets has occurred as a result of our Vietnamization efforts. Also, with the resumption of bombing in North Vietnam, we have an increased requirement for a cluster dispenser type munition (CBU–52) capable of being employed at increased standoff ranges to suppress flak (i.e. AAA sites, radar bands, and SAM sites). We are requesting about 5 percent of the $300 million for procurement of new weapons capability. These are the modular guided glide bomb (MGGB) which will provide a [deleted] standoff for our tactical forces and the distance measuring equipment (DME) guidance units which will provide an all-weather strike capability for our tactical forces.

VEHICULAR EQUIPMENT

General GLASSER. This amendment provides $3.2 million over the fiscal year 1973 program for vehicular equipment which was originally $32.3. The increased level of activity and number of activities to be supported in Vietnam has necessitated the provisioning of cargo,

utility and special purpose vehicles to the VNAF so that they can meet the higher operational demands being experienced. Included in this are funds for 122 R–8 aircraft refueling trucks, 200 pickup trucks, 11 carryalls, and other mission items required by the VNAF to meet turn-around and support requirements of their tactical air units.

Senator YOUNG. The original request for this activity was $32.3 million, and the revised request is $35.5 million. Just what is the urgent need for this additional $3.2 million?

General SNAVELY. Sir, as a matter of operational priority the Air Force provided vehicular equipment to the VNAF. This decision, implemented subsequent to the submission of the President's fiscal year 1973 budget, necessitates continued use of vehicles by the USAF that from an economical viewpoint should be replaced without further delay. Failure to replace these overaged vehicles results in expenditure of excessive funds to keep them in operation and adds considerably to the 23,000 overaged vehicles still in the operational inventory.

ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT

General GLASSER. The fiscal year 1973 electronics and telecommunications equipment program totaled $236.2 million. The amendment provides for unprogramed requirements of $9.1 million, bringing the fiscal year 1973 program to $245.3 million. The largest portion of the unprogramed requirement, $7.7 million, is for unattended electronic ground sensors. These sensors are used to detect and locate enemy movement through areas such as the demilitarized zone. They are integral to both the U.S. Air Force and allied operations in Southeast Asia. The remaining portion of the unprogramed requirement consists of various items of communications equipment and spare parts in the amount of $1.4 million required to replace and repair equipment damaged or destroyed due to the increased level of combat activity.

OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT

The fiscal year 1973 other base maintenance and support equipment program originally totaled $993.8 million. An increase of $14.7 million is necessary to meet a variety of unprogramed requirements that are funded under this general category. They included 5,512 air cargo pallets and associated nets for $1.9 million, and first destination transportation of $12 million for movement of larger than programed volumes of supplies, mostly ammunition. The Vietnamese Air Force also has requirements totaling $0.8 million for miscellaneous equipment, including test equipment, generators, pumps, and compressors, and life support equipment due to the increased combat operations of North Vietnam. The amendment will bring the other base maintenance and support equipment program for fiscal year 1973 to a total of $1,008.5 million.

SUMMARY

The Air Force other procurement program for fiscal year 1973 was $1,883.3 million. This budget amendment request of $327 million increases the total other procurement program request to $2,210.3 million.

The entire increase is needed to permit the Air Force to properly meet operational commitments of the combat forces in Southeast Asia.

I will be happy to respond to your questions.

Senator YOUNG. I should think if we continue our operations as we are now doing in Southeast Asia, these will be very necessary items. Is there any problem of authorization involved here?

General SNAVELY. No, sir.

General DELUCA. This appropriation does not go through authorization.

Senator YOUNG. Off the record.

(Discussion off the record.)

PASSENGER MOTOR VEHICLES

Senator THURMOND. General Snavely, under the Air Force "Other procurement" account there is a request for passenger motor vehicles and sedans for South Vietnam. As a budget amendment based on the stepped-up war since last spring how does the Air Force justify an additional motor vehicle fleet of this size?

General SNAVELY. Sir, the original fiscal year 1973 budget request included 1,427 passenger carrying vehciles. These vehicles are for U.S. Air Force units only; none are for the Republic of South Vietnam. The increased enemy action has not resulted in a requirement for additional passenger carrying vehicles and none are requested in the budget amendment.

Senator THURMOND. General Snavely, cite the purposes these vehicles will be used for and any other justification for the 1,427 vehicles.

General SNAVELY. Sir, the quantity of 1,427 passenger carrying vehicles consists of 956 sedans and station wagons, 312 buses, and 159 ambulances. These are required to replace like vehicles which have exceeded their economical life at USAF bases worldwide. They are used to transport dependent children to and from school, ambulatory patients to hospitals, and military and civilian personnel on official duty assignments.

Senator THURMOND. What is the purpose of the six medium sedans?

General SNAVELY. Sir, six medium sedans are requested in the original budget to replace like vehicles which have exceeded their economical life at the following locations:

Position, location, and medium sedan being replaced

Comdr TAC, Langley AFB, Va.—1967 Mercury.
CINC USAFE, Lindsey A S, Germany—1967 Mercury.
Comdr 7th AF, Saigon, Vietnam—1967 Mercury.
Comdr ADC, Ent AFB, Colo.—1967 Mercury.
V/CINC USAFE, Lindsey A S, Germany—1967 Mercury.
Comdr 13th AF, Clark AB, Phillippine Islands—1967 Mercury.

Senator THURMOND. Has the Air Force been spending as much as $3,000 for these sedans in the past?

General SNAVELY. Sir, the Air Force last procured medium sedans with fiscal year 1972 funds. At that time, two medium sedans cost a total of $7,750 or $3,875 each.

Senator THURMOND. Thank you, General Snavely.

Mr. WOODRUFF. That concludes the Air Force presentation.

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Operation and Maintenance, Defense Supply Agency

STATEMENT OF MAJ. GEN. THOMAS H. SCOTT, JR., U.S. ARMY, DEPUTY DIRECTOR, DEFENSE SUPPLY AGENCY

BUDGET REQUEST

Senator Young. At this point in the record there will appear certain programing and financing information from the justifications, reflecting the requests in the proposed amendment for "Operation and maintenance, Defense agencies." The total amount contained in this amendment is $14 million. This is made up of two increases. One of these is $9 million in intelligence and communications resulting from the strategic arms limitation agreements and the other is for $5 million for central supply and maintenance which will be presented by Maj. Gen. Thomas H. Scott, Deputy Director of the Defense Supply Agency.

(The information follows:)

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

		Amendment now proposed			
	Request pending	SALT adjustment	SEA adjustment	Net adjustment	Revised request
Program by activities:					
Direct program:					
2. General purpose forces					
3. Intelligence and communications	468,649	9,000		9,000	477,649
7. Central supply and maintenance	695,954		5,000	5,000	700,954
8. Trainings, medical, and other general personnel activities	16,189				16,189
9. Administration and associated activities	110,309				110,309
Total direct program	1,291,101	9,000	5,000	14,000	1,305,101
Reimbursable (total)	42,499				42,499
Total obligations	1,333,600	9,000	5,000	14,000	1,347,600
Financing:					
Receipts and reimbursements from:					
Federal funds	−33,794				−33,794
Non-Federal sources [1]	−8,705				−8,705
Unobligated balance lapsing					
Budget authority (appropriation)	1,291,101	9,000	5,000	14,000	1,305,101

BUDGET REQUESTS

Senator Young. General, you may proceed.

General Scott. Mr. Chairman and members, I appreciate this opportunity to appear in behalf of Lt. Gen. Wallace H. Robinson, Jr., the Director of the Defense Supply Agency, to present the Agency's requirement for an increase of $5 million in the fiscal year 1973 request in the "Operations and Maintenance, Defense Agencies Appropriation." This increase is needed to support Defense Department operations in Southeast Asia. The amended Defense Supply Agency request totals $701,184,000, as compared to the initial request for $696,184,000.

The Defense Supply Agency supports the military services throughout a wide range of consumable supplies and repair parts and the full scope of contract administration services. In addition, we are responsible for administration of several Defensewide logistics services programs.

SOUTHEAST ASIA REQUIREMENTS INCREASES

The level of military activity in Southeast Asia has increased the military services' requirements for supply and contract administration support to an extent which the Defense Supply Agency cannot meet satisfactorily without additional resources. The $5 million is requested for this purpose. For supply support activities, it includes $2,900,000 to finance the equivalent of 283 man-years, and $1 million for the special packing materials required for shipments to Southeast Asia. This packing is necessary to protect against damage from transoceanic and Southeast Asia climatic conditions. For contract administration operations, this request includes $800,000 to finance the equivalent of 54 man-years, and $300,000 for additional travel of contract administration personnel to contractors' plants which are not serviced on a resident basis.

INCREASED REQUIREMENTS—SUPPLY SUPPORT

The increases in Southeast Asia supply support are occurring in the form of requirements for field fortification items, vehicle and construction equipment repair parts, steel structural components, aircraft fuel and lubricants, medical items and subsistence. In addition, there are increased demands for personal clothing and individual equipment. Because these requirements require fast response, they must be processed under priority measures which involve more personnel effort than responses to routine requisitions. As mentioned earlier, they also involve special protective packing.

INCREASED REQUIREMENTS—CONTRACT ADMINISTRATION

The major increase in contract administration operations is occurring in the quality assurance activity incident to increased production, including multishift operations, in plants producing ammunition components and spare parts, and plants performing equipment overhaul. Other increases in contract administration efforts relate to production expediting actions and growth in preaward survey requirements incident to new contract awards.

Senator YOUNG. What kind of contracts are you speaking of now?

General SCOTT. We are speaking of major contracts which we administer in support of the Armed Forces. We administer nearly $50 billion worth of such contracts.

Senator YOUNG. Contracts for what?

General SCOTT. Contracts in support of major weapons systems, for repair parts, for consumable items, for a vast range of items which the Department of Defense uses. Also ammunition, overhaul and rebuild of aircraft.

Senator YOUNG. It is hard to understand an increase in this area when we have reduced our own Armed Forces by over 500,000 in

Southeast Asia. Is it more costly to hire the Vietnamese to do the job than to do it ourselves in that area? You have not given me an adequate explanation to present on the Senate floor yet.

General Scott. Sir, let me put it in perspective.

The DSA workload in the President's original budget for fiscal year 1973 is down about 20 percent from the peak of Southeast Asia activities and this is a reflection largely of the actions which reduced our own Armed Forces over there by over 500,000. The increase we are speaking of in this amendment request, relates only to recent SEA activity which was not anticipated in the President's original fiscal year 1973 budget.

For example we now have under administration approximately 170,000 contracts, whereas the number we anticipated at the time the President's budget was prepared was 166,700. In addition, a number of plants have increased their shift operations in recent months and this requires more of our personnel; for example, the Marathon-LeTourneau plant at Longview, Tex., which produces 750-pound bombs and shell cases. Northrup Industries in California which manufactures 250-pound bomb cases has gone from one shift to a three-shift operation. American Machine & Foundry in New York, which manufactures 750-pound bombs has gone from a normal one shift to two 11-hour shift operations.

Senator Young. Have there been other areas where you have made reductions in contract operations?

General Scott. Not below the levels anticipated in the President's original budget. We are subject to the needs of the military services for both contract administration and supply support and these needs are now higher across the board than anticipated in the President's original budget.

Senator Hruska. General, the level of forces there has been substantially reduced in the past year. In computing your initial request of the $696 million, did you anticipate a lower level of forces there in Vietnam?

General Scott. Yes, sir; we anticipated the lower level of forces, but underestimated the extent to which current activities in SEA would impact our workload.

Senator Hruska. I can understand, for example, requests for funds for aircraft fuel and lubricants because there is a big increase in them. I can understand even in vehicle and construction equipment and repair parts because there is a greater activity in transportation.

General Scott. That is right.

MEDICAL ITEMS

Senator Hruska. Medical items, because the level of fighting, the actual fighting, has gone up. I presume that takes care of the Vietnam supplies as well as our own. On the other hand, by anticipating a lower force level, you would lower the requirement for subsistence, for example. Some of the other items, too, should reflect a reduction in your $696 million budget.

General Scott. It is so reflected, sir. We have anticipated that. We also, of course, support the Vietnamese Armed Forces with many, many items. To the extent that the support of our own forces has gone down, as you know, the support of the Vietnamese forces has increased.

WORKLOAD

If I could give you some specific instances of what has occurred in terms of workload because of this. Looking at supply requisitions which our depots and our supply centers handle, in the President's budget we anticipated that we would process 18.1 million. At the present time our best estimate is that this will actually amount to about 18.9 million. It does not necessarily follow, for example, that because the dollar or tonnage values go down that the number of requisitions which create the major workload will go down.

Sometimes what occurs is that you receive more requisitions, smaller quantities but more requisitions. The same thing has occurred in the depot side of our operations. We anticipated roughly 17.5 million line items received and shipped. This has been running at a higher rate. Similarly I cited figures indicating that the number of contracts which we are actively administering has in fact increased over the level anticipated in the President's budget. Procurement line items which we award for the goods we supply, these are running some 460,000 higher for the year's total than we anticipated.

PERSONNEL

Senator YOUNG. How many personnel were originally budgeted for these activities?

General SCOTT. The additional 283 man-years for supply operations compares to about 18,000 man-years originally budgeted for this function. For the contract administration function, the 54 man-years compares to about 17,800 man-years originally budgeted.

ABSORPTION OF INCREASE

Senator YOUNG. Has any attempt been made to absorb this increase?

General SCOTT. Yes, sir. As I mentioned, DSA workload generates from the military services' requirements for supply and contract administration support. These requirements are very difficult to forecast 12 to 18 months in advance. The unprogramed workload we are currently experiencing is a mixture of general requirements and Southeast Asia requirements, but it is almost impossible to measure the separate proportions with precision. However, the total workload increase is more than twice as great as the part which relates to this request for an additional $5 million.

PACKING OF SHIPMENT TO SOUTHEAST ASIA

Senator YOUNG. What type of special packing is it that would require $1 million over the budgeted amounts for packing?

General SCOTT. DSA suppliers normally provide commercial packing. This packing is designed for protection against temperate climate conditions, a minimum of rough handling and normal storage conditions. It is not adequate for goods going to Southeast Asia. The handling, storage and climate conditions associated with transoceanic shipments to Southeast Asia requires heavy plywood boxes, strong strapping, polyethylene shrouding and heavy use of preservatives and desiccants.

SUPPORT REQUIREMENTS

Senator YOUNG. Your request indicates that this increase relates only to the first quarter of the fiscal year, which is now in its last month. Is that correct?

General SCOTT. Not exactly, sir. This estimate of unprogramed requirements due to SEA activities had to be made in the time frame of last May and June. The guideline for this purpose was an assumption that the levels of SEA activities at that time would continue through September 30, 1972. Thus, references to the first quarter of fiscal year 1973 relate only to an assumed time-period for measuring the unprogramed requirements.

Senator YOUNG. Does this assume that there will be a marked decrease in the demand for DSA support at the end of the first quarter?

General SCOTT. The decrease in demands on DSA will not be abrupt. As the level of military activities reduces, DSA will experience a following and more gradually phased reduction. This is because stocks depleted during the increased activity require followup replenishment. A similar pattern will exist for contract administration functions as contractors phase down from the peak of earlier production.

Senator YOUNG. Is this assumption still valid?

General SCOTT. Sir, from the standpoint of future SEA military operations, I don't know.

SOUTHEAST ASIA OPERATIONS: PHASE DOWN OF OPERATIONS

Senator YOUNG. Is any action contemplated to extend this period and would this require additional funds?

General SCOTT. We have not received any guidance which would extend this period for the purposes of measuring workload and resource impact. With respect to a requirement for additional funds, I mentioned earlier that our workload incident to Southeast Asia operations will phase down gradually as these operations reduce because the supply and contract administration support which DSA provides generally follows rather than leads the level of military operations. As we see it now, however, the amount requested in the President's budget as amended will be sufficient providing that the current level of Southeast Asia military operations does not continue beyond 30–60 days after September 30.

Senator YOUNG. Thank you General Scott.

Defense Intelligence Agency

STATEMENT OF VICE ADM. VINCENT P. DE POIX, U.S. NAVY, DIRECTOR, DEFENSE INTELLIGENCE AGENCY

ACCOMPANIED BY:

LOUIS A. CYR, ACTING COMPTROLLER

G. DAVID KATZ, ACTING CHIEF, WEAPONS AND SYSTEMS DIVISION, DIRECTORATE FOR SCIENTIFIC AND TECHNICAL INTELLIGENCE

ROBERT A. SMITH, CHIEF, STRATEGIC FORCES UNIT, DIRECTORATE FOR INTELLIGENCE

PROGRAM AND FINANCING

Senator Young. The June 30 budget amendment also includes additional requests of $12 million for the Defense Intelligence Agency.

At this point in the record there will appear certain program and financing information on "Procurement, Defense Agencies" from the justifications. The information on "Operation and Maintenance, Defense Agencies" has previously been included.

(The information follows:)

OFFICE OF THE SECRETARY OF DEFENSE: PROCUREMENT, DEFENSE AGENCIES

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	1973 budget plan (amounts for procurement actions programed)			1973 obligations		
	Request pending	SALT adjustment	Revised request	Request pending	SALT adjustment	Revised request
Program by activities:						
Direct major equipment	69,730	3,000	72,730	64,228	3,000	67,228
Reimbursable (total)	10,636	.....	10,636	10,636	.....	10,636
Total	80,366	3,000	83,366	74,864	3,000	77,864
Financing:						
Receipts and reimbursements from: Federal funds	−10,636	.....	−10,636	−10,636	.....	−10,636
Unobligated balance available, start of year						
For completion of prior year budget plans				−17,913	.....	−17,913
Available to finance new budget plans	−2,711	.....	−2,711	−2,711	.....	−2,711
Reprograming from (−) or to prior year budget plans						
Unobligated balance transferred from other accounts						
Unobligated balance transferred to other accounts						
Unobligated balance available, end of year:						
For completion of prior year budget plans				23,415	.....	23,415
Available to finance subsequent year budget plans	2,711	.....	2,711	2,711	.....	2,711
Budget authority: Appropriation	69,730	3,000	72,730	69,730	3,000	72,730
Relation of obligations to outlays:						
Obligations incurred, net				64,228	3,000	67,228
Obligated balance, start of year				40,600	.....	40,600
Obligated balance, end of year				−51,828	−2,200	−54,028
Outlays				53,000	800	53,800

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

Direct obligations: Transportation of things		11	1

Senator YOUNG. The requests will be presented by Vice Adm. Vincent P. de Poix, Director of the Defense Intelligence Agency.

You may proceed.

Admiral DE POIX. Good morning. The total you refer to includes $3 million for procurement, $2 million for personnel, $7 million for contracts, making up the $12 million for DIA.

Sir, I have a prepared statement of a few pages which I will be very happy to read.

Senator YOUNG. You can either read it or place it in the record and summarize it.

Mr. WOODRUFF. It is an informative statement. I think you would be interested in his reading it.

STRATEGIC ARMS LIMITATION (SAL) AGREEMENT

Admiral DE POIX. I am Vice Adm. Vincent P. De Poix, Director of the Defense Intelligence Agency. I appreciate the opportunity to appear before this committee to discuss the resources needed for fiscal year 1973 to support intelligence requirements directly resulting from the recently signed strategic arms limitation (SAL) agreement. A supplement to the fiscal year 1973 budget is requested because these additional resources are needed now.

Under SAL, we voluntarily accept limitations on numbers and types of weapons. This is a totally new condition, and rests on three major assumptions: (a) that the Soviets will respect the letter of the agreement, (b) that within that agreement the strategic balance will not shift against us, and (c) that we will be able by national means to assess accurately the Soviet strategic posture under the SAL constraints. [Deleted] they can try to obtain a significant shift in their own favor by technological improvement. [Deleted] because of our constrained force and weapons development, particularly in strategic defensive systems, it becomes a critically important—much more important than pre-SAL—for us to detect the development of new Soviet weapons systems, the upgrading of existing systems, and deployments of actual weapons with as long leadtime as possible, in order to minimize the adverse effect on ourselves in regard to strategic balance. The sole method for such detection is the use of intelligence. No additional means of verification are provided. Accordingly, verification requires as intensified intelligence scrutiny, primarily in the fields of technological measurement and detection of weapons deployment [deleted].

For the immediate present, our current and programed collection systems appear adequate to provide raw data with which to make this scrutiny. [Deleted.] We also will need to develop new techniques for rapid screening of large quantities of collected data, again with high assurance that we miss no significant evidence. For these purposes—stronger efforts in processing and production, and improvements in capacity and quality for both of these functions—we are requesting this supplemental appropriation.

PERSONNEL COSTS

I recognize and share the concern of Congress and specifically this committee, over the growing personnel costs of military activities. However, Defense intelligence has suffered substantial reductions re-

cently and specifically in fiscal year 1972. These reductions in fiscal year 1972 amounted to a total of 954 processing and production personnel, of which 270 were in DIA. I have carefully reviewed the present capabilities of the Defense intelligence community with respect to the new intelligence needs generated by the SAL agreement and conclude that the requirements for a comprehensive and accurate assessment of both quantitative and qualitative aspects of Soviet strategic weaponry specifically addressed in the treaty will overtax our already burdened intelligence processing and production capability.

Of greater concern, however, is the question of: "What will the Soviets do next?" Our leverage in the SAL environment is predicated on our ability to keep pace with Soviet improvements in deployment capability and practices, command and control systems, and exotic weapons systems, as well as improvements to existing weapons. [Deleted.] These are broad areas of intelligence activity which, although directly related, tend to be overlooked when addressing verification needs in the narrow sense.

BUDGET REQUEST

The total Defense intelligence increase is $13 million, of which $12 million is for DIA and the remaining $1 million for augmentation of the Naval [deleted]. The Navy has presented this request to this subcommittee as a separate action. The bulk of the DIA request of $12 million will be applied to the processing and production of scientific and technical intelligence. This production is most vital to the Defense effort in monitoring [deleted] those weapons systems limited by the SAL agreement. It is in this area that we have the greatest present and anticipated flow of raw collected data. [Deleted] data require expeditious and detailed exploitation. The additional resources will strengthen DIA in three areas which I will discuss briefly:

1. External assistance contracts.
2. Personnel.
3. Equipment procurement.

EXTERNAL ASSISTANCE CONTRACTS

The largest expenditure, $7 million, will provide external assistance contracts to be administered by DIA under the supervision of the Assistant Secretary of Defense (Intelligence). This augmentation is to establish a DIA-managed and controlled scientific and technical intelligence [deleted] capability with an initial mission of providing finished scientific and technical intelligence related to strategic arms. This capability is required for timely intelligence on developments, modification, or new strategic systems; to verify compliance with the SAL agreement, to detect deception; and to prevent technological surprise.

The large volume of data received from current sensor data sources [deleted] requires a significantly augmented capability to deal with the detailed provisions of the agreement.

The Service production agencies cannot expeditiously process, reduce, and analyze in detail the current and anticipated data flow from [deleted] sensor systems. We must maintain an ability to keep pace with the increasing flow of collected data. The external assistance

contracts listed for fiscal year 1973 will be used solely to insure that analytical resources are directed toward timely and confident production of intelligence on the scientific and technical aspects of Soviet missile developments, and to insure an accurate assessment of any change in the Soviet strategic posture.

PERSONNEL

Additional analytical and support personnel represent our second area of augmentation. DIA requires an increase of 141 personnel to provide analyses of the quantitative aspects of the Soviet strategic arsenal. These resources will provide for the required additional analysis in the areas of offensive and defensive missile systems [deleted].

Funding requirement for fiscal year 1973 for the additional DIA personnel is $1,876,000. Special-purpose equipment and other support requirements, such as desks, chairs, file cabinets, and so on, directly associated with these personnel increases, are included in this supplemental budget request at an estimated cost of $124,000. Total cost of the personnel augmentation for the intelligence requirements generated by the existence of detailed strategic arms limitations is $2 million.

EQUIPMENT PROCUREMENT

Equipment procurement is the third area requiring additional funds. [Deleted.] Procurement funds totalling $3 million are included in this supplemental budget request.

In summary, the increased costs presented in this budget supplement reflect the best available judgment of the additional intelligence necessary to detect any changes in the total Soviet strategic posture as a result of the strategic arms agreement with emphasis on verifying Soviet compliance with the agreement.

The Joint Chiefs of Staff, in addressing the impact of Strategic Arms Limitations, have labeled verification of Soviet compliance with the agreement as the highest priority item. The modest augmentation which I am requesting represents less than [deleted] percent of the total General Defense Intelligence Program. [Deleted] these improvements will enhance the Defense intelligence community's ability to analyze and adequately to report any changes in the Soviet posture, as constrained by Strategic Arms Limitations which could affect our national security.

I would be pleased to answer your questions.

Senator YOUNG. I would agree with you, Admiral, that if the United States is not to lose in the Strategic Arms Limitation Agreement with Russia, it is of the utmost importance that we have the most information possible as to what their future potential may be.

I notice this is marked "secret," may any part of this be declassified?

Admiral DE POIX. Yes, sir; I think we could make deletions which will make this unclassified.

Mr. WOODRUFF. It will go through the DOD security review.

Senator HRUSKA. I might observe I am pleased with this language that, for the immediate present, our current and programed collection systems appear adequate to provide sufficient raw material. That is reassuring.

Admiral DE POIX. All we need to do is keep up with them. That is our problem here.

Senator YOUNG. You will process the classified intelligence so that you can make the testimony available?

Admiral DE POIX. Process and understand what you are receiving is quite a technical job.

Senator YOUNG. Thank you, Admiral de Poix.

DEPARTMENT OF DEFENSE APPEALS FROM HOUSE ACTION

Senator YOUNG. It is anticipated that the Department of Defense will make available to the subcommittee within the next few days its views on the action taken by the House of Representatives of the Department of Defense appropriation bill. The chairman has requested that at that time an unclassified version of the submission will be included in the record at this point.

(The information follows:)

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

16 SEP 1972

Honorable John L. McClellan
Chairman, Department of Defense Subcommittee
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

We have carefully reviewed the actions of the House of Representatives on H. R. 16593, the Department of Defense Appropriation Bill, 1973. The House Bill represents a reduction of $5,017 million below the budget estimates. We must urge restoration of $2,373 million of these reductions.

These restorations include $266 million for military personnel appropriations, including restoration of funds to cover a number of legal entitlements. We face critical shortages in operation and maintenance funds, and the restoration of $316 million to the House Bill is sorely needed. A restoration of $1,084 million is requested in the procurement area. As to RDT&E, we request as a matter of the highest priority, the restoration of $708 million. Most of these involve general, unspecified reductions which we feel are especially inappropriate in light of the intensive and specific reviews by the Committees of our RDT&E effort, and the critical importance of these efforts to our long-run security.

In addition to funding levels, I am deeply concerned with respect to the potential impact of certain House actions upon the management of Defense programs and the pattern of Congressional oversight. The House Bill would, in effect, increase the number of major operation and maintenance appropriations from five to forty-seven, a massive and costly change which would return us to the fragmented pattern of the early 1950's. An RDT&E appropriation would also be subdivided, set-asides provided in other appropriations, the emergency fund eliminated, and transfer authority restricted. The House Bill also would involve the adjustment or denial of military entitlements through the appropriations process, and using that process as a tool for effecting organizational change. We ask that the Senate withhold its approval of these features of the House Bill. We are prepared to work with the Committees involved to effect improvements along the lines indicated in the House Bill, as detailed in the enclosure. We ask, however, that the Congress and the Executive Branch not be committed to major changes in long-standing arrangements without the most careful consideration of alternatives and consequences.

The enclosure presents details upon each of the points of concern to us. We appreciate this opportunity to comment, and will furnish whatever assistance we can in your consideration of our national security needs.

Sincerely,

Melvin R. Laird

Items for Senate Appropriations Committee consideration

Summary of DoD Appropriation Bill, FY 1973 (H. R. 16593)
(In Thousands of Dollars)

	Budget Request As Amended	House Action	House Bill	DoD Reclama	Current Request of Senate
Title I - Military Personnel					
Mil Pers, Army	7,708,063	-219,602	7,488,461	+ 60,519	7,548,980
Mil Pers, Navy	5,381,749	-121,668	5,260,081	+108,720	5,368,801
Mil Pers, Marine Corps	1,537,792	- 1,356	1,536,436	+ 1,356	1,537,792
Mil Pers, Air Force	7,275,575	-152,872	7,122,703	+ 86,423	7,209,126
Reserve Pers, Army	529,534	- 30,800	498,734	-	498,734
Reserve Pers, Navy	230,640	- 1,680	228,960	+ 684	229,644
Reserve Pers, Marine Corps	78,155	- 1,349	76,806	-	76,806
Reserve Pers, Air Force	131,442	- 7,900	123,542	+ 7,400	130,942
Nat'l Guard Pers, Army	616,250	- 38,071	578,179	-	578,179
Nat'l Guard Pers, Air Force	169,359	- 1,440	167,919	+ 1,000	168,919
Total Title I - Mil Pers	23,658,559	-576,738	23,081,821	+266,102	23,347,923
Title II - Retired Military Personnel					
Retired Pay - Defense	4,358,684	-	4,358,684	-	4,358,684
Title III - Operation and Maintenance					
O&M, Army	(6,934,295)	-347,045	6,587,250	(+162,313)	(6,749,563)
O&M, Army Reserve	(208,619)	- 9,320	199,299	(+ 6,400)	(205,699)
Total O&M, Army	7,142,914	-356,365	6,786,549	+168,713	6,955,262
O&M, Navy	(5,217,849)	- 83,070	5,134,779	(+ 33,070)	(5,167,849)
O&M, Navy Reserve	(136,119)	-0-	136,119	(-)	(136,119)
Total O&M, Navy	5,353,968	- 83,070	5,270,898	+ 33,070	5,303,968
O&M, Marine Corps	(375,169)	- 2,740	372,429	(+ 503)	(372,932)
O&M, Marine Corps Reserve	(8,094)	-0-	8,094	(-)	(8,094)
Total O&M, Marine Corps	383,263	- 2,740	380,523	+ 503	381,026
O&M, Air Force	(6,270,310)	- 96,630	6,173,680	(+ 46,630)	6,220,310
O&M, Air Force Reserve	(190,195)	- 945	189,250	(+ 945)	190,195
Total O&M, Air Force	6,460,505	- 97,575	6,362,930	+ 47,575	6,410,505
O&M, Defense Agencies	1,305,101	- 37,457	1,267,644	+ 28,909	1,296,553
O&M, Army Nat'l Guard	468,510	- 35,390	433,120	+ 20,147	453,267
O&M, Air Nat'l Guard	461,743	- 13,235	448,508	+ 13,235	461,743
Rifle Practice, Army	126	+ 33	159	-	159
Claims, Defense	52,900	- 7,900	45,000	+ 3,400	48,400
Contingencies, Defense	5,000	-0-	5,000	-	5,000
Court of Mil Appeals, Defense	914	-0-	914	-	914
Total Title III - O&M	21,634,944	-633,699	21,001,245	+315,552	21,316,797
Title IV - Procurement					
Aircraft Procurement, Army	162,900	-119,400	43,500	+ 5,300	48,800
Missile Procurement, Army	896,700	-205,600	691,100	-	691,100
Procurement of Weapons and Tracked Combat Vehicles, Army	375,100	- 95,900	279,200	+ 3,600	282,800
Procurement of Ammunition, Army	1,350,400	- 31,600	1,318,800	+ 5,100	1,323,900
Other Procurement, Army	654,000	- 56,500	597,500	+ 11,300	608,800
Procurement of Aircraft and Missiles, Navy	4,118,600	-436,460	3,682,140	+ 352,800	4,034,940
Shipbuilding & Conversion, Navy	3,564,300	-546,700	3,017,600	+ 155,400	3,173,000
Other Procurement, Navy	2,501,200	-172,800	2,328,400	+ 144,800	2,473,200
Procurement, Marine Corps	191,100	- 17,700	173,400	-	173,400
Aircraft Procurement, Air Force	3,255,700	-887,700	2,368,000	+ 276,400	2,644,400
Missile Procurement, Air Force	1,816,800	-179,300	1,637,500	+ 65,000	1,702,500
Other Procurement, Air Force	2,210,300	- 71,000	2,139,300	+ 58,200	2,197,500
Procurement, Defense Agencies	72,730	- 10,700	62,030	+ 5,700	67,730
Total Title IV - Procurement	21,169,830	-2,831,360	18,338,470	+1,083,600	19,422,070

	Budget Request As Amended	House Action	House Bill	DoD Reclama	Current Request of Senate
Title V - Research, Development, Test and Evaluation					
RDT&E, Army	2,122,716	-376,584	1,746,132	+ 231,744	1,977,876
RDT&E, Navy	2,813,787	-309,444	2,504,343	+ 187,474	2,691,817
RDT&E, Air Force	3,262,177	-181,237	3,080,940	+ 191,837	3,272,777
Director of T&E, Defense	(32,800)	- 5,800	27,000	(+ 5,800)	(32,800)
Balance, RDT&E, Defense Agencies	(487,287)	- 51,774	435,513	(+ 40,985)	(476,498)
Total RDT&E, Defense Agencies	520,087	- 57,574	462,513	+ 46,785	509,298
Emergency Fund, Defense	50,000	- 50,000	-0-	+ 50,000	50,000
Total Title V - RDT&E	8,768,767	-974,839	7,793,928	+ 707,840	8,501,768
Title VI - Special Foreign Currency	3,400	-0-	3,400	-	3,400
Total Department of Defense NOA	79,594,184	-5,016,636	74,577,548	+2,373,094	76,950,642
Transfer Authority (Sec. 735)	(1,000,000)	(-250,000)	(750,000)	(+250,000)	(1,000,000)
Free World Force Support (Sec.737)	(3,200,000)	(-700,000)	(2,500,000)	(+235,000)	(2,735,000)

DEPARTMENT OF DEFENSE
MILITARY PERSONNEL, ARMY

(Thousands of Dollars)

FY 1973 Request, as amended	$7,708,063
House Appropriation Adjustments	- 219,602
House Bill	$7,488,461
DoD Reclama	+ 60,519
Current DoD Request	$7,548,980

Summary of Adjustments and Reclama:

	(Thousands of Dollars) House Adjustment	DoD Reclama
Military Strength Shortfall	$-207,420	$+ 7,686
Recruiting Programs	- 13,150	+ 13,150
Project Transition	- 9,521	+ 9,521
Reduction in Number of Medical Doctors	- 1,250	+ 750
Combat Arms Bonus	- 11,000	+ 11,000
Unit PCS Moves	- 2,000	+ 2,000
Shipment of Foreign Automobiles	- 2,100	+ 2,100
Increased Allowance for Shipment of Household Goods	- 1,500	+ 1,500
Grade Creep	- 12,000	+ 12,000
New Lieutenant Generals	- 150	+ 150
Outstanding Performance Pay for Recruiters	-	+ 551
Flight pay of non-flying Colonels and Generals	- 111	+ 111
All Other	+ 40,600	-
Total	$-219,602	$+ 60,519

JUSTIFICATION

Military Strength Shortfall. The House bill reduced the appropriation request $207.4 million for 27,000 less manyears at average cost rates for officers, enlisted and cadets. The average cost rates were determined by dividing pay and allowances, officers in the budget request by the average strength to arrive at a cost rate $15,778 per officer. The enlisted rate is the total for pay and allowances and subsistence divided by average strength for a cost rate of $7,324 per enlisted. This same rate was used for cadets rather than the average pay of a cadet. These average cost rates include costs for support of free world military assistance forces and reimbursable subsistence sold to other services and individuals. Neither of these activities relate to the average cost of military personnel. The total of these two items is $214.2 million. Excluding the inappropriate costs the average cost rates are $15,712 for officers, $7,038 for enlisted and $4,030 for cadets. The reduction for 27,000 manyears should have been $199.7 million and $7.7 million should be restored.

Recruiting Programs. All the services are faced with a monumental task of achieving an all volunteer force with the Army task by far the greatest. During FY 72 the field recruiter force was more than doubled with no corresponding increase in supervisory and managerial support. The modest increases requested in FY 73 recruiting programs do not add another bureaucratic layer to the recruiting force. They are required to restore the same ratio of middle management to field recruiters which existed and had proven effective prior to the recruiter buildup. For example, one Recruiting Main Station currently must control about 40 recruiting stations as opposed to 25 prior to the buildup. Recent experience has shown an urgent need to strengthen the supervisory capability at this key middle management level. Failure to provide for this need by restoration of the $13.2 million and 1,292 manyears requested for this purpose will prevent full exploitation of the recruiting potential of the recruiting force already in place in the field.

Project Transition. Personnel participating in Project Transition training have never been additive to the Army. Rather, these personnel are a part of a unit who, during the last part of their enlistment, are receiving training to prepare them for civilian life. Personnel participating in the Project Transition program are part of the Army trained strength and available if required in an emergency. Reduction of the Project Transition program does not reduce Army manpower but only the opportunity for training for civil life. The HAC decision to reduce the FY 73 manpower by 1,300 manyears removes trained personnel from units and reduces readiness. The 1,300 manyears and $9.5 million should be restored.

Reduction in Number of Medical Doctors. The reduction of 50 medical officer spaces is acceptable provided funds are restored in the appropriation to support the addition of 50 Medical Service Corps Environmental Santitarians ($.75 million). The Assistant Secretary of Defense (Health and Environment) has indicated that Medical Corps officers should be replaced by Medical Service Corps officers where possible. The Chief of Staff, U.S. Army has specifically supported this conversion program. Implementing directives are currently being staffed to effect this action. The Environmental Sanitarians are on duty and will be assigned as replacements for Medical Corps Preventive Medicine officers during the 2nd Qtr, FY 73.

Combat Arms Bonus. With major recruiting emphasis, expanded advertising, expanded unit-of-choice recruiting, and a $1,500 bonus for a 4-year enlistment, the Army achieved a 20% increase in combat arms enlistees

during June, July and August 1972 as compared with the same period in 1971. However, despite this all out effort and increased incentives, combat arms enlistments fell 23% short of requirements during these three excellent recruiting months in 1972. It is clear that the bonus must be continued at least at the present level for the remainder of FY 73. Should enlistments continue to fall short of requirements, an upward adjustment in the amount of the bonus will be required later in the year, perhaps as early as November. While such an adjustment would be premature at this time, it is essential that this option be retained. To afford the Army any degree of flexibility in bonus management the full $55 million will be required and $11.0 million should be restored.

Unit PCS Moves. The House reduced unit PCS moves by $2 million. The constraints of the FY 72/73 Military Manpower Authorizations and a changing Force Structure to accommodate reductions in Army strength have resulted in an imbalance of support and command and control units at some U.S. and overseas installations that could not be accurately forecasted in the FY 73 Budget submission. To correct these imbalances it is essential to restation tactical and support units. Tactical integrity and the requirement to promote a more efficient defensive posture in Europe have increased the intra-theater and the inter-theater unit movements. For example, in order to comply with a National Security Defense Memorandum directing an increase in the "Combat to Support" ratio of the Armed Forces stationed in Europe, the Army plans to deploy several combat units to Europe, offset by economies achieved in the support echelons by mergers, inactivations and reorganizations. The proposed reduction would limit the Army's ability to improve on the balance between support and command and control forces and on the overall defensive posture in Europe. The $2.0 million reduction should be restored.

Shipment of Foreign Automobiles. The original amount requested for FY 73 was $4.2 million which the House reduced by $2.1 million. The entitlement for personnel to ship an automobile at government expense upon permanent change of station presently exists in basic laws. The withholding of this entitlement to personnel who purchase foreign made vehicles, while allowing State Department personnel to ship foreign made automobiles is inequitable and detrimental to morale. Moreover, prohibition of Government-sponsored shipment of foreign made autos has not been a deterrent to the purchase of such cars overseas. Due to pay increases, lower grade enlisted personnel can now afford to buy automobiles while serving overseas. The shipping prohibition only diverts the shipping revenues away from American ship lines, further contributing to the deterioration of the American Merchant Marine capability. The $2.1 million should be restored.

Increased Allowance for Shipment of Household Goods. The House reduced the request by $1.5 million. The weight allowance that may be shipped on return from overseas cannot exceed the limitation specified in the Joint Travel Regulations, less the weight of household goods stored in non-temporary storage. Because off-post quarters and government quarters overseas often lack sufficient furnishings, it has been necessary for the service member to purchase additional items during his tour. When the service member returns to the U.S., he will have to dispose of items that are in excess of his weight allowance or pay for the additional weight shipped. In either case, the service member loses monetarily through no fault of his own. The proposed budget reduction for this item and shipment of foreign automobiles will have serious impact on morale since the changes in policy have been disseminated to all levels and have received much publicity in both official channels and the news media. The $1.5 million should be restored.

Grade Creep. The officer grade structure has inflated very little, as shown at Inclosure 1, in percentages by grade from FY 64 to end FY 72.

In the grade of colonel, the FY 72 percentage is the same as FY 64. The number of general officers, colonels, lieutenant colonels, and majors are governed by the Officer Grade Limitation Act (OGLA) enacted into law in 1954 (U.S. Code). Accordingly, officer distribution is rigidly controlled in those grades subject to this Act. Doctors and dentists were removed from OGLA constraints in 1968 and better promotion opportunity was offered in an effort to improve retention. In this regard, the number of colonels (5,591 excluding reimbursables) at end FY 72 is within 569 of the number which were on active duty at end FY 64. This differential has occurred almost entirely (410) in the medical area (doctors, dentists, nurses, veterinarians, medical specialists and Medical Service Corps). During the late 1960's when the Army was undergoing a strength buildup, colonel strength did not increase proportionately but followed a curve established by OGLA. Naturally, there could not be a proportionate decrease corresponding to the reduction of overall strength. The Army has been able to meet colonel requirements by utilizing lieutenant colonels selected for promotion to colonel, rigidly limiting new colonel requirements, and continually reviewing the validity of previously approved requirements. The relatively low strength in lieutenants at end FY 72 resulted from liberal early release policies for non-career oriented junior officers to meet manyear constraints. The early release of known losses was permited instead of increasing the number of involuntary releases of career oriented officer personnel. The time-in-service criteria for promotion increased in FY 72 over FY 71 and is programed to extend further in FY 73. A comparison of these criteria is shown below.

TIME-IN-SERVICE (YEARS)

	FY 71	FY 72	Programed FY 73
COL	20.5	21.0	21.1
LTC	14.1	14.6	14.6
MAJ	7.8	8.6	9.0
CPT	2.0	2.6	3.5
1LT	1.0	1.1	1.5

The Army has taken positive steps to reduce the grade creep in the enlisted structure in FY 73. The FY 73 enlisted promotion forecast is below the pre-Vietnam promotion level for pay grades E-6 to E-9. FY 62 through FY 64 represents the pre-Vietnam period. Supporting data are as follows:

ENLISTED PROMOTIONS (ANNUAL NUMBERS)

	FY 62-64 Average Numbers	FY 73 Forecast
E-9	1,093	857
E-8	3,866	3,521
E-7	8,289	7,418
E-6	17,000	7,516

Normal time-in-service (TIS) criteria for promotion to pay grades E-3 to E-5 are being extended in FY 73 as follows:

	FY 72	FY 73
E-5	21 months	33 months
E-4	12 months	21 months
E-3	8 months	12 months

By-grade manpower authorization is the principal governing factor of enlisted promotions. To maintain service attractiveness in building a volunteer force, the Army must provide sufficient enlisted promotions. The FY 73 promotion forecast is already at the minimum essential level.

As stated in this reclama, the Army has taken positive action in controlling the grade structure of both the officer and enlisted force. The $12.0 million should be restored to preclude further reduction in promotions than currently programed.

New Lieutenant Generals. The Army had 45 lieutenant generals assigned on 30 June 1971 of which two retired that day to bring the 1 July 1971 lieutenant general strength down to 43. At that time, it was actually authorized to have 55 O-9 positions under the OGLA as limited by the Senate ceiling. Of these remaining 43 occupied billets, 36 are defined as dedicated Army positions (Inclosure 2). Of the seven other positions, the Army possessed a reasonable capability to forecast the loss of only three. Based on the best available data at that time, the Army forecasted 43 O-9 positions in its budget submission for FY 72. In actuality, on 30 June 1972 the Army had 49 O-9 positions (one of which was reimbursable) approved by the President. The figure of 36 dedicated Army positions remained firm. The difference between 43 and 49 resulted from an increase in the number of outside-Army positions, primarily those under the auspices of the Secretary of Defense, that the Army was expected to man. These 13 positions are as follows:

OUTSIDE ARMY LIEUTENANT GENERAL POSITIONS

1. Deputy Director General, NATO Integrated Communications System	New Position	Unforecasted
2. Director, Defense Mapping Agency	New Position	Unforecasted
3. DASD (Mgt), OASD (Telecommunications)	New Position	Unforecasted
4. Assistant to the Chairman, JCS	Army lost position- 1 Aug 72	Unforecasted
5. Director, J-3, OJCS	Army lost position- 1 Aug 72	Forecasted
6. Director, J-4, OJCS		Forecasted
7. Deputy US Representative, NATO Military Committee		Forecasted
8. Director, Defense Intelligence Agency	Army lost position- 1 Sep 72	Trade-off Dep Dir, DIA
9. ASD (M&RA)		Unforecasted
10. Deputy Director (Eng & Mgt), ODDR&E		Unforecasted
11. DASD (Security Assistance)	Army held position only 9 months	Unforecasted
12. Director, Defense Nuclear Agency		Unforecasted
13. Deputy Director, Central Intelligence Agency	This is a reimbursable position	Unforecasted

From a review of the above positions, and the fact that this represents about 25% of the number of lieutenant generals that we have on active duty, the difficulty of attempting to budget for O-9 positions is clearly discernible. The fact is that most of these positions are not rotational. In keeping with his policy of assignment of the best qualified officers to these positions, regardless of Service affiliation, nominations have been requested by the Secretary of Defense from all of the Services, and selections have been made personally by the Secretary of Defense. This makes it virtually impossible to forecast their inclusion in the budget submission. It is recognized that the positions identified above are not new in some cases, and many are in the category of having been filled

previously by the Army. However, it is significant to note that each occupied position must be designated by the President as a position of importance and responsibility warranting the assignment of an Army lieutenant general, and that in each case, the Army certifies that the assignment to these positions will not cause the Army to exceed its legal ceiling.

In summary, although the Army had only 43 O-9 positions on 1 July 1972 (12 below its total authorization at that time), the number increased to 49 by the end of FY 72 solely because of the increases which occurred in outside-Army positions. In addition to three new positions which the Army was asked to compete for and actually gained, we also took over the following positions which cannot be attributed to trade-offs and from the Army's viewpoint were truly unprogrammed gains.

1. Deputy Director (Engineering and Management), ODDR&E
2. Director, Defense Nuclear Agency
3. Deputy ASD (Security Assistance)

The difficulty of forecasting accurately new positions outside the Army in advance is a near impossible task. We have very little lead-time and we never know when we nominate for one of these positions if we are going to be successful. In most cases we have a month's notice or less.

For these reasons, the Army should be permitted to budget for a minimum of 49 O-9 positions for FY 73.

Outstanding Performance Pay for Recruiters. The HAC recommendation for outstanding performance pay of $30 per month for half the recruiting force on production for the last half of the fiscal year (page 80 of the report) is acknowledged as a significant incentive for recruiters. This would amount to $425,000 for Army recruiters. The recommended appropriation inadvertently did not include this addition. The Military Personnel, Army appropriation should be increased $425,000 to finance this increased pay.

The requirement for high quality personnel for Career Counselors is also extremely important, they should also be given the Outstanding Performance Proficiency Pay. This will serve two purposes; one, it will improve the retention of Recruiters and Career Counselors, and two, it will also assist in preventing the flow of outstanding Career Counselors into the recruiting field. An additional $126,000 for payment to 700 outstanding Career Counselors should be restored.

All Other

	($ 000)
Subsistence, Clothing & Quarters Allowance	+36,400
Currency Revaluation	+ 5,000
Movement of Household Goods by Air	- 600
Use of Commercial Aircraft instead of MAC	- 200
	+40,600

Flight Pay of Non-flying Colonels and Generals. For the reasons stated on page 214, we request that $111 thousand be restored to this program.

PERCENTAGE BY GRADE OF TOTAL OFFICERS

(000)

GRADE	FY 64	FY 68	FY 69	FY 70	FY 71	FY 72	FY 73
O-6	.047	.037	.039	.038	.040	.047	.048
O-5	.112	.098	.097	.093	.098	.105	.107
O-4	.154	.138	.146	.141	.150	.167	.158
O-3	.271	.212	.225	.262	.330	.334	.325
O-2	.144	.177	.193	.156	.161	.125	.154
O-1	.176	.214	.161	.170	.092	.083	.069
W-4	.010	.011	.010	.010	.011	.012	.013
W-3	.024	.018	.019	.019	.022	.026	.030
W-2	.038	.054	.069	.070	.074	.080	.079
W-1	.019	.038	.039	.039	.019	.012	.012

DEDICATED ARMY LIEUTENANT GENERAL POSITIONS

1. Assistant Vice Chief of Staff, United States Army
2. Deputy Chief of Staff for Personnel, United States Army
3. Deputy Chief of Staff for Military Operations, United States Army
4. Deputy Chief of Staff for Logistics, United States Army
5. Assistant Chief of Staff for Force Development, United States Army
6. Chief of Research and Development, United States Army
7. Chief, Office Reserve Components, United States Army
8. Comptroller of the Army
9. Chief of Engineers
10. The Surgeon General
11. Commanding General, United States Army Combat Developments Command
12. Deputy Commanding General, Continental Army Command
13. Commanding General, First United States Army
14. Commanding General, Third United States Army
15. Commanding General, Fifth United States Army
16. Commanding General, Sixth United States Army
17. Commanding General, XVIII Airborne Corps
18. Commanding General, III United States Army Corps
19. Commanding General, United States Army Air Defense Command
20. Deputy Commanding General, United States Army Materiel Command
21. Commanding General, VII United States Army Corps, Europe
22. Deputy Commander in Chief and Chief of Staff, United States Army, Pacific
23. Deputy Commanding General, Eighth United States Army
24. Commanding General, I United States Army Corps, Korea
25. Commanding General, USA Ryukyu Islands, IX United States Army Corps
26. Deputy Commanding General, United States Army, Vietnam
27. System Manager, Ballistic Missile Defense System (SAFEGUARD)
28. Chief of Staff, Allied Forces Southern Europe
29. Chief of Staff, United States Pacific Command
30. Commanding General, XXIV Corps, United States Army, Vietnam
31. Director of Military Support, United States Army
32. Commanding General, V United States Army Corps, Europe
33. Chief of Staff, United States European Command
34. Commanding General, Theater Army Support Command, USAREUR
35. Special Assistant for the Modern Volunteer Army
36. Deputy Commander-in-Chief, United States Army, Europe

MILITARY PERSONNEL, NAVY

(Thousands of Dollars)

FY 1973 Request, as amended	$5,381,749
House Appropriation Adjustment	-121,668
House Bill	$5,260,081
DOD Reclama	+108,720
Current DOD Request	$5,368,801

Summary of Adjustments and Reclama:

(Thousands of Dollars)

	House Adjustment	DOD Reclama
Military Strength Shortfall	$-26,516	$+10,816
Recruiting Programs	- 3,887	+ 3,887
Training Base Reduction	- 3,694	+ 3,694
Support to Other Nations	-17,100	+17,100
Transients	-23,000	+23,000
Reduction in Medical Doctors	- 2,240	+ 2,240
Headquarters Operations	-28,000	+28,000
Inter America Training Center	+ 880	-
Subsistence, Clothing & Quarters Allowance	+15,700	-
Responsibility Pay	- 028	-
Southeast Asia Amendment	-15,300	+ 1,500
Unit PCS Moves	- 3,000	+ 3,000
Permanent Change of Station Travel	- 3,900	+ 3,900
Movement of Household Goods by Air	- 400	+ 400
Increased Allowance for Shipment of Household Goods	- 600	+ 600
Grade Creep	-10,000	+10,000
Flight Pay for Non-Flying Captains and Admirals	- 583	+ 583
TOTAL	$-121,668	$+108,720

JUSTIFICATION

Overall Personnel Assessment. The report recommended a reduction of 11,782 manyears and $121,668 million. While the rationale expressed in justifying the strength related reductions is appreciated, the overall impact will far exceed that which appears intended.

Due to the fact that reductions cannot be implemented until well into the fiscal year a far greater end strength than manyear reduction will result. This is aggravated by the fact that most of the reductions would have to be taken by reducing accessions. The majority of the officers and enlisted in the billets recommended for elimination are careerists with tenure or contractual privilege. These accession drops would be primarily enlisted because of the severe drawdown already levied on the officer community. The enlisted accession represents a cost avoidance of about $5,000/manyear as opposed to much higher costs used in the various recommendations of the report. A nominal end strength reduction of some 50,000 would result from the combining of these factors.

An alternative examined, if the full $121,7M reduction was imposed, would necessitate the following actions, all in the enlisted area:

- A reduction of accessions and end strength by 35,000
- A 3 month early release commencing in October and running through the remainder of the fiscal year (about 42,000 early releases, mostly petty officers)
- Cancellation of 48,000 petty officer advancements (a 30% reduction)
- A reduction of over 25,700 manyears

The impact of the above actions is apparent; they would undermine readiness to the point where the Navy's mission capability would be placed in jeopardy.

Military Strength Shortfall. The HAC committee report cites the reduction of 2950 manyears in strength which the Navy took at apportionment time and assesses a $26,516,000 cut against that reduction. The reduction (500 officer M/Y - 2450 enlisted M/Y) was taken by Navy as a cost avoidance measure to compensate for personnel cost increases (i.e., longevity increases, separation payments, station allowances) and thus remain within the budgeted dollar. A lower than planned enlisted begin strength was used as a factor in accepting the manyear reduction; however, it was not intended as a permanent reduction in enlisted end strength. High recruiting accessions are being realized to make up for the begin strength shortfall and are necessary to meet Navy's manpower requirements. Thus, the action to reduce MPN by $26,516,000 for the self-imposed manyear reduction, in effect, penalizes Navy for taking management actions to remain within budgeted dollars. The HAC report provided funding in the amount of: $9.5 million for subsistence, $1.4 million for clothing, and $4.8 million for BAQ. Inasmuch as all of these items were included in the increased costs cited above this total of $15.7 million should be considered as an offset against the $26,516,000 cost avoidance. Therefore the amount to be restored would be reduced to $10.816 million.

Recruiting Programs. The proposed cut of 400 enlisted canvassers would seriously hamper the Navy's recruiting efforts. In FY 1972, 2834 Navy canvassers recruited 85,347 recruits for an annual production per recruiter of 30.1 per year. In FY 1973, 3164 Navy recruiters will be required to recruit about 125,000 recruits for an annual production of 39.5. If the 400 enlisted canvassers are cut the productivity requirement will rise to 45.2 recruits/recruiter per year. In the long term, a sustained recruit canvasser production of 36 enlistees per year appears to be a high workable goal. Therefore, if the cut is imposed the Navy may not meet its enlisted recruiting needs, which is particularly crucial as we approach an AVF environment. The 60 officers cut will be disrupting to officer procurement teams recruiting on campus, as well as to the management and leadership requirements of the enlisted recruiting program and the USN/USNR one Navy recruiting effort.

Training Base Reductions. The HAC report states that "All of the services revised personnel plans for fiscal year 1973 reflects a lower recruit input into the training base." Additionally, the report states, "Also, a further reduction of 500 enlisted manyears is imposed against the Navy's program because the general reduction made under the category of strength shortfalls is not sufficient to provide a reasonable reduction in the training program". Navy has no plan for a lower recruit input into the training base, therefore, the initial comment is incorrect as applied to Navy. To offset anticipated FY 1973 losses, and make up end FY 1972 shortfall, Navy requires about 125,000 new accessions. This high accession requirement has not been

adjusted downward, and therefore the stated requirement for a substantial increase in recruit and other specialized training remains valid. The July accomplishment in recruiting was 11,840 and August was 13,988. So far in September the accessions are slightly ahead of plan. Further, as stated above, higher recruit accessions are being realized, and Navy expects to achieve its planned manpower goals for FY 1973. Implementation of this training reduction as recommended by the Committee would deny Navy the manyears required to meet trained strength requirements.

Support to Other Nations. As a result of the President's Vietnam withdrawal program, Navy has reduced the number of in-country advisors. The manyear requirements for Program 10 as displayed in the budget were valid at the time the budget was prepared. Because of the importance of the Vietnam program, it was given the highest priority in budget preparation and other priority programs were left unaccommodated as a result. These Vietnam billets are now available to Navy for reprogramming to other high priority fleet manning needs which were deferred to meet what was expected to be the requirements in Vietnam. Reprogramming plans include fully manning ships, and squadrons in accordance with validated requirements. With the continuing reduction in force levels it is even more imperative that each ship and squadron be fully manned and ready to perform its assigned missions. The reduction in manyears associated with the Military Assistance Program ship Transfer and Training Teams would interfere with the implementation of the President's Total Force Concept. Unless our allies are provided with forces being struck from the Navy, they will be lost from the total defense forces of the Free World. Transfer of these forces require Transfer and Training Teams.

As in other manpower reduction demands, when made at this late date, an imposed reduction would of necessity have to be taken against recruit accessions since the incumbents of the vacated billets are, in the main, careerists with tenure.

Transients. The HAC in reviewing Transients observed that "...current levels show some growth over the pre-Vietnam fiscal year 1964 levels," and recommended a reduction of 3,000 manyears to the Navy program. This is not correct for Navy. Although Navy remains heavily involved in SEASIA Operations, the requested transient level is below FY 1964 level as the following table shows:

	(Actual) FY 1964	(Planned) FY 1973
Total End-Strength	667,596	601,672
Transient End-Strength	38,401	27,035
Transient as % of E/S	5.75%	4.49%

The Transient strength requested understates actual Navy requirements and our ability to manage the transient accounts. Further reduction in transient manyears will probably not lead to a reduction in actual transients, but to an increase in temporarily empty billets throughout the Navy, including the fleet operating forces.

Reduction in Medical Doctors. The HAC recommended a reduction of 90 manyears and $2.24 million for doctors and dentists. Navy requirements for physicians and dentists are currently being met. We anticipate no difficulty in maintaining the strength requirements through FY 1973. Since almost all of the FY 1973 health professionals are now on board, a reduction of 90 manyears must be achieved by early releasing of up to 200 physicians commencing in January 1973. Such action is undesirable in light of continuing requirements for top quality care for military and dependent personnel, the delicate balance that exists in the allocation of these scarce resources, and the anticipated FY 1974 shortages of physicians and dentists. Lastly, it is understood that neither Congress nor the AMA desires to abruptly terminate our contracts with medical professionals. Another consideration bearing on this issue is that we are required to absorb the implementation of the recently authorized continuation pay for dentists which is expected to result in an unprogrammed cost of $4.46 million.

Headquarters Operations (-3,000 M/Y). The DOD Military Manpower Requirements Report, referenced by the HAC report, shows that Navy has programmed a decrease of 2,000 in the command structure which will occur during FY 1973. Enforcing an additional 3,000 manyear decrease after the start of the fiscal year would create severe personnel management problems.

The Navy agrees with the spirit of this action and is formulating a plan to restructure Headquarters and Commands in order to reduce manpower, and resources committed to this category. These plans are approaching completion and implementation will be reflected in the FY 1974 budget request. However, precipitous reductions in FY 1973 strength from Headquarters operations cannot be attained in the spirit of the HAC action since these activities are predominantly manned by middle-to-senior grade enlisted careerists and officers having tenure. Thus, if directed to reduce strength from Headquarters, we could only achieve the dollar reductions by reducing new accessions or executing early releases. The latter action causes a severe loss of expensively trained, experienced personnel before they can be replaced, which reducing accessions would impact directly on the fleet and lead to a shortage in base strength for producing experienced petty officers by FY 1974 - 1975.

Southeast Asia Amendment. The House Appropriations Committee has adjusted the initial requirement of $13,700,000 based on non-implementation of the previously planned involuntary extension program and revised estimate for applicable pay and allowance items based on more current experience. The current requirement, as indicated below, is $15,200,000 or $1,500,000 more than the Committee recommended. Accordingly, the Navy can accept the major portion of the adjustment, but $1,500,000 should be restored to the budget amendment under this appropriation.

	Initial Submit	Revision House Cmt	Current Requirements
Hostile Fire Pay	$10,900,000	$9,600,000	$9,600,000
Family Separation Allowance	1,200,000	1,000,000	1,000,000
Flight Deck Haz. Duty	100,000	100,000	100,000
Subsistence	2,000,000	1,700,000	1,700,000
PCS	2,300,000	1,900,000	1,900,000
Reenlistment Bonus	900,000	700,000	700,000
Officer Early Release Reductions	1,400,000	200,000	200,000
Involuntary Extensions	9,500,000	3,200,000	---
MSO Strength	700,000	---	---
	$29,000,000	$18,400,000	$15,200,000

Permanent Change of Station. The committee reduction of $7.9M in Permanent Change of Station fund is divided into four parts: Unit PCS Moves, Permanent Change of Station Travel, Movement of Household Goods by Air and Increased Allowance for Shipment of Household Goods from Overseas.

The committee based its reduction of Unit PCS funds on the premise that the FY 1973 overseas homeport program provided for an increase of only one ship over the FY 1972 program and that unit move costs increased from $4.7 million in FY 1972 to $12.1 million in FY 1973. In fact, the overseas homeport program increased by 10 units and the total program by 18 units (CONUS and overseas); further, the units involved in FY 1973 are larger with more personnel assigned. As a result, more family moves are involved. Since dependent moves are an entitlement, the program can only be reduced by restricting the overhaul and homeport change program. It is not feasible nor reasonable to restrict necessary fleet organization changes and ship overhaul schedules to effect small PCS savings.

An additional reduction was assessed against accession and separation category moves because present planning anticipates lower attrition than originally estimated. However, separation travel payments must still be made, whether as a reenlistment entitlement or for separation. The reduction in recruit accession travel payment will be offset by the more expensive accession payments to broken service reenlistments.

The committee further described the reduction of 26,168 Operational and Rotational moves from the original to the revised budget estimates as "savings". On the contrary, this reduction was necessitated by increased costs in all move categories and was required simply to remain within overall budget constraints.

The reduction in funds providing for increased allowance for shipment of household goods and foreign-purchased owned vehicles will eliminate a DOD entitlement. This will impact again on our career force as will the reduction in household effects movement by air.

The committee recognized the Navy's unique sea/shore rotation problem in its report. The net effect of the reduction assessed will be to further restrict the moves available in the Operational and Rotational move categories which provide for the normal sea/shore rotation of our career force. The reduction in these categories resulting from the committee action approximates 7,000 moves, and when added to the 26,168 move reduction already absorbed as a result of cost increases, equates to about 22% of the entire Operational/Rotational move program as originally submitted to Congress. The impact on our career force will be severe if we are forced to further gap billets and extend tours in order to absorb the committee reduction.

Movement of Household Goods by Air. The HAC Report reduced the appropriation by $400,000 related to household goods moved by air. For the same reasons stated on page 37, it is requested that $400,000 be restored to the MPN account.

Increased Allowance for Shipment of Household Goods. The HAC report reduced the appropriation request by $600,000 related to the allowance for shipment of household goods. For reasons stated on page 56, it is requested that $600,000 be restored to the MPN account.

Grade Creep. The HAC has recommended a reduction of $10 million in order to encourage a slowdown in promotions. While certain areas of Committee interest were identified, specific assessment against officer and enlisted promotions were not made. The following responds to the basic issue of "grade creep" and the actions being taken by the Navy to conform with the desires of Congress:

OFFICER

As the authorized number of officers has declined, the ceilings on O-5 and O-6 set forth by the Officer Grade Limitation Act of 1954 have also declined, depressing strengths in grade as follows:

	FY 1972 Strength	Legal Ceiling	FY 1973 Strength	Legal Ceiling
O-6	4155	4351	4017	4253
O-5	8845	8845	8475	8475

As a direct consequence of the operation of grade limitation laws, enacted for this purpose, the number of promotions to all grades planned for FY 1973 have been reduced from FY 1972 levels:

	FY 1972	FY 1973
O-6	689	541
O-5	1203	945
O-4	3163	2415
O-3	5052	3739
O-2	7018	5538

Officer flow points (planned number of years of commissioned service which accrue to an officer being promoted to the next higher grade) have been retarded as reflected below:

	FY 1972	FY 1973
O-6	20-21 yrs	20-21 yrs
O-5	14-15 yrs	15 yrs
O-4	8 yrs	8-9 yrs
O-3	3 yrs	3.5 yrs
O-2	15 mos	18 mos

The Navy officer management system is operating under the direction given by Congress in the officer grade limitation laws. Declining officer strength is working to produce a reduction of officer grades. Promotions have been slowed in order to remain within budget request. While additional savings could be made by stopping all promotions, such actions would have severe effects on morale and retention efforts.

Navy plans comply with the expectations of the HAC in reducing the average strength during the 4th Quarter of FY 1973 to remain below the FY 1972 end strength in grades O-5 and above. FY 1972 end strength in the grades O-5 and above is shown in the table below:

	End FY 1972	Planned 4th Quarter FY 1973 Average
Flag	315	315
O-6	4155	4063
O-5	8845	8477

The Navy is unable to substantiate the HAC statement that the Congress in FY 1972 provided about 11 million dollars over and above what would normally have been required to fund the Navy appropriation to pay for Captains excess to the Navy's requirement. The comparison of average strength during the entire year to requirements as of one day, 30 June is fallacious. Navy strength in captains on 30 June 1972 was 4,155 and requirements were 4,111. The small excess of 44 results from the operation of promotion laws which require that staff and restricted line officers be promoted as their unrestricted line officer "running mates" are promoted.

ENLISTED

The HAC report cites, in comparison of FY 1964 and FY 1973 data, an increase of 2,300 E8 and E9's and decrease of 48,000 E3, E2, and E1's in

FY 1973 but does not consider the premise that there is validity for some "grade creep" in recognition of technological sophistication in the intervening years. In FY 1964 about 38,000 of E-2 and E-3 personnel were qualified for a higher paygrade and required to perform the tasks of the higher grade while receiving pay at a lower paygrade. This moral inequity continues to persist in FY 1973; however, the number has been reduced to about 18,000. Nevertheless, in recognition of large pay increases to the lower grades Navy has extended the minimum time in grade for promotion to pay grades E-2 and E-3 by 50%.

From FY 1964 to FY 1968 an increase in the TOP SIX Petty Officer strengths from 54.3% to 58.9% of the total force occurred. However, since FY 1968, when ceilings were imposed on the petty officer strength by total number as well as paygrade, only a 2.14% creep occurred. This slight grade creep was due to the large end strength reductions in FY 1970, FY 1972, and FY 1972. As indicated in the following table, our current plan for FY 1973 reverses the grade creep trend by programming a lower petty officer percentage than in either of the two previous years.

ENLISTED END STRENGTH

	68	69	70	71	72	73
E9	3432	3665	3430	3390	3654	3679
E8	8572	9651	9311	9018	9183	8935
E7	41086	42407	40555	38864	36863	36580
E6	82285	84159	81507	77693	75515	74631
E5	115668	123316	101617	94372	88935	91869
E4	145994	152039	134361	118314	105459	105114
E4-E9	397037	415147	370781	341651	319609	320808
E1-E9	673610	686235	607433	542299	511789	525567
TOP SIX % Petty Officers	58.9	60.4	61.0	63.0	62.4	61.0

As an example of impact if enlisted promotions were reduced by $8 million it would be necessary to cancel or delay about 44,000 petty officer promotions for up to 7 months. This not only deprives Navy of the properly graded petty officers in skills needed to match requirements, but denies individuals their just entitlements to pay for their positions of responsibility.

In view of the above factors, cited for both officer and enlisted grades, and Navy's deliberate actions to slow promotions, the $10 million reduction should be restored.

Flight Pay. Section 715 of the proposed 1973 Defense Appropriations Act deletes entitlement to flight pay for those aeronautically designated members in the rank of Colonel or equivalent or above (O-6) who are in non combat assignments. The Navy requests that this restriction, as stated in the phrase "except those of the rank of Colonel or equivalent (O-6) or above in non combat assignments", be deleted from section (2) of Section 715.

The impact will not be limited to the officers immediately sustaining a substantial reduction in their total military compensation (although this in itself will be severe), but will be felt throughout the military aviation community. Senior officers, having survived the hazards of 15 or more years of military aviation experience, including in most cases at least some combat exposure, are appointed to the most senior grades only by careful screening at each promotion point along the way; they represent the best talent available. To deny them entitlement to flight pay, which they have reasonably expected by implied contract to continue to receive,

will not only create a pay inversion with the lower grades, but will effectively reward the less-competitive performer who fails of selection to the O-6 level. The morale implications of this aspect are readily apparent.

Officers who are nearer the beginning of their aviation careers, when seeing what has happened to their seniors and consequently their own expectations, and viewing this as but the first step in what could well be further reductions in the attractiveness of a career in military aviation, will be all the more inclined to consider alternative careers in civilian aviation. This can only have the deleterious effect of causing the most promising of our junior aviation officers to look elsewhere for a career that is assured, rather than subject to change annually at the discretion of Congress. A significant deterioration in both the quality and quantity of the career aviation force may thus be expected.

The effect of flight pay as in incentive to pursue an aviation career was studied in detail during the 1971 Quadrennial Review of Military Compensation. It was determined that flight pay would continue to be a necessary component part of an aviator's pay if the services were to be competitive in a draft free environment. An important conclusion of the Review was the finding that a potential volunteer should not be faced with a choice that requires a substantial prospective loss of income if he decides to make the service a career. The proposed action, then, is contrary to the findings of the Quadrennial Review and would be counter-productive to our efforts to attract an all volunteer force in a draft free environment.

The loss of flight pay to Captains and above can be expected to have a severe adverse impact on junior officer retention. Foreseeing a loss of over $25,000 in lifetime earnings, it is anticipated that a significant number of career oriented aviators will choose to leave the service rather than remain and experience the loss of income. The replacement training costs of less than 20 Naval aviators would be greater than the $3,595,897 annual savings generated by the proposed loss of flight pay. Additionally, for each pilot lost the Navy would lose the 24 months it now takes to train a fleet qualified replacement. The overall result will be less qualified aviators available to the Navy at a greater total cost to the government.

The additional cost of retaining replacement aviators can be expected to increase proportionally as the retention problem becomes more critical in a draft free environment. It is considered that the small savings generated by the deletion of flight pay to Captains and above will result in a substantially higher cost increase in future training and manpower replacement cost and will be, in effect, cost ineffective.

Military Personnel, Navy

Appropriation Language

House Bill

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets.

Department of Defense Position

The Department of the Navy requests that the language for the Military Personnel, Navy FY 1973 appropriation be amended by adding the following proviso:

"provided that of said amount, not more than $1,000,000 shall be available for payment of transportation bills for shipment of household goods and for transportation costs already incurred and chargeable to the Fiscal Year 1971 Military Personnel, Navy appropriation, provided further that such payments shall not result in adjustments in the account of said appropriation."

The Secretary of Defense has no objection to this proposal.

Justification

In April 1972, the Navy ceased processing payments to all transportation vendors for bills covering the shipment of household goods chargeable to the appropriation "Military Personnel, Navy, FY 1971". Basis for this action was the determination made at that time that the Navy had no legal authority to pay these charges since the Military Personnel, Navy, FY 1971 appropriation was in a deficit status, and in violation of the provisions of R.S. 3679. A report covering the violation is being developed, and will be submitted as soon as available.

The Navy is now holding 741 bills from 140 vendors (including small business) located throughout the United States. The current value of these bills is approximately $570,000. It is estimated that the ultimate value of transportation and storage bills chargeable to MPN 1971 will approximate $1 million. All of the vendors have fulfilled their contractor responsibilities by completing the shipments or storing the household goods. In order to make payment from fiscal year 1973 the appropriation language for MPN must be amended.

MILITARY PERSONNEL, MARINE CORPS

(Thousands of Dollars)

FY 1973 Request, as amended	$1,537,792
House Appropriation Adjustments	- 1,356
House Bill	$1,536,436
DoD Reclama	+ 1,356
Current DoD Request	$1,537,792

Summary of Adjustments and Reclama:

	House Adjustment			DoD Reclama		
	Dollars Thousands	Manyears Off	Enl	Dollars Thousands	Manyears Off	Enl
Military Strength Short Fall	$-4,611	-0-	-709	$ -0-	-0-	+139
Recruiting Programs	-1,384	-30	-170	+1,384	+30	+170
Grade Creep	-3,000	-0-	-0-	+2,454	-0-	-0-
Flight Pay for Non-Flying Col/Gen-	42	-0-	-0-	+ 42	-0-	-0-
Subsistence, Clothing & Quarters Allowances	+8,900	-0-	-0-	-3,024	-0-	-0-
Shipment of Foreign Automobiles	-300	-0-	-0-	+300	-0-	-0-
Increased allowance for shipment of household goods	-200	-0-	-0-	+200	-0-	-0-
All Other	-719	-0-	-0-	-0-	-0-	-0-
Total	$-1,356	-30	-879	$+1,356	+30	+309

JUSTIFICATION

Military Strength Short Fall. The Marine Corps requested 178,989 manyears and $1.087 billion for enlisted personnel in Fiscal Year 1973. The Committee reduced this by 709 manyears and $4.6 million. The Marine Corps requests restoration of 139 manyears. The Marine Corps indicated, in its Fiscal Year 1973 Apportionment budget, a 709 enlisted manyear reduction from that of its Presidential submit to Congress. The Marine Corps has exceeded its enlisted strength projected in the Apportionment budget for June, July and August. Thus, the apportionment reduction of 709 enlisted manyears went below present manyear requirements by 139. The reduction in enlisted manyears would require reducing recruit accessions now and increasing them by a similar amount later in the year. Since higher quality recruits are available at this time of year, an overall decrease in recruit quality would result.

Recruiting Programs. The Marine Corps requested a Recruiting Service end strength of 3031 Marines in Fiscal Year 1973. The Committee reduced this request by 30 officers and 170 enlisted Marines, with an associated cost reduction of $1.384 million. The Marine Corps requests restoration of the entire Recruiting Service reduction. As portrayed in the table on page 56 of the Committee's report, the Marine Corps is requesting an increase of 86 recruiters in Fiscal Year 1973 over Fiscal Year 1972. If the Committee imposes a reduction of 30 officers and 170 enlisted against the Fiscal Year 1973 request, the Marine Corps would suffer a reduction of 30 officers and 84 enlisted below the Fiscal Year 1972 authorized level. The Marine Corps minimum enlisted accession quality requirements for Fiscal Year 1973 are 65% high school graduates (our pre-Vietnam level) and no more than 15% Mental Group IV personnel. Recruiters are working at capacity to obtain the quality required. However, only 50.8% of Fiscal Year 1972 accessions were high school graduates and 20.2% were Mental Group IV personnel. This difference between qualitative requirements and results has caused the Marine Corps to suffer a fiscal year formal school seat shortfall, through lack of qualification, of 3,500. Productivity in Fiscal Year 1964 was 38 enlistees per enlisted canvasser. The sharp reduction in draft pressure from Fiscal Year 1964 to the present notwithstanding, the number of enlistees per enlisted canvasser was 34 in Fiscal Year 1972 and is estimated to be 31 in Fiscal Year 1973 with the requested addition of 86 canvassers. This updates previous testimony on page 823 of the hearings before the House Appropriations Committee. This is particularly significant in view of the fact that the percentage of "true volunteers", i.e., those who are not motivated by the pressure of the draft, has increased from the Fiscal Year 1964 level of 55% to a present level of 92%. The request for an additional 86 enlisted recruiters for Fiscal Year 1973 was made after analysis of the expected effects of ongoing and planned programs designed to improve procurement and retention. The anticipated effect of bonus proposals incorporated in the Uniformed Services Special Pay Act of 1972 was also taken into consideration. Plans are presently being developed to implement expected bonus authority therein which would authorfze payment of selective enlistment and reenlistment bonuses to enlistees/reenlistees in fields experiencing shortfalls. Additionally, the Marine Corps has, of course, been paying an enlistment bonus of $1500 to four-year enlistees in the combat arms field since June, 1972. If the request for an additional 86 recruiters is disapproved, the Marine Corps will be unable to meet qualitative and quantitative enlisted accession requirements for the remainder of Fiscal Year 1973 and the succeeding years. If, in addition to disallowing the additional 86 enlisted, the Marine Corps is directed to reduce its present recruiting

force by 30 officers and 84 enlisted, Fiscal Year 1973 quantitative requirements could not be met, even accepting further degradation of the quality of enlisted accessions.

Grade Creep. The Marine Corps requested $1.538 billion for active duty military personnel in Fiscal Year 1973. The Committee reduced this by $3 million in order to slow promotions, reduce the number of senior personnel and thereby reverse "grade creep". The Marine Corps requests restoration of $2.454 million. In the case of general officers, a comparison between Fiscal Year 1964 and Fiscal Year 1973 is not valid. Between Fiscal Year 1964 and Fiscal Year 1967 the Marine Corps operated at a ceiling of 60 general officers. In Fiscal Year 1967 the Marine Corps requested, and the Congress approved, an increase in Marine Corps general officer authorizations. The justification for this increase was succinctly presented in the House Armed Services Committee Report on the then proposed legislation. This report stated, in part: "A review of present as well as upcoming requirements for general officers leads to the inescapable conclusion that the Marine Corps cannot continue to optimally honor its wide ranging commitments with only 60 generals.... Detailed studies forming the basis of the present proposal establish urgent needs that exceed these authorizations by significant numbers. The determination of these (the new) general officer requirements took into account the fact that there are certain flag officer billets in the Navy which provide support to the Marine Corps.... The additional numbers which the proposal would authorize make allowance for this Navy support." As a result, a fair comparison of general officer strengths in the Marine Corps should use the Fiscal Year 1967 strength. This comparison shows that between Fiscal Year 1967, when the Marine Corps had a strength of 76 general officers, and end Fiscal Year 1973, when the general officer strength will be 71 (a reduction of 1 from the original Fiscal Year 1973 budget submit), the general officer strength of the Marine Corps will have been reduced by 6.5%. As to the other senior grades, the proportion of the total officer force in the grades of colonel and lieutenant colonel at the end of Fiscal Year 1973 will be below that of Fiscal Year 1964. In addition, promotions to grades above major in Fiscal Year 1973 are significantly less than those in both Fiscal Years 1964 and 1972. The Marine Corps enlisted grade structure is based upon actual operational requirements. The current manning level is well below the stated requirements in all of the top six enlisted pay grades except for E-9 where further reductions are planned. Fiscal Year 1973 promotions reflect only those required to fill projected vacancies in the authorized force structure, not to support increased requirements. Any additional reduction in the current enlisted structure would force the Marine Corps to operate even further below stated operational requirements. An extreme reduction, such as to Fiscal Year 1964 manning levels, would have a very serious overall impact on the enlisted force. For example, given current attrition and reenlistment rates, it would require approximately four months for the current force to reach the level where any promotions to E-4 could be effected. Delays in promotion to pay grades E-5 through E-9 would range from one to three years. Promotion prospects such as this would have serious adverse impact on retention, both within the career force and the first term force. Further, lengthy promotion delays would seriously jeopardize the capability to attract quality accessions. An alternative to extensive promotion delays would be to implement a forced attrition program which would, in all probability, result in similar adverse reactions. Although the proposed cut would not result in such serious impact as outlined above it would stagnate promotions and diminish the attractiveness of a military career. In light of the major effort to achieve an all volunteer force, and therefore the essential need to maintain a competitive position

in the quest for quality accessions, the action to reduce the average enlisted pay grade is considered ill-timed. Restoration of $2.454 million would permit some promotions for E-8s and E-9s as well as to lieutenant colonel and above. Cessation of these promotions would also cause considerable reduction in the number of promotions effected in the lower grades. In summary, the Marine Corps' long-standing plan to reduce higher grades, both officer and enlisted, has been successful and is consistent with the will of the Committee. Further indication of progress in this area will be evident in the Fiscal Year 1974 request.

Flight Pay for Non-Flying Colonels and Above. The Marine Corps requested $13.639 million for officer crew-member flight pay for Fiscal Year 1973. The Committee reduced this by $42 thousand and included language in Section 715 which would preclude the payment of flight pay to colonels and generals in non-combat assignments. The Marine Corps requests restoration of the entire reduction. The Committee feels that the payment of flight pay is not justified for senior officers who are not likely to return to an operational flying billet. Almost all of the senior officers in the Marine Corps drawing flight pay and not in an operational flying billet are in the rotation base for the aviation operating forces and will return to a billet which requires operational flying. The two serious and far reaching detrimental effects of the proposed legislation on the entire aviation community are: 1-The Marine Corps cannot expect to retain dynamic aviation officers when Congress contravenes the contract under which Marine Aviators have joined, trained and served for many years. Further, the decrease in retention of junior aviators and the increase in lieutenant colonel and colonel retirements represents an extremely large trained loss at the expense of achieving a very small savings in flight pay. 2-This legislation contradicts the intent to equalize military and industrial pay scales. Upon promotion to colonel and assignment to a highly responsible staff position, senior aviators would be penalized by a $65 monthly pay cut. If we are to compete with industry for young aviators, we must not offer a career in which excellence is not rewarded and an implied moral contract derogated.

Subsistence, Clothing and Quarters Allowances. The Marine Corps requested $74.611 million for subsistence of enlisted personnel for Fiscal Year 1973. The committee increased this by $4.600 million due to price increases in food costs. Since that time the Marine Corps has recomputed subsistence requirements and due to a 5.2% increase in absenteeism and personnel on movements the increased subsistence requirements have been reduced by $3.024 million, for a total requirement of $76.187 million. Therefore the Marine Corps requests a decrease of $3.024 million.

Shipment of foreign automobiles. The HAC report reduced the appropriation request by $300,000 related to shipment of foreign automobiles. For reasons stated on page 53, it is requested that $300,000 be restored to the MPMC account.

Increased allowance for shipment of household goods. The HAC report reduced the appropriation request by $200,000 related to the allowance for shipment of household goods. For reasons stated on page 56, it is requested that $200,000 be restored to the MPMC account.

All Other. Restoration is not requested for the following items:

Parachute Pay	$-426,000
Training Travel for Officers	-143,000
Movement of Household Goods by Air	-150,000
Total	$-719,000

DEPARTMENT OF DEFENSE RECLAMA
MILITARY PERSONNEL, AIR FORCE

(thousands of dollars)

FY 1973 Request, as amended	$ 7,275,575
House Appropriation Adjustments	- 152,872
House Bill	7,122,703
DoD Reclama	+ 86,423
Current DoD Request	$ 7,209,126

Summary of Adjustments and Reclama:

(thousands of dollars)

	House Adjustment	DoD Reclama
Manpower for Strategic Systems, AF	-$ 2,779	+$ 2,779
NCO Academy	- 938	-
Support to Other Nations	- 21,861	+ 13,786
Transients	- 3,000	+ 3,000
Project Transition	- 3,554	+ 3,241
Headquarters Operations	- 28,000	+ 28,000
Reduction in the Number of Medical Doctors	- 1,150	+ 1,150
Subsistence, Clothing, and Quarters Allowances	+ 11,869	-
Southeast Asia/Strategic Arms Amendment	- 11,870	+ 7,870
Movement of Household Goods by Air	- 2,000	+ 2,000
Shipment of Foreign Automobiles	- 2,530	+ 2,530
Increased Allowance for Shipment of Household Goods	- 4,000	+ 4,000
Grade Creep	- 10,000	+ 10,000
Reenlistment Bonus	- 6,600	+ 6,600
Flight Pay for Colonels/Generals	- 1,467	+ 1,467
All Others	- 64,992	-
Totals	-$ 152,872	+$ 86,423

JUSTIFICATION

Strength Related Reductions. The amended budget was based on 727,010 manyears. The House Appropriations Committee (HAC) approval was based on a reduction of 13,559 manyears to a total of 713,451 manyears with 6,813 reduced by shortfall and 6,746 reduced by other actions.

The Air Force agrees with a reduction of 8,313 manyears and the associated funding of $69,082,000. However, the reduction of 5,246 manyears of the total 13,559 will have a significant adverse impact on Air Force manning, training programs and operational capability.

The 5,246 manyear reduction, in addition to the 8,313 to which the Air Force agrees, would require the delay of over 9,000 non-prior year (NPS) recruits and release of approximately 14,000 on-board personnel prior to their normal dates of separation. This is true because the total number of actions which must be taken with individuals will greatly exceed the total number of manyears involved. For example, to save one manyear eight airmen

would have to be released 1½ months prior to their normal dates of separation. In the same manner, delaying the accession of four recruits 3 months each would be required to save one manyear.

The delay of NPS accessions would require reprogramming of established training programs and cause a lag in the availability of trained resources to fill valid manning requirements. The manning lag caused by the delay of NPS accessions would be further compounded by the concurrent action to accelerate losses of over 14,000 trained personnel. This manning lag and associated turbulence cannot be absorbed in the force, already significantly reduced in the President's Budget, without a severe impact on overall operational capability as well as in the areas where reductions are suggested.

The reductions associated with the overall manyear reduction of 13,559 was $121,038,000. The Air Force agrees that the strength shortfall of 6,813 manyears will result in a savings of $59,756,000. However, the additional Committee manyear cut of 6,746 would only save $37,724,000 because the personnel actions outlined above to achieve the manyear reduction equate to $5,592 per manyear.

The proper pricing of the total HAC cut of 13,559 manyears would result in a saving of only $97,480,000 instead of $121,038,000 which would require restoration of $23,558,000. However, the Air Force requests that 5,246 of the manyear cuts be restored. This requires a funding restoration of $51,956,000 for the first six items in the summary of the DoD Reclama as detailed below.

Manpower for Strategic Systems, Air Force. The House Appropriations Committee proposed a reduction of $2,779,000 stating that a manpower increase of 883 spaces for SRAM can be reduced by 370 spaces on the basis that some squadrons will not be outfitted with the system during FY 1973, and further, the SRAM is expected to require little unit maintenance. The Committee also did not approve a 100 space increase for security purposes in the Minuteman program in view of reduced workloads as the Command Data Buffer becomes operational.

The increased SRAM manpower spaces will be used to augment eight maintenance squadrons supporting six B-52 squadrons and two supporting four FB-111 squadrons due to collocation of two FB-111 squadrons.

At the end of FY 73 all four FB-111 squadrons and four of the six B-52 units will be fully equipped with SRAM modified aircraft. The remaining two B-52 units will have 25 missiles and 15 modified aircraft and five missiles and six modified aircraft by end FY 73. The requested manpower will provide a capability to receive and maintain the initial missile deliveries (April and June) and earlier deliveries of ground equipment.

The B-52 and FB-111 SRAM modification programs are on schedule. By end FY 73, approximately 83 B-52 and 64 F-111 aircraft are scheduled to have been modified for SRAM carriage. Modification of all FB-111 aircraft is scheduled for completion by the first quarter of FY 74. In FY 1971 and 1972, procurement was directed for 138 modification kits for the B-52's. By the time all 138 kits are delivered in October 1973, 138 B-52 aircraft will have been modified or be undergoing modification. The FB-111 kit procurement and modification schedules are similar.

The SRAM system is expected to have a reliability of [ ] However, maintenance requirements are based on normal service, inspection, loading and unloading, exchanging payloads, conducting integrated checkouts, and maintaining ground equipment, as well as repair requirements. It is therefore misleading to estimate manpower needs solely on the [ ] reliability factor. Analyses indicate that 25% of the unit level maintenance requirement is related to service and repair and 75% in support of ground operations. Mean Time Between Failure data, provided by Boeing, was used in calculating manpower requirements.

The security manpower requirements for Minuteman are based on the number of maintenance teams. In the past, increased security personnel were not added for additional teams as the System evolved. This action resulted in extreme overtime hours, waiver for the protection of some critical resources, reduced training and borrowing of personnel from other functional areas for security duties. Morale, discipline, retention rates, and overall effectiveness of the security forces were reduced. Since only [ ] Minuteman missiles are scheduled to be equipped with Command Data Buffer by end FY 73, any manpower reductions which might be possible as a result of its installation will not accrue until later years.

It is requested that $2,779,000 and 470 spaces be restored to this estimate.

Noncommissioned Officers Academy. The Committee deleted $938,000 for the Air Force-wide Senior NCO Academy at Gunter AFB on the basis that current NCO academies are adequate for near term needs and the proposed academy should be deferred.

Establishment of a more effective professional military education (PME) program for senior enlisted personnel is necessary to develop the highest quality NCO leadership possible to attain an all-volunteer force. They must be able to attract, motivate, and retain high quality young airmen. In addition, senior NCOs are being challenged by constricting force levels, attrition of experienced personnel, and contemporary social problems.

The USAF Senior NCO Academy is being developed to prepare first-line supervisors for these difficult challenges. This vital new program does not duplicate the efforts of command operated NCO Academies or the Defense Race Relations Institute--it complements them.

Since the Senior Academy is an integral part of the Air Force program to attain an all-volunteer force, it cannot be delayed. This program must be supported and the Air Force will provide the necessary resources by internal realignment of existing programs if the restriction in proceeding with the NCO Academy is removed.

Support to Other Nations. The Air Force requested an end strength increase of 10,285 chiefly as a result of realignments from other Major Force Programs. The Committee feels that the increase was not adequately justified, and has recommended a reduction of $21,861,000 (2,500 manyears).

Classified material which has been deleted is indicated by brackets. [ ]

[(deleted)] as well as continuing Air Force efforts to reduce residual manpower requirements [(deleted)] the Air Force has revised this increase downward by 2,888 authorizations making possible a reduction of 1,444 manyears from the original budget submission. The remaining 1,056 manyears are vital to the ability of the Air Force to carry out its role in the Support of Other Nations Program.

It is essential that these 1,056 manyears (7,397 military end strength) be reinstated. Additional justification for this restoration follows:

- 1,529 spaces to be transferred from Programs 2 and 9 are required to realign the [(deleted)]

- 599 spaces from Programs 1, 2, and 3 are required to provide residual base communications, navigational aids and aircraft control and warning requirements to support USAF needs [(deleted)]

- 4,457 spaces from Programs 2, 6, 7, 8 and 9 are required to provide civil engineering, transportation, security police, medical, postal, logistics, comptroller, and personnel support to residual USAF units, [DELETED] [(deleted)]

- 439 spaces from Program 3 are required to support the US cryptological program.

- 373 spaces from Programs 2 and 4 are required to provide Strategic and Tactical Airlift requirements [(deleted)]

Failure to reinstate the manyears associated with these requirements will seriously jeopardize our capability [(deleted)]

It is requested that 1,056 manyears and $13,786,000 be restored to this estimate.

Transients. The Committee stated that the services greatly increased the number of transient and patient authorizations for Southeast Asia activities. The Committee recommended a reduction of $3,000,000 (about 330 manyears) in the Transient Account on the basis that, as forces are withdrawn from Southeast Asia, personnel turbulence diminishes, thus reducing the need for transient spaces.

At the peak of the Southeast Asia conflict (FY 1968), the Air Force had no Transient space authorizations. Since that time, transient requirements have not been fully funded:

	FY 71	FY 72	FY 73
Requirements	37,106	29,892	32,910
Budgeted	7,896	10,000	10,328
Unfunded	29,210	19,892	22,582

Classified material which has been deleted is indicated by brackets. [ ]

Turbulence, in terms of PCS moves, will increase in FY 1973 rather than diminish. In FY 1972, 36 month oversea tours were extended to 48 months. With the added return in FY 1973 of the extended overseas personnel and the increasing number of retirees, the FY 1973 PCS program will exceed FY 1972:

	Moves		
PCS Categories	Actual FY 72	Increase	Estimate FY 73
Training Travel	169,996	3,811	173,807
Operational Travel between Duty Station	61,923	14,941	76,864
Rotational Travel to and from Overseas	252,342	30,152	282,494
Total for Transient Computations	484,261	48,904	533,165

Any further reduction in transient manyears will increase the level of combat unit undermanning due to time lost during PCS moves. It would aggravate the existing condition caused by underfunding of Transient authorizations wherein time lost to the conduct of productive work results in degradation in the overall quality of work, deferral of work, and increased overtime, which ultimately translates into decreased retention rates and reduced mission effectiveness.

It is requested that $3,000,000 (330 manyears) be restored to this estimate.

Project Transition. On the basis that the number of returnees from Vietnam will be significantly reduced, the Committee recommended that the FY 1973 student inputs into the Air Force Skill Center be held at the FY 1972 level.

The Air Force will be unable to comply with Project Transition directives with the deletion of the 56 additional base operating support manpower authorizations provided to accommodate the projected 400 buildup in student load. In addition, the reduction of 400 manyears associated with the student load is inappropriate since the Air Force budget does not contain any student authorizations for the Skill Center. Due to budget constraints, Air Force units losing personnel to the Transition Program are not provided replacements until the individuals complete their transition training and leave the active force.

It is requested that 400 manyears and $3,241,000 associated with permanent party personnel requirements be restored to this estimate.

Headquarters Operations. Based on reviews conducted by the Surveys and Investigations Staff, the Committee feels that further reductions in headquarters are justified. The Committee made a reduction of $28,000,000 (3,000 military manyears).

Consistent with prior Congressional action, positive action has been taken to reduce headquarters activities. As the total strength has decreased since FY 1968, the Air Force has been aggressive in reducing the

size of its principal headquarters elements. Compared to an 18 percent total strength reduction, a reduction of over 24 percent (12,000 authorizations) has been made in headquarters and supporting activities. The additional reduction cannot be absorbed without severe impairment to the management structure.

In 1971, broad headquarters restructuring and realignment projects were completed which resulted in substantial savings of over 1,000 spaces in FY 1972 (670 military)and 800 spaces (630 military) in FY 73 as reflected in the FY 73 President's Budget. Other project considerations, e.g., definition of staff, support, and operating functions; realignment of authorizations; and elimination of duplications in the management structure. This laid the groundwork for a further reduction of 1,100 military authorizations which is being applied to the 6,813 manyear "strength shortfall" reduction as suggested by the Committee.

Before making further reductions, it is imperative that top management echelons be permitted to "settle down" in their overhauled configurations since many realignments have caused severe personnel turbulence, and required significant changes in management concepts and philosophy. A further reduction of 3,000 military manyears would require the imposition of arbitrary reductions which the Congress has specifically cautioned against in the past.

With no discernible relationship to a commensurate reduction in workloads, an "across the board" reduction now would cause highly adverse personnel actions and critical impairment to the command and control of mission forces and resource management activities. Personnel would be eliminated in the management of programs which require extremely tight control and constant surveillance. The cost of this loss in management capability could exceed the savings.

It is requested that $28,000,000 (3,000 military manyears) be restored to this estimate.

Reduction in the Number of Medical Doctors. On the basis that serious recruiting problems exist, the Committee made a reduction of $1,150,000 and reduced the average number of requested physicians by 46.

Medical workload is directly related to the size of the active force, numbers of retired personnel, their dependents, and the dependents of the deceased. Physician requirements are established by management engineered standards based upon total workloads. In the FY 1970-1973 time period, there is a 37% increase in retiree beneficiaries although the active force is reduced. Consequently, physician requirements have declined at a slower rate than the active force. The point is that physician requirements are tied to the total service population, active and retired, eligible by law for military medical service. That population is increasing and it is a demonstrated workload.

Although the Air Force commented that there would be difficulty in procurement of highly qualified physicians, no studies have been made to support this contention. In the absence of a draft-free environment, it is impossible to do such a study. If the Air Force, in fact is unable to attain the full strength goals, the requested funds will not be required; however, the Air Force should not be prevented from attempting to attain this goal through lack of funds.

It is requested that $1,150,000 and 46 physician spaces be restored to this estimate.

Southeast Asia/Strategic Arms Amendment. The Committee reduced the estimate $11,870,000 including $2,570,000 based on not reaching budgeted TDY strength and $5,300,000 for lack of justification for subsistence and PCS travel associated with Southeast Asia activities.

The number of personnel assigned on a TDY basis to support increased Southeast Asia activities has exceeded the budgeted 17,784 level to date in FY 1973. In July 1972, it was [ ] Actual TDY deployments as of 1 September 1972 were [ ]

Vietnam	[ ]	Taiwan	[ ]
Thailand		Korea	
Guam			
Philippines			

The reduction of $2,570,000, based on not reaching budgeted levels, must be restored to support this force.

Requirements of $9,700,000 for subsistence and permanent change of station travel related to increased activities in Southeast Asia remain unchanged. The $5,300,000 reduction should be restored since increased costs are being incurred as a result of the Air Force involvement in SEA. These costs cannot be absorbed within funds requested in the President's Budget.

While it is true that the majority of moves related directly to deployment to meet increased combat activities involve TDY personnel, the extended drawdown of strengths for TDY purposes and additional unprogrammed PCS moves to the Pacific area are requiring filler action for replacement within CONUS resources. Unprogrammed PCS rotational moves are required to and from and within SEA and the Pacific area as well as Europe. Units being deployed are being brought up to the fully manned level prior to departure from CONUS. Onboard airmen are being retrained and reassigned to fill manning shortages in specialties which are critical to the SEA augmentation, such as weapon mechanics and weapons handlers. The manning of communication units in the Philippines, [ ] and other Pacific locations is being brought up to authorized levels to allow them to fully support emergency augmentation deployments in Thailand and Vietnam. Personnel in overseas locations, who receive tour adjustments for TDY in Vietnam and Thailand, are being replaced earlier than programmed. Finally, the voluntary extensions planned in Vietnam and Thailand are less than expected because of the increased combat activity.

Funds for subsistence are required to provide rations where operational duties preclude the use of available facilities and for passenger, aircrew, maintenance and medical personnel moving on cargo and support type aircraft. Regularly assigned personnel will be authorized to subsist separately at home locations where they are being displaced by TDY personnel who must be immediately available to meet operational commitments. Requirements for subsistence are estimated on deployed forces plus the population impact of the transfer of units from the Republic of Vietnam to Thailand.

Expenses are being incurred and failure to provide adequate funding will have a direct impact on the combat mission in SEA. It is requested that $7,870,000 be restored to this estimate.

Movement of Household Goods by Air. The Committee reduced this program by $2,000,000 based on too rapid a growth since FY 1970. The program was reduced because they believed that shipments by air are always more expensive than seaborne shipments.

Classified material which has been deleted is indicated by brackets. [ ]

Traffic management officers are directed to use the mode of transportation which will result in lowest overall cost to the Government, consistent with actual requirements of both the member and the Government. In making this determination, the traffic management officer must consider all possible cost factors associated with the change of station, not transportation costs alone. Instances in which the decision to authorize air shipment may be appropriate are as follows:

a. When air shipment will significantly reduce the transit time to overseas locations where personnel are authorized Temporary Lodging Allowance (TLA) while awaiting arrival of household goods essential to occupancy of permanent quarters. In these instances, air shipment may be cost effective if TLA is reduced by an amount below the difference between the cost of surface and air transportation.

b. When surface means of transportation are not available (or are irregularly scheduled).

c. When the use of surface transportation produces a higher overall cost than pure air shipment (without consideration for TLA payments) as a result of consistently high loss or damage factors. Most shipments to Central and South American countries are prime examples of this situation.

d. Where exigencies of the service and requirements of the member dictate that his property be made available to him immediately or soon after his arrival at a new duty station. Examples of this requirement would be:

(1) A consecutive oversea tour assignment from an accompanied to an unaccompanied oversea duty station involving the relocation of the member's dependents to a CONUS location prior to the member reporting to his new restricted duty station assignment.

(2) Consecutive oversea tours of duty between two accompanied oversea duty stations when transit time for surface shipment could result in non-receipt of personal property for periods of time up to six months.

(3) Assignment to Embassies, MAAGs, and Missions, when requirements dictate the immediate assumption of protocol responsibilities.

(4) Incident to any overseas assignment when a partial shipment is necessary for the establishment of proper and adequate interim housekeeping for the member and his dependents pending the arrival of the primary shipment of household goods shipped via surface means.

Reduction of funds for shipment of household goods by air would require their shipment by other means at resultant higher overall cost requiring increased appropriations for surface shipment and TLA payments. Additionally, the reduction of air shipment would impose severe hardships on military personnel and their families and be counterproductive to on-going efforts to make military service more attractive as a career.

It is requested that $2,000,000 be restored to this estimate.

Shipment of Foreign Automobiles. The Committee questioned that payment, by the government, for transportation of foreign made and purchased automobiles would be of significant benefit in obtaining an All Volunteer Force. It was noted that the DoD policy would amount to subsidizing the procurement of foreign automobiles at a time of a sluggish U.S. economy and a record balance of payment deficit. The Committee recommended a return to the previous policy which prohibited such shipment and reduced the estimate by $2,530,000.

Since March 1961, the Department of Defense has prohibited, with limited exceptions, transporting at government expense privately owned foreign made vehicles which were purchased overseas by DoD personnel. This action was designed to assist the balance of payments.

Studies indicate that military personnel have continued to purchase foreign vehicles overseas. Also, most of these vehicles are shipped back on foreign carriers as they are cheaper than American carriers. Based on these considerations and the simple equity of providing DoD personnel with an entitlement contained in the basic law, the Secretary of Defense approved the recision of the prohibition on May 21, 1971 effective 1 July 1972.

Air Force personnel have been aware of the lifting of the prohibition and have acted accordingly. Without government transportation for their vehicles, members who have purchased foreign made cars will either have to plan again to ship these vehicles at their own expense or sell them at a potential loss and inconvenience to themselves. To rescind this benefit more than 18 months after it was announced is clearly a breach of faith.

Funding through 31 December will not preclude an injustice as the majority of those affected will not be returning to the United States until after 31 December 1972. The balance of payments problem may be affected due to increased purchases of foreign made vehicles, however, this will be offset, to a degree, by decreased expenditures for shipping vehicles on foreign carriers.

Policy changes, such as this, which recognize the basic requirements of military people, will have great impact on making service life more attractive in the volunteer environment. The cost, in terms of dollars and gold flow, could not compensate for the damaged morale, credibility and decreased attractiveness of service life if the prohibition on shipment of foreign vehicles is reinstated.

It is requested that $2,530,000 be restored to this estimate.

Increased Allowances for Shipment of Household Goods. The Committee believes that the new policy which authorizes the military members to return to the United States from overseas with full household goods weight allowances would cause an immediate increase in PCS cost; encourage personnel to buy more foreign made goods for shipment to the United States; be of benefit only to personnel in higher grades and would not assist in obtaining the All Volunteer Force. It was indicated that the policy would disrupt efforts to alleviate the balance of payments problem. The Committee made a reduction of $4,000,000 in this program and recommended a return to the former policy 1 January 1973.

A DoD policy change in May 1971 permits military members to return their full authorized household goods weight allowance, less the amount in non-temporary storage, upon return from overseas areas where government furnishings are provided in quarters. The revised policy recognizes that members, over a three or four year period, do accumulate additional household goods, as the size of their family increases.

To hold military members to the same weight limitation, on return from an overseas tour, as when they were assigned overseas does not recognize this basic fact. The Committee report concluded that the average shipment would be 10,000 pounds and would benefit mainly senior, higher ranking members. However, the policy was implemented specifically for younger members with growing families in mind.

The policy permits shipment of the full weight allowance less the amount in non-temporary storage. Senior members will have considerable amounts of items in storage, therefore their entitlement is proportionally reduced. Younger members, with less in storage benefit more from the policy change.

The DoD policy change was publicized nearly eighteen months ago. Members overseas have planned accordingly. To terminate the benefit would be a clear breach of faith and considerable hardship for the junior member who now must conform with the previous weight restrictions.

Funding through 31 December will not preclude an injustice, as the majority of those affected will not be returning to the United States until after 31 December 1972. Consideration of the basic needs of military members and their families are considerably more important than the potential impact on the balance of payments problem.

Policy changes, such as this, which recognize the basic requirements of military people, will have great impact on making service life more attractive in the volunteer environment. The cost, in terms of dollars and gold flow, could not compensate for the damaged morale, credibility and decreased attractiveness of service life if the policy change is rescinded.

It is requested that $4,000,000 be restored to this estimate.

Grade Creep. Although the Air Force active duty strength is declining, the Committee noted that since 1964 numbers in the grade of colonels have increased and in the enlisted force that the numbers in Top 6 grades have increased considerably. The Committee made a reduction of $10,000,000 to encourage slow-down in promotions.

The Air Force has continuously operated within intent of the guidance provided by the Congress regarding officer and enlisted promotion programs.

In 1965, Congress took action to correct the inequity of the 1954 Officer Grade Limitation Act by authorizing the Air Force additional field grade officers to provide equity with the other services.

The majority of the colonel increases since 1964, support new requirements resulting from the establishment of three unified commands, four defense agencies and the strengthening of the Office of Secretary of Defense and the Organization of Joint Chiefs of Staff, all of which have been approved by the Congress. An additional factor contributing to this increase was the legislative exclusion of physicians and dentists from the 1954 OGLA combined with their accelerated promotion through constructive service credit.

Seventy-five percent of the increase in colonels is attributed to these factors. This increase has occurred in activities which have less than 30% of the colonel inventory. The minimal colonel increase in the line of the Air Force has provided limited incentive to attract and retain personnel in an increasingly complex profession and technical environment as well as to be competitive with industry and other services.

The Air Force will be in compliance with the Committee's desire that the projected average strength for grade 05 and above for the 4th quarter of FY 1973 not exceed that authorized for the end of FY 1972. The Air Force still remains 1 to 3 years behind the other services in promotion to field grades. The loss of promotion opportunities will further compound this inequity between the Air Force and the other services. It would have a direct adverse impact on retention and could be costly. The loss of 40 to 50 pilots because of dissatisfaction with Air Force career opportunities would more than offset the $10,000,000 reduction.

The Top 6 enlisted grades, as a percentage of the total force, has moved from 59.5% in FY 1964 to 72.7% in FY 1972. This progression has brought Air Force enlisted promotions in line with the other Services and responds to the recommendations of the Lennon Subcommittee on Enlisted Promotion Policy which reported in March 1968 that inadequacy of grade authorizations was one of the major contributing causes of promotion stagnation in the Air Force.

Subsequent to the above hearings, the Department of Defense directed each Service to develop long range enlisted force plans and objectives. The Air Force responded with a plan which highlights specific management objectives necessary to maintain a viable and effective enlisted force. The plan establishes a stable career force for each enlisted occupation. It also establishes an integrated promotion management system which provides a grade structure and a control process for regular and systematic progression.

This structured career force and progression system permits the Air Force to meet increased skill requirements without grade escalation. Over time, a reduction in the career force size will reduce the numbers of airmen required in the Top 6 grades.

It is recognized that our present enlisted inventory exceeds career personnel long range objectives. These enlisted men entered the Air Force during the Korean War and will be retired by FY 1977. This will cause the percentage of personnel in the Top 6 grades to decrease incrementally to 65.2%.

The Air Force fiscal year 1973 request included a smaller Top 6 grade structure than realized in the preceding three years. Further gradual reductions are programmed for ensuing years until the objective structure is realized. Until that time, reasonable promotion opportunity must be provided for all enlisted personnel. To precipitously reduce the Top 6 percentage would negate efforts to provide a visible promotion program as one of the key elements to support an all volunteer force.

In contrast to the Committee's comments (regarding time in service at time of promotion within the Army), Air Force enlisted personnel are spending more time in the service before promotion to the senior grades today than they were in fiscal year 1968. A comparison of the time in service at time of promotion follows:

	FY 1968	FY 1972
E-9	18.5 Years	20.5 Years
E-8	17.9 "	19.4 "
E-7	14.9 "	16.4 "
E-6	12.3 "	13.3 "
E-5	7.8 "	6.9 "
E-4	3.9 "	2.3 "

The reduction for grades E-4 and E-5 is the result of concerted efforts to improve retention and provide promotion equity with the other Services.

The Air Force is gradually implementing a personnel plan which will provide an orderly leveling of existing grade imbalances. This plan is consistent with the Committee's report that the most realistic way to remove some of the grade creep is to allow the number of personnel holding upper grades to come down through retirements at the same time slowing down promotions to these grades.

It is requested that $10,000,000 be restored to this estimate.

Reenlistment Bonus. The Committee questioned the need to pay reenlistment bonuses to enlisted personnel with over 14 years of service on the basis that payment is not an incentive for reenlistment. It was indicated that bonuses are treated as a bona fide pay entitlement when in fact they were not so intended. However, such bonuses are a bona fide pay entitlement.

Under section 308, title 37, a member of a uniformed service who reenlists in a regular component within 3 months after date of his discharge or release from compulsory or voluntary active duty or who voluntarily extends his enlistment for at least two years is entitled to a reenlistment bonus based on the monthly basic pay to which he was entitled at the time of discharge or release, multiplied by the number of years specified in the reenlistment contract, or six if none is specified.

Any enlisted member, including those with over 14 years of service, who reenlists is, under the specific wording of the statute, entitled to a reenlistment bonus, assuming, of course, that the total amount previously paid to the member under prior enlistments has not exceeded $2,000. Accordingly, each of the services are required to pay such reenlistment bonuses.

It is requested that $6,600,000 be restored to this estimate.

Flight Pay for Colonels and Generals. The Committee recommended a provision to discontinue payment of flight pay to rated officers in the rank of Colonel and above while in non-combat assignments. The Committee stated that payment of flight pay to senior officers with little likelihood of returning to operational flying is not justified; cited other hazardous duty fields where pay is stopped when assignment to hazardous duty is

terminated, refuted flight pay as a career incentive, and asserted a morale problem exists among non-rated personnel due to payment of flight pay to rated officers in non-combatant operational assignments. The estimate was reduced $1,467,000 which represents an estimated one-sixth of the FY 73 request giving the Air Force until May 1973 to phaseout this pay.

Since 1913, the Congress, the Air Force, and flying personnel have recognized the need for flight pay to recruit and retain qualified volunteers for flying duty. Congress, in the Career Compensation Act of 1949 recognized flight pay as an incentive to engage and remain in a hazardous occupation. It does not and cannot compensate for hazard.

The proposed legislation will affect not only colonels and generals, but all officers contemplating a rated career as it removes authority to pay incentive pay to some rated officers in noncombat flying assignments. Immediately affected will be 304 generals and 2,956 colonels currently serving in staff/command and R&D specialties. An average of $26,000 expected career compensation will be lost by each of the colonels.

In order to reduce flying and associated costs Congress annually, since 1954, has authorized flight pay to certain members without regard to participation in aerial flight. Congress, by repeatedly authorizing excusal, has recognized the existence of an implied contract as understood by the Services.

Basing flight pay on duty assignment for rated officers destroys the implied career compensation contract and invalidates flight pay as a career incentive. This breach of faith with senior officers will cause young rated officers to anticipate a loss of flight pay for all officers not in cockpit positions. Surveys of young officers indicate 82 percent would change their plans for a rated career if they were to lose flight pay for 3-4 years of a 30-year career. If six combat qualified F-4 or nine B-52 pilots resign because of a change in career compensation, replacement costs will exceed the $1.5 million proposed savings for FY 73.

The Committee premise that senior officers have little likelihood of returning to an operational position is not valid. From 1963 to 1971 the Air Force excused rated officers from flying under Congressional authority when they were 45 years or older and had been rated at least 22 years. During the Vietnam buildup, 1,150 excused colonels and 62 excused generals were returned to active flying to meet the expanded requirements. It is significant to note that 2 rated Generals and 7 rated Colonels were killed in action and 82 rated Colonels are in POW/MIA status.

There is no evidence a morale problem exists among nonrated officers as a result of flight pay for rated officers. All Air Force officers were aware, when they chose a military career, that rated officers were receiving and would continue to receive flight pay so long as they remained qualified. Conversely, the morale of rated officers will suffer seriously if flight pay is denied on the basis of rank and assigned duties. Indeed, it will degrade the incentive of a young rated officer to strive for the rank of Colonel when a promotion would result in a loss of pay and will penalize these officers for accepting more responsible jobs in Air Staff, Joint Staff, and other noncombat assignments. Denial of flight pay to rated colonels and generals, most of whom have distinguished combat records in more than one war, have endured long family separations, and have suffered the rigors of aerial combat, is not substantiated on the basis of a morale problem among nonrated officers.

The cost avoidance achieved by denying flight pay to colonels and generals does not offset the risk of demoralizing the rated force and jeopardizing the Service's capability to recruit and retain volunteers for a flying career.

Proposed legislation, by destroying the incentive effect of flight pay, may result in a situation similar to the submarine force where large bonuses are needed to obtain sufficient volunteers. Further, the language in Section 715 of the proposed Bill does not provide for a phaseout of flight pay for 06's and above as recommended in the Committee report and as now written would be effective upon enactment.

It is requested that Section 715 of the General Provisions contained in the House Bill be amended to exclude the phrase, "except those of the rank of colonel or equivalent or above (0-6) in noncombat assignments" and that $1,467,000 be restored to this estimate. The revision of Section 715 is discussed more fully in the section of this reclama dealing with general provisions.

Other Reductions

The other reductions in the House Bill are as follows:

		(thousands of dollars)
Military Strength Shortfall	-$	59,756.0
Interest on Savings Deposits	+	600.0
Parachute Pay	-	106.0
Officer Severance Pay	-	6,000.0
Pro Pay for Recruiters	+	270.0
Total	-	64,992.0

DEPARTMENT OF DEFENSE
RESERVE PERSONNEL, NAVY

	(Thousands of Dollars)
FY 1973 Request	$230,640
House Appropriation Adjustments	-1,680
House Bill	228,960
DoD Reclama	+684
Current DoD Request	229,644

Summary of Adjustments and Reclama:

	(Thousands of Dollars) House Adjustment	DoD Reclama
Retention of Pay Group B	$-1,600	$+684
Flight Pay	-80	-
Total	-1,680	+684

JUSTIFICATION

General. The adjustments applied by the House Appropriations Committee to this appropriation request can be accepted by the Navy Department, with the exception of the derivation of the reduction related to the directed retention of Pay Group "B".

Retention of Pay Group "B". The Navy Department determined that officer personnel assigned to certain designated reserve units and participating in the Pay Group "B" Program (24 paid drills and two weeks active duty for training) would require 48 paid drills and two weeks active duty for training (Pay Group "A") to maintain a satisfactory level of personnel readiness. The revised reserve training program was planned to be effective 1 July 1972, and the FY 1973 appropriation request reflected these officer personnel in Pay Group "A", with no funds requested for Pay Group "B". The House Appropriations Committee disagreed with this action and directed that the 1,100 (1,096) officers be funded under Pay Group "B", thus allegedly generating a savings of $1.6 million which was cut from the appropriation request.

While the basis for computing the savings is not apparent, the only area of savings would be the lesser number of paid drills (24 in lieu of 48), since two weeks active duty for training, clothing, and travel would still be required. Utilizing the paid drill training rate, the savings generated by the elimination of 24 drills per officer would be approximately $.9 million, vice $1.6 million. Accordingly, a restoration of 684 thousand is requested.

DEPARTMENT OF DEFENSE RECLAMA
RESERVE PERSONNEL, AIR FORCE

(Thousands of Dollars)

FY 1973 Request, as amended	$ 131,442
House Appropriation Adjustments	-7,900
House Bill	$ 123,542
DoD Reclama	+7,400
Current DoD Request	$ 130,942

Summary of Adjustments and Reclama:

	(Thousands of Dollars) House Adjustment	DoD Reclama
Recruiting Program	$- 700	$+ 700
School Training	-1,200	+ 700
Non-Flying Units	-6,000	+6,000
	$-7,900	$+7,400

JUSTIFICATION

Recruiting Program. The committee reduced the Reserve Personnel Appropriation, $700,000 in the belief that this amount was requested for full-time Reserve recruiters. The committee recommended that the Reserve continue use of active Air Force recruiters.

The budget request of $700,000 questioned by the House Appropriation Committee is for support of an all-volunteer force in a no-draft environment. It provides for recruiting course school tours and special tour mandays for reservists to increase recruiting efforts. No full-time recruiters are included in this request.

The restoration of the $700,000 is required to expand and intensify this part-time recruiting effort to sustain the manning level of the Air Force Reserve units for immediate combat readiness upon mobilization.

School Training. The committee reduced the estimate in the school training program, on the basis that there is no need to increase the undergraduate pilot training, due to availability of pilots falling out of Active Forces and the pilots being recruited for Reserve Forces in the "Palace Chase" program. In view of the pilot gains experienced under Palace Chase, the FY 1973 under-graduate pilot training requirement has been revised from 81,444 mandays to 63,000 mandays. It is requested, however, that $700,000 of the proposed reduction be restored to cover the cost of the pilot candidates now committed to training.

Non-Flying Units. The committee stated that the increase in non-flying units was for additional units merely to maintain the Air Force Reserve's mandated strength at a time when aircraft are becoming more and more expensive to operate, thus fewer people are directly related to the flying of aircraft. This is not Air Force policy, and the additional units are programmed against wartime mobilization requirement under the total force concept. The comparison of the 168 non-flying units in FY 1966 to the 283 units in FY 1973 is inappropriate because of a change in display of the units. The 29 aerial port flights, 34 civil engineering flights and

the Reserve regions were all in the USAFR program in FY 1966. The aerial port flights and civil engineering flights were part of the flying unit program in FY 1966, and the personnel assigned to the regions were in the individual mobilization category. The decision to separate the civil engineering flights and aerial port flights from the flying units was to give them better visibility and to facilitate mobilization of specific individual units to meet wartime requirements.

There has been no increase in the Air Postal and Courier units, however, in FY 1966 only the headquarter units were shown. In FY 1973 the number indicated includes the flights as well as the group headquarters. There has been no change in the number of authorized personnel.

The actual increase in non-flying units include 24 Aerial Port Squadrons, one Censorship Squadron, two Civil Engineering Units, and the 21 Mobile Support, Supply and Maintenance Squadrons. These units add 5,495 spaces to the USAFR program and are high priority requirements to meet wartime and contingency mobilization needs. The USAFR non-flying units are authorized 21,058 Reserve Personnel authorizations and are programmed for 18,816 in the FY 1973 Budget Request.

The non-flying units in the Air Force Reserve undergo constant review as to their validity and wartime requirement. These units are authorized 48 drill periods and a 15 day annual tour of active duty to provide the opportunity of all personnel to train as a unit and to accomplish training requirements common to all personnel, active or reserve. Mobility and disaster response exercises require the presence of all personnel. General military training, records updating and administrative details must also be accomplished as well as skill training.

It is requested that the $6,000,000 be restored to maintain these forces in the reserve to satisfy the wartime requirement of the total force concept of the Air Force.

DEPARTMENT OF DEFENSE RECLAMA
NATIONAL GUARD PERSONNEL, AIR FORCE

(Thousands of Dollars)

FY 1973 Request, As Amended	$ 169,359
House Appropriation Adjustments	- 1,440
House Bill	167,919
DOD Reclama	+ 1,000
Current DOD Request	$ 168,919

Summary of Adjustments and Reclama:

(Thousands of Dollars)

	House Adjustment	DOD Reclama
School Training	$ -1,000	$+1,000
All Other	- 440	-0-
Total	$ -1,440	$+1,000

JUSTIFICATION

School Training. The House Appropriations Committee proposed a reduction of $1,000,000 in the undergraduate pilot training program stating

that the Guard will have the opportunity to obtain more pilots as a result of reductions made in the Air Force's authorized active duty strength. In December 1970, the Air National Guard undergraduate pilot training program output was increased from 145 in fiscal year 1972 to 380 in fiscal year 1973. The higher production rate was later reduced from 380 to 280 by the Office of The Secretary of Defense in August 1971. The fiscal year 1973 flight training program was developed on a 280 production rate and the fiscal year 1973 budget request was based on a 280 production rate.

The undergraduate pilot training program is not a major source for pilot procurement for the ANG as most of the pilots in the ANG are former active duty Air Force, Marine and Navy pilots. The undergraduate pilot training program is used to supplement pilot procurement by geographically distributing pilots to units throughout the United States. All of these pilots return to the units and assume cockpit positions. Currently the ANG has a cockpit pilot deficit. Denial of UPT spaces will increase this primary mission pilot deficit even further.

Reductions in active force strength levels have not altered the recruiting base for pilots in any appreciable way.

Most of the pilots leaving the Air Force congregate in a few major population centers and thus do not become part of the recruiting base for the ANG. The total number of pilots the ANG has gained from the Air Force's early out program "Palace Chase" is 42 with a majority of these pilots joining the ANG during the early months of "Palace Chase".

The most important reason for having an Air National Guard undergraduate pilot training program is to supplement the pilot procurement programs by providing a constant base of young pilots flowing into the ANG that is not affected by active force expansions and contractions. Secondly, it enables the ANG to man units throughout the United States at acceptable levels instead of just at the major population centers.

In addition, it will not be possible to identify any significant reductions in the flying training program for the following reasons:

a. The long lead time required in undergraduate pilot training procurement necessitates pilots graduating during fiscal year 1973 be entered into training during fiscal year 1972. These pilots are currently in the program and nothing short of elimination can reduce these costs.

b. Once a pilot graduates from undergraduate pilot training he must then be provided with advanced flying training in order to become combat ready in the aircraft possessed by his unit. For a majority of these pilots, advanced flying training at a Combat Crew Training School will be approximately six months in duration. It is not realistic to expect recent graduates of undergraduate pilot training to return to home station and train to combat ready status and not attend a Combat Crew Training School. Pilots not attending a formal school will require two to three years to achieve combat ready status using annual training and drill periods. The end product would still not be satisfactory because the training received at 60 or so different locations could not be standardized.

c. Formal advanced flying schools long ago demonstrated their value by their contributions to flying safety. The performance levels of the modern aircraft in the ANG inventory today and the complexity of the missions assigned are too much for a young pilot to handle safely without the benefit of a formal advanced flying school.

The $1,000,000 reduction will have the following impact on the ANG:

a. Reduce the combat readiness of the ANG by increasing the primary mission pilot deficit.

b. Reduce the advanced flying training program thereby requiring a longer period of time for each pilot to become combat ready. This impacts on the ANG's readiness by forcing the ANG to carry an excessive number of pilots in training status.

c. Increase the accident rate of both young pilots and pilots in converting units, as they cannot be adequately trained.

It is requested that $1,000,000 be restored to this request.

ACTIVE FORCE RECRUITING

The House Bill made reductions of $27.9 million related to Active Force Recruiting, as follows:

	($ Thousands)			
	Army	Navy	Marine Corps	Total
Military Personnel Appropriations	$13,150	$3,887	$1,384	$18,421
O&M Appropriations	9,000	500	-0-	9,500
Total	$22,150	$4,387	$1,384	$27,921

Full restoration is requested.

The requested service recruiting programs and budgets are considered essential to the successful accomplishment of a volunteer force and the ending of the draft on June 30, 1973. The House reduction is apparently based on the incorrect premise that individual recruiter productivity has declined along with the increases in the recruiting force. This premise overlooks the fact that in the past the draft has been the main stimulus to enlistments.

In the transition to a volunteer force, the numberof true volunteers acquired is the valid measure of recruiter effectiveness. The measure of total accessions, which includes those draft-motivated, although used in the past, is no longer valid. It is essential to understand that we have requested expansions in the recruiting force based upon the anticipated number of quality, true volunteers needed as draft calls and the associated draft pressure declines. We do not believe it valid to use recruiter productivity rates based on total accessions as cited in the House Report as a device in adjusting recruiting resources.

Recruiter productivity rates based on total accessions tend to disguise the intensity of the recruiting effort necessary to operate in the open manpower market under a no draft environment. Declining productivity rates may not necessarily indicate diminishing efficiency of recruiting organizations, since the conditions under which they operate have changed dramatically in just a few short years.

SHIPMENT OF FOREIGN MADE/FOREIGN PURCHASED PRIVATE OWNER VEHICLES AT GOVERNMENT EXPENSE

House Bill

The House Bill includes funds to finance the shipment of these vehicles only through December 31, 1972, and accordingly reduced the budget estimates by $4.9 million.

Department of Defense Position

The Department requests the inclusion of funds to finance the shipment of these vehicles during the entire FY 1973 and that $4.9 million be restored to the estimates.

JUSTIFICATION

Since March 1961, the Department of Defense had administratively prohibited the transportation to the United States at government expense of foreign made and overseas procured privately owned vehicles of DoD personnel. This policy was adopted in order to assist our balance of payments, despite the fact that it created morale problems among personnel who would otherwise have been entitled to such shipment. In reexamining this policy in 1970, it was found that many overseas personnel still purchased the foreign cars notwithstanding the penalty we imposed on shipment. Further, it was learned that these personnel chose to ship their foreign car to the U. S. by foreign flag vessel because of the smaller costs involved. This merely added to the balance of payments outflow. In consideration of the morale problems created by a policy of questionable effectiveness, the decision was made on May 21, 1971 to restore entitlement to the shipment of these vehicles at government expense effective July 1, 1972. The time phasing allowed adequate budget preparation, since the restoration of the entitlement had to be accompanied by a PCS travel budgetary increase estimated at $9.9 million for FY 73.

The effect of this policy change on the balance of payments problem cannot be estimated with precision. However, in view of the size of our payments deficit during the past two years, it is believed that the effect of this change will be negligible. In addition, any increase in gold flow would be partially offset by the shipment of these vehicles in U.S. vessels rather than in foreign vessels. Only actual experience will permit the accumulation of accurate data on this matter.

The primary motive in restoring this entitlement is to eliminate the morale problems created by the administrative withholding of a legal entitlement. While it is true that the change will benefit personnel in grade E-4 with between 2 and 4 years active duty and a total commitment of 6 years active duty and all personnel senior to them, junior enlisted personnel in their first enlistments are made aware of the entitlements available to them should they qualify by virtue of reenlisting. These career decisions by junior personnel must be favorably influenced in increasing numbers if we are to achieve an All Volunteer Military Force.

The recent revaluation of several major foreign currencies and the continuing inflation which has characterized the economies of major foreign countries have caused increases in the prices of foreign cars produced in these countries. Thus, in many cases, there is little, if any, financial advantage to be gained in purchasing a foreign vehicle abroad as opposed to purchasing the same vehicle in the U. S. For that reason, we do not anticipate that large numbers of foreign vehicles will be purchased overseas as a result of this policy change.

The change in this policy was made over sixteen months ago. It has been widely publicized to military personnel through both public and military channels. Some of the personnel who will be transferred to and from overseas stations during FY 73 have already made decisions and possibly made or deferred major purchases in anticipation of being able to utilize this entitlement. To withdraw the implementation of the change on December 31, 1972, could result in financial problems for these personnel and would completely negate the anticipated improvement in the morale of Armed Forces personnel.

The Department was advised on June 2, 1972 that the House Committee questioned this change in policy. This was more than a year after the decision was made, and four months after the submission of the budget estimates. By then there was scarcely time to revise the policy, considering such factors as publications, manuals, shipping orders, and the like. Nor had we therefore clearly understood that it was the House Committee's intent to deny legal entitlements in such a fashion.

The important point at present is that military members are receiving a benefit to which they are legally entitled, and no more than that. To withdraw this entitlement at this time would be manifestly unfair and harmful to morale. Accordingly, we must urge restoration of $4.9 million to the Army, Marine Corps, and Air Force estimates. We respectfully suggest that, if it is the desire of the Congress to withdraw or modify this entitlement, that this might better be accomplished through legislative action.

SHIPMENT OF HOUSEHOLD GOODS TO THE UNITED STATES

House Bill

The House Bill reduces the budget estimates by $6.3 million, on the basis that effective December 31, 1972, weight allowances for shipment of household goods to the United States should be reduced to the levels prevailing until June 30, 1972.

Department of Defense Position

The present allowances should be continued, and the $6.3 million should be restored to the budget.

JUSTIFICATION

It would appear that there is a misunderstanding regarding the amount of household goods which can be returned from overseas under present policy.

First, the authorized weight allowance for a general officer is limited to 13,500 pounds rather than 24,000 pounds as indicated in the House Committee report.

Second, the examples given in the report of an E-4 and a general being allowed to bring back from overseas their full weight allowance would only happen if they had put nothing in storage and took nothing overseas. If this should happen, the government is then saving on storage charges and shipping charges from the United States to the overseas location.

Third, if the member owns household goods up to his full weight allowance he does not benefit at all from the policy put into effect July 1, 1972. The 2,000 pounds he is allowed to ship overseas plus the amount in storage will equal his full weight allowance.

Although some members will want to purchase foreign made items, many of our service members do the majority of their purchasing in our Exchanges. This is particularly true of the younger member who may have another child while overseas and will have to purchase a crib, carriage, highchair and playpen. Without the authority to return up to his full weight allowance of household goods, minus what is in storage, the newly purchased items will have to be disposed of or the service member must pay the shipping costs.

This new policy affects only those members who are assigned furnished government quarters overseas, and of this number, only those who actually own less than their full weight allowance. A return to the old policy would be discriminatory, since members who are not assigned to furnished government quarters are authorized to bring back their total weight allowance less the amount in non-temporary storage.

The change in this policy was made over sixteen months ago. It has been widely publicized to military personnel through both public and military channels. To withdraw the implementation of the change on December 31, 1972, could result in financial problems for these personnel and would completely negate the anticipated improvement in the morale of Armed Forces personnel.

The policy is fair and equitable and should be continued.

GRADE CREEP

House Bill

"In order to encourage some slow down in the rate of promotions," the House reduced military personnel appropriation estimates by $35 million.

DoD Position

The $35 million reduction should be restored ($12 million, Army; $10 million, Navy; $3 million, Marine Corps; and $10 million, Air Force.)

Justification

The Military Services have continuously operated within the laws applicable to grade limitations as well as specific guidance of the Congress with reference to those enlisted grades not limited by law.

The number of officers in the grades of 0-4 and up are controlled by the Officer Grade Limitation Act of 1954. Doctors and dentists were removed from the constraints of this Act in 1968, and better promotion opportunity was offered this group in order to improve retention. The results of this action alone account for over 80% of the increase in grade 0-6 and 0-5 since 1964, and thus is the major cause of the so-called grade creep in the higher officer grades.

With respect to enlisted grade creep, in 1964, the year used by the Committee Report as a basis for comparison, OSD was severely restricting enlisted grade authorizations at levels well below Service requirements. Unlike any other government or civilian enterprise, thousands of enlisted personnel were held below grades (pay levels) for jobs they were qualified and directed to perform. The enlisted promotion stagnation which was caused by this DoD action resulted in an extensive investigation by a Subcommittee of the House Armed Services Committee in 1967-68 which concluded inter alia that . . . "The inadequacy of DoD grade authorizations in the past is one of the major contributing causes of promotion stagnation."

The DoD, while making no attempt to return to the unsatisfactory situation of 1964, has taken action to reduce grade creep during recent years and will continue to do so.

The results of DoD actions in FY 1973 are shown in the following tables:

Reductions in Officer Grade Distribution

Grade	FY 72	FY 73	Differences
0-7 and above	1,302	1,284	- 18
0-6	16,875	16,612	- 263
0-5	38,458	37,186	- 1,272
0-4	61,789	59,542	- 2,247
0-3	108,998	106,112	- 2,886
0-2	53,235	50,939	- 2,296
0-1	33,496	31,707	- 1,789
Total	314,153	303,382	- 10,771

Reductions in Enlisted Grade Distribution
(In Thousands)

Grade			
E-9	15.6	15.3	- 0.3
E-8	39.1	38.2	- 0.9
E-7	141.5	138.4	- 3.1
E-6	251.8	241.6	-10.2
E-5	408.9	391.8	-17.1
E-4	529.5	510.9	-18.6
E-3	328.6	228.8	-99.8
E-2	188.2	270.3	+82.1
E-1	138.8	184.9	+46.1
Total	2,042.0	2,020.1	-21.8

The combined effects of reduced grade authorizations and projected losses will result, contrary to the Committee Report, in 15,600 fewer officer promotions and 215,000 fewer enlisted promotions in FY 1973 than in FY 1972.

Efforts to reduce grade creep must be a relatively gradual rather than a precipitous process for these reasons:

. Senior officers have legal tenure; career enlisted members have implied tenure.

. Reasonable and visible promotion opportunity must be maintained if we are to successfully achieve an all volunteer force.

During the current process a certain amount of maldistribution results from the fact that large, rapid strength reductions, such as those experienced since 1968, are largely achieved in junior grades by reduced accessions and early release programs. Thus, with people in lower grades leaving at higher rates than those in upper grades, there is a natural tendency toward an upward shift in grade mix which makes current efforts at grade reduction less dramatic than they would be otherwise.

The cuts recommended by the House Appropriations Committee would necessitate precipitous action. For example, to produce the $10 million cut in the Navy, all promotions to 0-4 and above would have to be stopped as of 1 October 1972 for a saving of $1.9 million, and action to cancel or delay up to seven months some 44,000 petty officer promotions would have to occur to save $8 million. Similar delays or cancellations would be required in the other Services. The impact of these short-notice disruptions to orderly promotion plans, some of which are already announced, cannot help but be seriously counterproductive to the achievement of an all volunteer force.

It should be noted that the Department is unable to substantiate the Committee Report statement that the Congress in FY 1972 provided about $11 million over and above what would normally have been required

to fund the Navy appropriation to pay for Captains excess to the Navy's requirement. Navy strength in captains on 30 June 1972 was 4155 and requirements were 4111. The excess of 44 resulted from the operation of promotion laws which require that staff and restricted line officers be promoted as their unrestricted line officer "running mates" are promoted, and is more than offset by the 101 captains serving in flag billets for which flag officers are not available due to constraints imposed by law and the Senate Administrative ceiling. Further, $11 million equates to 400 captains at full cost, or 2400 captains if only the differential cost between a captain and a commander is used.

DEPARTMENT OF DEFENSE
OPERATION AND MAINTENANCE, ARMY

(Thousands of Dollars)

	O&M, Army	O&M, Army Reserve	Total
FY 1973 request, as amended	$6,934,295	$208,619	$7,142,914
House appropriation adjustments	- 347,045	- 9,320	- 356,365
House Bill	$6,587,250	$199,299	$6,786,549
DOD reclama	+ 162,313	+ 6,400	+ 168,713
Current DOD request	$6,749,563	$205,699	$6,955,262

Summary of Adjustments and Reclama:

(Thousands of Dollars)

	House Adjustment	DOD Reclama
House Appropriation Committee Increases	$+112,300	-0-
Reduced Military Personnel Strength	- 74,000	$+12,100
Program Changes Provided the Committee	-114,500	+22,400
Headquarters Operation and Administration	- 5,000	+ 3,500
Civilianization of KP Duties	- 65,000	-0-
Replacement of Enlisted Men on Detail	- 20,100	+20,100
SAFEGUARD System	- 13,345	+ 4,713
New Modern Feeding System	- 24,000	+24,000
Recruiting Main Stations	- 9,000	+ 9,000
Army Reserve Strength Shortfall	- 6,320	+ 3,400
Army Reserve Civilian Technicians	- 3,000	+ 3,000
Second Destination Transportation Shortage	-0-	+66,500
New Line of Communication in Europe	-0-	-0-
All Other	-134,400	-0-
Total	$ 356,365	$168,713

APPROPRIATION LANGUAGE

The House Bill would provide a new appropriation, "Operation and Maintenance, Army Reserve," and would appropriate $199,299,000 under this heading for FY 1973, as shown above. For reasons stated on page 100 it is requested that all amounts be appropriated under "Operation and Maintenance, Army," as in the past and as requested in the budget

The House Bill would appropriate funds for "Operation and Maintenance, Army" under ten separate headings. For reasons stated on page 100, it is requested that the single amount be appropriated under "Operation and Maintenance, Army," as in the past and as requested in the budget.

JUSTIFICATION

Reduced Military Personnel Strength. The Army reclamas $12.1 million related to reduced military personnel strength. The House Appropriations Committee in costing the reduction for reduced military personnel strength failed to consider the Army's published cost factors which were provided to the committee and have been accepted in prior years. The cost factor used by the committee overstated the Army's FY 1973 Variable Cost Per Manyear by $208. Therefore, the reduction is overstated by $6.157 million for a 29,600 military personnel strength reduction. In addition, the costs associated with 2,642 military manyears, addressed previously under Military Personnel, Army, are overstated by $5.959 million based on a 27,000 military personnel strength reduction. The following table summarizes the two positions.

	Cost Factor	Military Manyears	Savings $ Million
HAC	$2,500	29,600	$74.0
Army	2,292	27,000	61.9
Difference	$ 208	2,600	$12.1

Program changes provided the Committee (Currency Revaluation). One of the program changes provided the Committee was for currency revaluation. The initial estimate of the FY 1973 Piaster revaluation savings provided to the Congress of $53.0 million was based on the estimated FY 1972 Piaster expenditures and did not take into consideration the reduced FY 1973 funding program for Vietnam. A revised estimate of $37.3 million ($15 million – Program 2; $22.3 million – Program 10), based on the revised rate of exchange of 420 Piasters to 1 US dollar against the approved FY 1973 programs for Vietnam, was validated and furnished the House Appropriations Committee. On reporting the savings to the Congress, the Department of the Army inadvertently duplicated the $6.7 million savings associated with Rural Development Cadre. Therefore, restoration of $22.4 million in Support to Other Nations associated with the $15.7 million overstatement of anticipated Piaster savings and $6.7 million duplication of Rural Development Cadre savings is required.

Headquarters Operation and Administration. Since the costs for Headquarters and Administration activities are primarily for civilian pay, it is estimated that $3.5 million of the $5.0 million reduction reflected in the House adjustment would be applied against civilian pay costs. This would equate to a reduction of approximately 219 manyears in FY 73.

The Army has previously made substantial reductions in civilian personnel in Headquarters Operation and Administration as shown in the following table:

Actual FY 69 ES	Actual FY 70 ES	Actual FY 71 ES	Actual FY 72 ES a/	FY 73 Estimated FY 73 PB Level
16,180	13,891	12,890	11,829	11,303
Difference -2,289	-1,001	-628	-1,061	-526
- 14%	- 7%	- 5%	- 9%	- 5%

a/ Estimated FY 72 data.

As illustrated above, the Army will have achieved a 30% reduction in the OMA funded civilian staffing of headquarters operation during the period FY 69-FY 73. In view of the substantial reductions already accomplished and programed, an additional reduction of $3.5 million would impair the management capability of the affected headquarters. It is anticipated that reductions beyond those programed will require involuntary reduction-in-force actions, and the one-time costs of RIF actions will more than offset FY 1973 savings expected as a result of the House directed reduction.

EM on Detail. Enhancement of professionalism is the primary intent of the program to replace enlisted men on detail. Installation trash collection and maintenance of large common areas such as public highways, roadways, community service areas, warehouse areas, outdoor classrooms, and ranges are typical of the kind of non-mission oriented duties to which enlisted men are detailed. These details involve the diversion of over 5% of the men and women in the Army from their principal duties or from training. Traditionally accepted tasks of cleaning of barracks and other living quarters and maintenance of the immediate surroundings of the unit or living quarters are not included in this program and will continue to be accomplished by enlisted personnel and occupants.

Surveys by CINECOM and Systems Development Corporation, substantiated by installation evaluations, positively show that diversion from soldierly duties to work details is a major irritant, is frustrating, and adversely affects retention and attitudes. Soldiers do not enlist or re-enlist to perform these details.

Funds in the amount originally requested will assist significantly in improved training, unit efficiency and sustained high morale and job satisfaction for the individual soldier.

SAFEGUARD System. The Army reclama consists of two elements: SAFEGUARD Logistics Command and Study and Service Contracts. The decision to reduce funds for SAFEGUARD Logistics Command in FY 1973 assumes that there is in existence in other US Army agencies, sufficient resources and capacity to perform the supply and maintenance activities for the first tactical site, and that specialized facilities exist for stocking SAFEGUARD peculiar items in these activities. The current FY 73 logistic requirement to include Glasgow Depot, is independent of the number of sites supported. Upon activation of the first SAFEGUARD site, the Glasgow Depot must be prepared to stock and issue numerous line items. Additionally, maintenance activity within SAFEGUARD Logistics Command will be required through FY 1975 to support this first site. If the SAFEGUARD activity were terminated functions for which FY 1973 SAFEGUARD funds were requested must be performed somewhere else within the Army community with the use of SAFEGUARD assets. Such a transfer of logistics functions to another Army activity would also require the transfer of the 662 civilian manpower spaces in order to accomplish these functions. A directed cancellation of 662 civilian spaces, in conjunction with the termination of SAFEGUARD Logistics Command in April 1973, would result in estimated severance and moving costs in excess of $2 million to the Army.

A funding level of $9.534 million is required for study and service support contracts in FY 1973. These contracts are required to support the first SAFEGUARD site and are not keyed to any follow-on site deployment that would take place after FY 1975. The level of contract activity for FY 1973 was reduced when the budget was amended after the SAL agreement. That new level of effort realized that any study and support contract activities relating to a second SAFEGUARD site would be delayed a minimum of two years. A further reduction at this time below the $9.534 million level would hamper site deployment by forcing cancellation of essential new equipment training.

Modern Food Service System. The House Appropriations Committee reduction of this program appears to be based on the understanding that the Army planned to implement the centralized food preparation system at nine CONUS installations and two overseas commands in FY 73. The Army's intentions in FY 73 are to continue at the FY 72 level the centralized food preparations system at Fort Lee, Virginia, and Fort Lewis, Washington. As presented to the House Appropriations Committee in the OMA Opening Statement, the remaining funds were to be utilized for a phased upgrading of dining facilities Army-wide to be compatible with, but not contingent upon, the central food preparation concept. Many of the Army's existing dining facilities are not current with the state of the art in terms of efficiency, decor and sanitation. This dining facility upgrading program will contribute to the overall goal of improving the quality and cost effectiveness of the Army food service program through modern innovations.

Recruiting Main Stations. All the services are faced with a monumental task of achieving an all volunteer force with the Army task by far the greatest. During FY 72 the field recruiter force was more than doubled with no corresponding increase in supervisory and managerial support. The modest increases requested in FY 73 recruiting programs for support of the expanded recruiting program and the 24 additional Recruiting Main Stations, will not add another bureaucratic layer to the recruiting force. They are required to restore the same ratio of middle management to field recruiters which existed and have proved effective prior to the recruiter buildup. For example, one Recruiting Main Station currently must control about 40 recruiting stations as opposed to 25 prior to the buildup. Recent experience has shown an urgent need to strengthen the supervisory capability at this key middle management level. Failure to provide for this need by restoration of the $9,000,000 requested for this purpose will prevent full exploitation of the recruiting potential of the recruiting force already in place in the field.

Army Reserve Strength Shortfall. The House Appropriations Committee adjusted the FY 73 budget request by $6.3 million associated with reduction in average selected reserve strength. The projected reserve strength will be 6% less than that requested in the budget. Of the $208.6 million contained in the Budget request, only $47.7 million is related in some degree to reserve strength. A 6% reduction applied against the $47.7 million results in a $2.9 million savings. It is requested that $3.4 million be restored.

Army Reserve Civilian Technicians. As a result of directions received from the Secretary of Defense, Guard and Reserve Units must be prepared to be the initial and primary source of augmentation of the active forces in any future emergency requiring a rapid and substantial expansion of the active forces. Significant quantities of new and modern equipment are being issued to the Army reserve which will overcome the greatest deterrent to readiness in past years. Of the FY 73 requested increase, 791 technicians were for the maintenance of equipment. Con-

tinued increase in materiel readiness is dependent on the provision of manpower support. If all of the FY 73 increase in technicians (other than for recruiting) were considered to be maintenance technicians, there would still be a deficit of 68 such technicians measured against requirements. Other technician increases requested were to support a balanced program. Therefore, restoration of 270 technicians and $3 million is required.

Second Destination Transportation Shortage. The Army is currently anticipating a shortage in Second Destination Transportation funds in FY 73 of $66.5 million. This $66.5 million is due to two factors. First, a requirement of $50 million has occurred due to increases in shipping costs since the submission of the President's Budget. Second, the tonnages being shipped, which are not related to the accelerated SEA activities, have grown by $16.5 million. It must be emphasized that this $66.5 million requirement is not related to the SEA amendment and was not anticipated at the time the President's Budget was submitted. These shipments are being made and will continue to be made to adequately support the troops in the field.

New Line of Communication in Europe. The imperative of this reclama is that [(deleted)]

The basis of the requirement for developing the capability to establish a wartime line of communication into Central Europe is our national commitments to NATO and our strategy of rapid reinforcement and support of our forces in Europe in the event of an attack by the Warsaw Pact Nations upon NATO. As a result of U.S. Forces withdrawal from France in early 1967, the U.S. Army lost extensive facilities and the capability to activate and operate a wartime LOC.

To alleviate this situation, steps were taken to develop the capability to establish a wartime UK/BENELUX LOC (United Kingdom/Belgium/ Netherlands/ Luxembourg Line of Communication) through the use of the LOC/Port concept which was approved by the Deputy Secretary of Defense on 11 September 1969. The LOC/Port concept consists of two major aspects: (1) a package of units/manpower spaces to perform the mission of LOC support in the event of mobilization; and (2) necessary agreement with host countries so as to employ the LOC/Port units and preposition appropriate equipment configured to unit sets.

The establishment of the UK/BENELUX LOC is a matter of bilateral negotiations between the U.S. and each nation concerned. [(deleted)]

Funds for construction of storage facilities have been approved for NATO Infrastructure Funding under the FRELOC reimbursement agreement. If we delay too long in our efforts to complete the LOC, our NATO Allies may be inclined to withdraw some of the funds and other support they have contributed toward this effort. During the hearings on the proposed FY 71 budget, the HAC disapproved the Army's request for the LOC/Port equipment package owing to reservations pertinent to complete and coordinated planning. Planning is currently complete and coordinated.

In a recent ways and means Army staff review it was determined that a request for additional funding from the Congress for the LOC/Port equipment package was no longer a requirement. There will be no need to procure above the Authorized Acquisition Objective (AAO). Provision for the LOC/Port package will be absorbed within approved Army resources by means of selective distribution of assets in the war reserve, maintenance float and post D-Day consumption portions of the AAO. This reflects a change from the Army's original request to the HAC that additional funds be provided for the establishment of a Line of Communication.

Classified material which has been deleted is indicated by brackets. [ ]

There will be maximum O&MA requirement of $60 million over a 5-year period. This estimate will be reduced by offsetting costs of storage and maintaining equipment in Europe versus US and by transportation costs of moving equipment directly from SEA to Europe versus moving them to US.

House Appropriations Committee Increases. The House Appropriations Committee made the following adjustments which Department of the Army will not reclama.

	(Thousands of Dollars)
CHAMPUS	$+ 21,600
Increased Utility Cost	+ 28,000
Currency Revaluation	+ 21,300
Okinawa Reversion Cost	+ 20,600
Medical Supplies Tactical Units	+ 2,000
Other Deficiencies	+ 18,800
ARADCOM Base Operations Support	(+ 1,000)
Direct Supply Support System	(+ 8,000)
Supply Depot Operations	(+ 2,000)
Base Operations and Other Support	(+ 2,300
Relocation of USAMC Headquarters	(+ 1,400)
Unit Training Extension Course	(+ 3,000)
Support of Fort Detrick	(+ 1,100)
Total	$ 112,300

All Other. The House Appropriations Committee made the following adjustments which Department of the Army will not reclama.

	(Thousands of Dollars)
Project Transition	-$ 7,800
Intelligence Operations	- 3,200
ADP Operations	- 2,000
Reduced Training Requirements	- 1,900
Depot Maintenance	- 19,500
Reduced Budget Authority	- 100,000
Total	-$134,400

The reduced budget authority is being offset by a transfer of $100,000,000 from the Army stock fund.

Civilian Personnel Summary. Department of the Army previously anticipated a FY 73 decrease of 2,136 manyears due to the Operation and Maintenance, Army savings associated with supporting 27,000 fewer military manyears. However, various of the adjustments made by the House Appropriations Committee will have an impact on the Army's civilian manpower program. Listed below is an estimate of the impact of these adjustments.

	ES	MY	$(000)	Estimated RIFs If Not Restored
O&M, Army National Guard Technicians	2,164	1,745	$20,147	1,118
O&M, Army				
27,000 MMY Supported	2,136	2,136	21,951	0
Revised MMY Supported	224	112	1,154	224
SAFEGUARD	662	120	1,570	662
Recruiting Main Stations	312	208	1,666	0
Army Reserve Technicians	270	270	3,000	0
Headquarters	438	219	3,500	438

O&M, Army National Guard Technicians are addressed separately in the O&M, Army National Guard reclama.

The House Appropriations Committee, in approving 840,290 military manyears in FY 73, reduced the approved level of military manyears by 2,642 below the revised estimate furnished the Congress. This will result in a civilian end strength reduction of 224 more than had been programed, if the O&MA support cost savings are to be generated.

SAFEGUARD System adjustment would require the termination of the SAFEGUARD Logistics Command by 30 April 1972 and thus would result in the deletion of 662 spaces from the civilian manpower program.

Although the 208 manyear adjustment for the Recruiting Main Stations will impact on the total manpower program, it is not anticipated that it will necessitate terminating any employees.

The Army Reserve had programed an increase in technicians to accommodate their expanded maintenance program necessitated by increased deliveries of equipment. Although the adjustment will impact on Reserve readiness, it will not result in personnel being terminated.

The adjustment to Headquarters Operations and Administration could result in the termination of approximately 438 personnel.

DEPARTMENT OF DEFENSE
OPERATION AND MAINTENANCE, NAVY

	(Thousands of Dollars) O&M Navy	O&M Navy Res.	Total
FY 1973 Request, as amended	$5,217,849	$136,119	$5,353,968
House Appropriation Adjustments	-83,070	-	-83,070
House Bill	$5,134,779	$136,119	$5,270,898
DoD Reclama	+33,070	-	+33,070
Current DoD Request	$5,167,849	$136,119	$5,303,968

Summary of Adjustments and Reclama:

	(Thousands of Dollars) House Adjustment	DoD Reclama
Military Personnel Strength	$-13,920	$+12,420
Headquarters Operations & Administration	- 9,500	+ 2,500
Intelligence Operations	- 7,000	+ 3,400
ADP Operations	- 6,700	-
Transportation	-	+ 6,650
Replacement of Enlisted Men on Detail	- 5,000	+ 5,000
Central Supply and Maintenance	- 5,000	+ 1,600
Joint Uniform Military Pay System	- 1,000	+ 1,000
All Volunteer Program	- 500	+ 500
All Other	-34,450	-
Total	$-83,070	$+33,070

APPROPRIATION LANGUAGE

The House Bill would provide a new appropriation, "Operation and Maintenance, Navy Reserve," and would appropriate $136,119,000 under

this heading for FY 1973, as shown above. For reasons stated on page 100, it is requested that all amounts be appropriated under "Operation and Maintenance, Navy," as in the past and as requested in the budget.

The House Bill would appropriate funds for "Operation and Maintenance, Navy" under nine separate headings. For reasons stated on page 100, it is requested that the single amount be appropriated under "Operation and Maintenance, Navy," as in the past and as requested in the budget.

JUSTIFICATION

Reduced Military Personnel Strength. The HAC Report made reductions in military personnel strength totaling 11,782 and reduced the O&MN appropriation request by $13,920,000. Utilizing the accepted O&MN support cost per military man year of $700, only $8,246,700 should have been marked against the O&MN appropriation. It is requested that $5,673,300 be restored plus $700 per man for each military man year for which restoration is requested in the Military Personnel, Navy appropriation.

Headquarters Operation and Administration. For FY 1973, $244,527,000 was requested for headquarters operation and administration under this appropriation. Committee action reduces this request by $9,500,000 or 3.8%. The total FY 1973 Navy headquarters request would have supported 14,152 civilian end strengths. This level contrasts with an FY 1969 end strength of 18,238 or a reduction of 5,287 headquarters civilians. This reduction of 22% over a four year period has not resulted in significant reductions in dollar requirements due to civilian pay raise legislation which has added between 5% and 6% to payroll costs each year.

We appreciate the concern of the Committee and agree with the premise that headquarters costs should be constrained. An analysis of the current position indicates that reductions of $7,000,000 are possible. This reduction would be more in line with other Defense headquarters reductions, and would provide coverage for telephone costs and other items which have grown since the time of submission of the budget. The restoration of $2,500,000 would also assist in phasing personnel reductions in an orderly fashion.

Despite the further drawdown on administrative effort required by Committee action, $7,000,000 is not proposed for restoration to headquarters.

Intelligence Operations

a. GDIP. Addressed herein is a $2.6 million reduction in GDIP (less MC&G) funds, i.e., $1 million for SAL verification and $1.6 million in GDIP O&MN funds.

The impact of a $2.6 million reduction in O&MN funds in FY 1973 would be as follows: All SAL verification efforts, totaling $1.0 million, scheduled for augmentation in FY 1973 would be eliminated. The remaining $1.6 million reduction would require a further reduction of civilian personnel by approximately 200 position. The civilian rifs could not be accomplished prior to about 1 January 1973 at the earliest, and consequently would significantly increase the total number of billets eliminated.

The effects of this reduction are as follows: non-exploitation of [(deleted)] at the Naval Intelligence Support Center; immediate reduction of direct fleet support, contingency targetting, and SIOP

Classified material which has been deleted is indicated by brackets.[ ]

planning, including SEA operation; elimination of all [ ] termination of OSIS 24-hour/7 day capability; close S&T collection centers in [ ]. Navy investigative efforts of the drug abuse and sabotage problem would remain inadequate; and scheduled establishment of [(deleted)] stations would be eliminated. Additionally, Navy support to national intelligence programs which carry higher classification would be terminated.

Consideration of a $2.6 million O&MN reduction must also include recognition of funding increases directed by higher authority (e.g., increased efforts in the drug abuse problem of $225 thousand, in the USW problem of approximately $3 million, in national intelligence programs of $400 thousand).

b. CCP. The impact of $.8 million reduction in cryptologic control total of $31.6 million cannot readily be assessed to specific issues without confrontation with both Navy and national cryptologic authorities. The budget funds the mission, task and functions of the Naval Security Group Command at a minimum level consistent with accepted management practices. Cancellation of major antennae maintenance projects, unplanned termination of both General Schedule and Wage Board civilian employees, reductions in the installation of equipments to support cryptologic operations, and further reductions in training support will become necessary. Personnel support and self-help projects will be discontinued creating a severe impact on efforts to create an All Volunteer Force.

Transportation of Things. The Navy FY 1973 estimate for Second Destination Transportation was based on planned experience in FY 1972. A Reprogramming Action of $20 million was necessary late in FY 1972 to cover billings in this program during that fiscal year exclusive of SEASIA impact. FY 1973 costs based on these actually incurred FY 1972 charges are currently projected at close to the previous year's level. Therefore, it is requested that $6,650 thousand be allowed to provide additional funding in FY 1973, to partially offset the Second Destination Transportation deficit.

Replacement of Enlisted Men on Detail. The HAC action would terminate this program by 30 April 1973. This is a program designed to enhance service life attractiveness by replacing the Navy enlisted work with contractual labor to perform janitorial and custodial services.

Elimination of this highly morale oriented program would require additional military end strength to perform the tasks now under contract. This action is counter productive to the establishment of an All Volunteer Navy in a Zero Draft environment.

Central Supply and Maintenance.

a. CHAPARRAL. The House Appropriations Committee action recommends a deletion of $600,000 requested to fund installation of 23 Army CHAPARRAL air defense missile systems in Navy ships. The stated rationale of the Committee in recommending this reduction was that CHAPARRAL was not designed for shipboard use, does not have a forward aspect capability, is under further development by the Army and therefore is not suitable for installation aboard Navy ships.

Classified material which has been deleted is indicated by brackets.[ ]

Although not specifically designed for shipboard use, CHAPARRAL launchers are being modified, hardened, and marinized for shipboard installation. These modifications provide sufficient protection for the launchers to permit use in a salt water environment. The basic Army missile, MIM-72A, employs the Navy SIDEWINDER missile infrared seeker, AIM-9D. Against a [ ]anti-ship missile target[(deleted)] the CHAPARRAL missile will acquire a[(deleted)] target at an average range of[ ] yards. Post-launch intercept and target kill will occur at[ ]yards. Under these conditions, the probability of kill against a[ ]missile or aircraft target is predicted to be[ ] The primary threat to Naval ships operating in the North Vietnam littoral is the surface-to-surface anti-ship missile; the MIG-19 and MIG-21 aircraft are considered the secondary threat. Employment of the modified Army CHAPARRAL missile in Navy ships provides at minimal cost, an effective defense against these threats. Restoration of the $600,000 reduction is requested.

b. Catapults and Arresting Gear. The request for $1.0 million was deleted on the basis it was an excessive amount for field team transportation and perdiem. The $1.0 million not only provides for field team transportation and per diem, approximately $.2 million, but also provides for the repair or overhaul of catapults, arresting gear and landing aids equipment during periods the ships are in the yards, approximately $.8 million.

The following carriers, CVA-19, CVA-43, CVA-60 and CVA-64 were in port the first quarter of FY 1973 from SEA for their regular planned restricted or technical availability or overhaul with a planned expenditure of $1.4 million. The actual effort expended in the first quarter due to landing aids in SEA amounts to $2.2 million. The increase of $.8 million was incurred in the first quarter for shipyard labor and material due to extraordinary wear and usage. In addition, three 12 man emergency repair teams for catapults, arresting gear and landing aids on CVA-64,CVA-19, and CVA-43 amounted to $.2 million. Request the $1 million expended in SEA be restored.

Joint Uniform Military Pay Systems. The Committee action denies a personnel increase of 142 and funding amounting to $1.0 million. The increase in personnel, bringing the total up to 269, is required to support the remaining JUMPS milestones and in particular, the implementation of the JUMPS Leave Accounting System for enlisted personnel. Denial of the requested increase will result in at least one year delay in the establishment of the critically needed financial management system for the Military Personnel, Navy appropriation. This delay will mean that the Navy must continue to operate segments of two different pay systems, prolong world-wide training and will cause a complete rephasing and rescheduling of ADP development and programming tasks. In the long run this course of action will be more costly and would be contrary to findings and recommendations of the General Accounting Office set forth in their letter of 26 July 1972. In this letter, the General Accounting Office stated in part:

> "We are favorably impressed with the thorough and orderly manner of development and testing of each segment (refers to the segments of the JUMPS system) and believe that the Navy has responded to the recommendations of the Comptroller General that necessary priorities and positive executive direction be established for the JUMPS program (B-159797, August 17, 1970)."

Classified material which has been deleted is indicated by brackets.[ ]

This letter also makes note of considerable progress and major accomplishments in such areas as the definition of procedures for better management of the Military Personnel, Navy appropriation, implementation and operation of a leave accounting system and other development of plans for independent reviews of the design and operation of JUMPS. Also, GAO urged that the current interest and executive attention be continued through the critical implementation period.

All Volunteer Program. After FY 1973 Congressional Budget was submitted recruiting goals were reevaluated in face of recruiting shortfalls experienced. Accordingly, original requirement for 82 civilian ADP support personnel was restructured to include:

ADP Support	47
Advertising Response System	21
Naval Reserve Officer Program Support	9
Inhouse Accounting Capability	4
Aviation Testing Support	1
TOTAL	82

A reduction of 56 CIVPERS would negate the Advertising Response System with marked reduction of advertising effectiveness since follow-up action would be eliminated. Two of the six primary tasks for ADP would be eliminated and the remaining four would be delayed until late FY 1974. Reserve officer recruiting support is required to process increasing applications as a result of Congressional approval of expanded reserve officer programs. The reduction would contribute significantly to Navy delays in attaining an AVF posture.

All Other. Restoration is not requested for the following items:

CHAMPUS	$+14,300
Currency Revaluation	+ 6,400
Utilities Costs	+ 1,500
Transfer from Navy Stock Fund	-50,000
Civilianization of KP Duties	- 6,650
Total	$-34,450

OPERATION AND MAINTENANCE, MARINE CORPS

(Thousands of Dollars)

	O&M MarCorps	O&M MarCorps Res.	Total
FY 1973 Request	$375,169	$8,094	$383,263
House Appropriation Adjustments	-2,740	-	-2,740
House Bill	$372,429	$8,094	$380,523
DoD Reclama	+503	-	+503
Current DoD Request	$372,932	$8,094	$381,026

Summary of Adjustments and Reclama:

(Thousands of Dollars)

	House Adjustment	DoD Reclama
Civilian Positions	$ - 900	$ +300
Military Personnel Reduction	- 540	+203
Civilianization of KP	-1,300	-
Total	$-2,740	$ +503

APPROPRIATION LANGUAGE

The House Bill would provide a new appropriation, "Operation and Maintenance, Marine Corps Reserve," and would appropriate $8,094,000 under this heading for FY 1973, as shown above. For reasons stated on page 100, it is requested that all amounts be appropriated under "Operation and Maintenance, Marine Corps," as in the past and as requested in the budget.

The House Bill would appropriate funds for "Operation and Maintenance, Marine Corps" under seven separate headings. For reasons stated on page 100, it is requested that the single amount be appropriated under "Operation and Maintenance, Marine Corps," as in the past and as requested in the budget.

JUSTIFICATION

Civilian Positions. The request for Fiscal Year 1973 was $1,458,000. The House action proposed a reduction of $900 thousand. The current DoD request is for restoration of $300 thousand, which will adjust the total request to $858 thousand.

The $900 thousand represents about one year for personnel reductions whereas the budget includes only half year funding for the new positions. The 200 positions allowed will cost $858 thousand or $300 thousand more than the $558 thousand remaining after reduction of $900 thousand from the budgeted $1,458,000.

Military Personnel Reduction. The request for Fiscal Year 1973 was $540 thousand. The House action proposed a reduction of $540 thousand related to a reduction of 909 man-years in military personnel. The current DoD request is $203 thousand.

Restoration of 339 of the 909 man-years reduction from Marine Corps Military Personnel appropriation requires the restoration of funds to the Operation and Maintenance, Marine Corps appropriation in order to properly support authorized end strength.

DEPARTMENT OF DEFENSE RECLAMA
OPERATION AND MAINTENANCE, AIR FORCE

(Thousands of Dollars)

	O&M Air Force	O&M Air Force Res	Total
FY 1973 Request, as amended	6,270,310	190,195	6,460,505
House Appropriation Adjustments	-96,630	-945	-97,575
House Bill	6,173,680	189,250	6,362,930
DOD Reclama	+46,630	+945	+47,575
Current DOD Request	6,220,310	190,195	6,410,505

Summary of Adjustments and Reclama:	(Thousands of Dollars) House Adjustment	DOD Reclama
Replacement of Enlisted Men on Detail	- 7,100	+ 7,100
Eastern Test Range	-18,920	+ 3,804
Civilian Employee Contract Admin	- 3,000	+ 1,200
Service Support Contract for VNAF	- 9,176	+ 9,176
B-52 Crew Training	- 3,400	+ 3,400
Shortfall in Avg Drill Strength in Res	- 3,300	+ 945
Civilian Pay Shortfall	-0-	+21,950
Transfer from Defense Stock Fund	-50,000	-0-
Other	- 2,679	-0-
TOTAL	-97,575	+47,575

APPROPRIATION LANGUAGE

The House Bill would provide a new appropriation, "Operation and Maintenance, Air Force Reserve," and would appropriate $189,250,000 under this heading for FY 1973, as shown above. For reasons stated on page 100, it is requested that all amounts be appropriated under "Operation and Maintenance, Air Force," as in the past and as requested in the budget.

The House Bill would appropriate funds for "Operation and Maintenance, Air Force" under nine separate headings. For reasons stated on page 100, it is requested that the single amount be appropriated under "Operation and Maintenance, Air Force," as in the past and as requested in the budget.

JUSTIFICATION

The President's Budget as amended requested $6,460,505. The House Appropriations Committee recommended this request be reduced by a net of $47,575,000 (considering a $50 million transfer).

Cost increases, fact-of-life actions, plus unforseeable program and policy changes have combined to create an Operation and Maintenance, Air Force shortage in excess of $325,000,000. The Air Force is deeply appreciative of the House Appropriations Committee action which recognizes certain of these increases.

The FY 1973 Operation and Maintenance fund shortage has received the close attention of the Secretary of the Air Force and the Chief of Staff. Recognizing that budgeted funds would not be sufficient to fund the overall program, the Air Force has taken measures to reduce the program/funding imbalance by reducing programs by $83,000,000. The most rigorous austerity has been imposed on all programs. The overall program remains seriously underfunded and more extensive program and management reviews are now underway as the Air Force attempts to further reduce the program and funding imbalance. These actions will necessitate substantial program curtailment as well as a request for transfer of funds from other appropriations. To minimize these actions, restoration of the total net reduction is requested.

Replacement of Enlisted Men on Detail. The Committee Report questions the validity of the program to relieve servicemen of custodial duties both as to the objectives to be achieved and the ultimate cost to fully implement the program. The report states that in the opinion of the Committee, these are wholesome and character building duties that enhance a serviceman's pride in the services and the facilities made available to him by the American people. The report also states that offsetting reductions in military personnel strengths have not been made. The Committee recommended that the program be terminated by April 30, 1973 and reduced O&M funding by $7,100,000.

The House Appropriations Committee proposal will result in the replacement of contract civilians currently employed in custodial services by military personnel on a detail basis. It is inconsistent with the Committee's desires that military personnel be replaced by civilians whenever possible. The current use of civilian personnel for custodial services is cost effective in that military end strengths have been reduced as a direct result of this program.

The Air Force recently conducted an extensive study of its peacetime military manhour availability rate, which, for some years, had been programmed at 140 hours per month. This study revealed that, as a result of policy changes in personnel management, such as custodial services, each enlisted man working a normal 40 hour week is now available for the performance of his primary duties on the average of 142 hours per month. Implementation of this new rate in the FY 1972 Budget produced significant savings in total military manpower. In addition, many of these duties were traditionally accomplished through the use of overtime hours which have not been allowed for in any manpower computations.

Reduction of funds for custodial services will impact severely upon mission accomplishment and upon ability to achieve an All Volunteer Force. The Air Force has made significant progress in transitioning to a zero-draft environment as indicated by favorable results in both recruiting and retention efforts in FY 1972. Much of this progress is attributed to the fact that a concerted effort has been made to improve the attractiveness of service life by removing irritants and eliminating tasks such as kitchen police, G. I. parties and cleaning of common use areas in the barracks and in administrative buildings.

The House Committee reduction of $7,100,000 for contract custodial accomplishment will require members to resume custodial duties for approximately 14 million square feet of facilities. This will have very serious morale implications and will no doubt result in reduced reenlistments. The credibility of the entire Volunteer effort to date will be placed in jeopardy if military personnel are required to once again perform these type duties.

In addition, the $7,100,000 reduction will cause the loss of jobs for approximately 1,000 personnel employed by the contractors with attendant impact upon the local economy at each location.

It is recommended that the $7,100,000 be restored.

Eastern Test Range. Based on preliminary Air Force estimates of the cost of the contract, the Committee Report recommends a reduction of $18,920,000 to the $51,564,000 requested for the Eastern Test Range Contract. The reduction amount was based upon the preliminary estimates of savings anticipated by the Air Force from competitive contract biddings. The contract has now been awarded and actual savings are $15,116,000, which is $3,804,000 less than the preliminary estimates. It is requested that the $3,804,000 be restored.

Contract Administration (MILSCAP). The Committee declined approval for 283 civilian employees to implement the Military Standard Contract Administration Procedures (MILSCAP) on the basis that MILSCAP is primarily a new ADP system, and infers implementation of these procedures should reduce manpower requirements. The Committee recommended a reduction of $3,000,000 for the 283 civilian positions.

Although the civilian end strength position identifiable to this program is 283, only 141 man-years at an average salary of $13,000, or $1,800,000, was requested for fiscal year 1973. The 141 man-years represented the civilian personnel build-up that would result in an end strength of 283. It is requested that $1,200,000 be restored which will adjust the reduction to the $1,800,000 requested in the fiscal year 1973 Budget.

Service Support Contracts. The Committee recommended a non-specific $9,176,000 reduction to the $53,353,000 requested for service contracts in support of the Vietnamese Air Force. This reduction would significantly impair the development of VNAF self-sufficiency. The contract program requested is a conservative estimate of requirements to support and maintain VNAF and Vietnamese civilian personnel toward a self-sustaining support capability for a guerilla type warfare environment. Achievement of VNAF self-sufficiency must be either by a contractual effort as requested in the FY 1973 O&M Budget Amendment or by U.S. augmentation, which has not been included in Air Force planning. The service contracts are an essential ingredient of the planned USAF withdrawal from Vietnam.

Subsequent to the development of the budget amendment, additional contracts required in FY 1973, toward self-sufficiency goals, have been identified. These increases include contractual maintenance for additional CH-47, removal of USAF peculiar equipment from VNAF A-37 aircraft. T-37 organization field maintenance and depot level engine overhaul, and helicopter tail rotor blade and gear box overhaul.

Restoration of the $9,176,000 reduction in this program is critical to the effective attainment of the projected degree of Vietnamese Air Force proficiency and self-sufficiency.

B-52 Crew Training. The Committee reduced $3,400,000 of the Air Force request for training for additional B-52

crews stationed in the U.S., stating that since a large number of B-52s and crews are operating in Southeast Asia there is no need for all of the requested increase.

For several years there hase been an acute shortage of B-52 crews, resulting in degradation of the Strategic Alert capability. The fiscal year 1973 esitmate projected an increased availability of flying personel for B-52 crews that would significantly improve the situation. The funds requested would permit the Air Force to provide the training necessary to fully qualify these personnel as B-52 crews and fill the long standing vacancies of authorized crew positions. The increase of $6,800,000 requested by the Air Force in the initial fiscal year 1973 budget estimate was not to"provide additional flight training of B-52 crews stationed in the United States", but rather to provide flight training for the personnel now available in the United States to form B-52 crews. With respect to the large number of B-52s and associated crews deployed to Southeast Asia, both the initial fiscal year 1973 budget estimate and the amendment to that estimate, considered the deployment. The programmed B-52 hours for Southeast Asia, were increased by 72,816 in the budget amendment, but this was offset by a reduction of 15,873 hours that had been allocated for training missions in the United States. This offset recognized that crews would not be available for flying in the U.S.

A reduction in this program would reduce the required number of combat ready B-52 crews and would preclude the Air Force from attaining the degree of alert capability that is essential to the maintenance of a strong deterrent force.

It is recommended that the $3,400,000 be restored.

Shortfall in Average Drill Strength of Reserves. The Committee recommended that the request for the Air Force Reserves be reduced $3,300,000 due to a shortfall in FY 1972 of 3,500 average strength and 2,400 end strength. The Committee does not believe that under current circumstances the Air Force Reserve will attain its FY 1973 average strength.

The average drill strength shortfall addressed in the House Committee Report will not achieve the $3,300,000 reduction identified in the House Report. The strength shortfall included mobilization designees and non-pay status personnel. Very little Operation and Maintenance funds are required for their support. Full manning has been achieved in the areas primarily funded by the Operation and Maintenance appropriation, namely air crews, aircraft maintenance and command support.

It is requested that $945,000 of the $3,300,000 reduction be restored to return the Air Force Reserve funding to the President's Budget level. This recognizes a continuing overall Operation and Maintenance program and funding imbalance which will have to be resolved during the fiscal year.

Civilian Pay Shortfall. As previously stated the Air Force is faced with a critical problem in FY 1973 because of an imbalance between authorized programs and the proposed level of Operation and Maintenance funding.

Among the program/funding imbalance is the shortfall of available funding for pay of civilian personnel. Fact-of-life changes since the FY 1973 President's Budget was submitted, have caused an estimated $76,100,000 in deficiency in Air Force O&M funding for salaries of civilian personnel.

An increase of $21,950,000 is needed to fund this requirement, which along with the other reclama requests will bring the Operation and Maintenance Appropriation to the level requested in the President's Budget.

The remaining imbalance will be resolved by program reductions and request for transfer authority during FY 1973.

OTHER ITEMS	(Thousands of Dollars) House Adjustment	DOD Reclama
Civilianization of KP Duties	-20,000	-0-
Reduced Military Personnel Strength	-16,800	-0-
Headquarters Operation and Administration	- 5,000	-0-
Project Transition	- 4,674	-0-
Intelligence Operations	- 4,900	-0-
ADP Operations	- 6,000	-0-
Changes Provided the Committee by the Dept.	- 2,300	-0-
Satellite Basing	- 3,760	-0-
Contract Support for Glasgow AFB	- 1,300	-0-
Conversions of C-130E aircraft to gunships	- 4,700	-0-
Noncommissioned Officers Academy	- 1,500	-0-
Reduction of Technicians	- 3,645	-0-
Change in Air Force Reserve Structure	+ 6,000	-0-
CHAMPUS	+17,600	-0-
Utility Cost	+15.000	-0-
Currency Revaluation	+13,400	-0-
Other Deficiencies	+19,900	-0-
	- 2,679	-0-

DEPARTMENT OF DEFENSE
OPERATION AND MAINTENANCE, DEFENSE AGENCIES

	(Thousands of Dollars)
FY 1973 Request, As Amended	$1,305,101
House Appropriation Adjustments	-37,457
House Bill	$1,267,644
Department of Defense Reclama	+28,909
Current Department of Defense Request	$1,296,553

Summary of Adjustments and Reclama:

	(Thousands of Dollars) House Adjustment	DoD Reclama
SECRETARY OF DEFENSE ACTIVITIES:	(-331)	(-0-)
ADP Support	-281	-0-
Building Maintenance and Modification	-50	-0-
ORGANIZATION, JOINT CHIEFS OF STAFF:	(-300)	(+254)
Civilian Personnel	-235	-0-
Travel	-65	-0-
Postal Service and Telephone Rate Increases	-0-	+254
DEFENSE SUPPLY AGENCY:	(-17,426)	(+15,705)
New Employees	-300	-0-
Additional Supplies	-5,000	+5,000
Project Referral	-65	+65
ADP Operations	-4,561	+3,140
Other Reductions:	(-7,500)	(+7,500)
Budget Amendment	-2,500	+2,500
Other Programs	-5,000	+5,000
DEFENSE NUCLEAR AGENCY:	(-3,000)	(+3,000)
Nuclear Stockpile Reliability Testing	-3,000	+3,000
DEFENSE COMMUNICATIONS AGENCY:	(-1,800)	(+1,900)
Joint Technical Support Activity (JTSA) Manning	-0-	-0-
Service Support Contracts	-1,900	+1,900
Communications Support of Secret Service	+100	-0-
DEFENSE INTELLIGENCE AGENCY:	(-6,700)	(+5,050)
Studies and Analyses	-1,700	+1,050
Budget Amendment	-5,000	+4,000
NATIONAL SECURITY AGENCY:	(-7,900)	(+3,000)
ADP Operations	-2,900	-0-
Other Programs	-5,000	+3,000
Total	-37,457	+28,909

JUSTIFICATION

Organization, Joint Chiefs of Staff

Postal Service and Telephone Rate Increases. The House Appropriation Committee action on the OJCS budget estimates for FY 1973 recommended a reduction of 15 man years of civilian employment and $300,000 in the level of obligation authority. In addition to the House action, additional adjustment reductions to the original budget request are required to offset

unbudgeted increases in Reimbursable Postal Service and Communication/Telephone Rate increases. These increases total $254,000. A careful review has been made of all areas where reductions could be effected. To absorb the total House cut and the unbudgeted increase ($554,000) will require a further sharp reduction in civilian employment and related costs.

In order to assure the continued effectiveness of the OJCS, restoration of $254,000 of the House proposed reduction is required.

Defense Supply Agency

Additional Supplies. The House denied an increase of $5 million for supplies and equipment on the basis that if DSA could get along without the additional supplies in FY 1972 it could also do without them in FY 1973.

DSA supply and equipment requirements consist primarily of supplies consumed in materiel packing, crating, and handling activity related to the level of receipt, storage, and issue of supply items in support of military services' operations. DSA depot operations in FY 1972 were 4.3% greater than initially programmed with actual packing and crating supply consumption $3.2 million greater. Because of this, FY 1972 operating supply levels were reduced. We currently estimate depot operations in FY 1973 to be 3.5 percent greater than estimated in the President's Budget. Consequently, full restoration of the House-proposed reduction is required to meet current and projected support demands for materiel packing, crating and handling supplies. This restoration would not represent an increase above ordinary supply levels; rather it will permit return to normal with recovery from the unduly low FY 1972 levels.

Project Referral. The House reduced the DSA request of $.126 million for administration of Project Referral to $.065 million and recommended that the Project be terminated based on their agreement with GAO conclusions that Referral has been costly, has shown limited accomplishment, and duplicates, in many respects, employment assistance provided by the Department of Labor.

The Referral Program is the only nationwide computerized man-job matching system in existence. It is not duplicated by any other civilian or government agency and no one else can provide a similar service to our retiring military personnel who are at a decided disadvantage of being widely separated from the labor market which they may wish to enter. It demonstrates that one of the advantages of choosing a military carrer is the concrete placement assistance available at the end of that career. This is critical since most individuals retire after twenty years of service at about 42 years of age or at prime earning time.

Private companies have come to know the Referral Project and are responding to it. Upon completion of the second full year of operation, costs have been reduced to about $540 per placement compared to $1,468.80 per placement during the first year, and placements themselves increased to 445 or more than 100 percent over the 212 placements made in the first year. These are significant accomplishments resulting from group management of the Program that probably cannot be duplicated by any other government employment assistance plan. It is fully anticipated that a significant increase in the rate of possible placements and a further reduction in cost per placement will continue during this fiscal year.

Automatic Data Processing Operations. The $4.561 million reduction proposed by the House is related generally to the need for better utilization and management of DSA data automation systems. In connection with the Standard Automated Materiel Management System (SAMMS), the House is of

the opinion that DSA should complete implementation of the interim SAMMS at each supply center at the earliest practical date, but that all action taken to up-grade SAMMS equipment be curtailed until the system has been redesigned.

DSA considers that decision on the relative phasing of SAMMS equipment up-grade with system redesign must await further study and review with the Office of the Secretary of Defense and the Congressional Committees. However, we do agree that FY 1973 financing for equipment up-grading is not required. This permits a reduction of $.7 million from the FY 1973 budget request. An additional $.721 million from the request can be reduced based on reconsideration of the level of effort required in other data system efforts. The balance of $3.140 million is required to sustain interim SAMMS exportation, MILSCAP/MOCAS II implementation, DIDS development and other ADP systems effort. A lack of financing sufficient for these undertakings will prove costly in terms of implementation schedule delays and loss of benefit from pre-implementation efforts already accomplished or underway. DSA agrees fully with the objective of better utilization and management of data automation systems and is programming definite accomplishments in these respects as the major systems advancements now underway become operations.

Other Reductions. Under this category, the House recommended a reduction of $7.5 million; $2.5 million related to Southeast Asia support and $5.0 million related to other program increases totaling $26.2 million.

It is currently estimated that the military services' requirement for supply and contract administration services support will be approximately 5.5 percent greater than the levels estimated in the President's Budget. These increases in support are a mixture of general requirements and Southeast Asia requirements. It is next to impossible to measure with precision the separate proportions of these influences. However, the total increase in support demands of 5.5% equates to about 1,600 man-years of effort. The Southeast Asia Amendment request is limited to 337 manyears; this represents about 14 percent of the total additional workload requirement from increased support demands. Thus, full restoration of the $2.5 million Southeast Asia proposed reduction and the $5.0 million unspecified reduction is required. Even with full restoration, we must absorb through increased output some 86 percent of the unbudgeted workload increase.

Defense Nuclear Agency

Nuclear Stockpile Reliability Testing. The $3 million increase in O&M funds would provide for the conduct of the initial operational type underground test of a nuclear weapon randomly selected from the national stockpile. The objective of the test is [(deleted)]

This test will be the first of a series planned for the FY 1973-1978 time frame. The series of tests is considered to be vital to the national security and deferral for lack of FY 1973 funding would delay obtaining important data on the reliability of nuclear weapons in the national stockpile.

The $3 million of O&M funds is for site preparation and actual conduct of the test. This is appropriate since the test is designed to verify the reliability of weapons in stockpile and is similar to reliability tests conducted by the Services of non-nuclear weapons. Reliability testing of ammunition is traditionally and appropriately chargeable to O&M appropriation. By contrast the $2 million RDT&E funds are required for planning, development and design of the test. It is requested that the $3 million O&M adjustment be restored.

Classified material which has been deleted is indicated by brackets.[ ]

Defense Communications Agency

JTSA Manning. The ceiling on JTSA personnel recommend by the House Subcommittee denies the DOD an effective key support element of the Worldwide Military Command and Control System (WWMCCS) ADP standardization program and inhibits achieving the efficiencies and economies anticipated from the basic program. The adverse impact on the WWMCCS ADP program, which is the key subsystem of the WWMCCS, will impact, in turn, on the capability of the National Command Authorities to exercise effective control of the military forces. The key role played by JTSA in support of the WWMCCS ADP program will involve the following major activities during FY 1973:

a. Direct Support to WWMCCS Sites. The principal thrust of JTSA activity is in providing day-to-day system software support directly to the 35 operational users in the WWMCCS community, through establishment and operation of an incident reporting center. Close to half of the total JTSA in-house manpower required will be occupied on a full-time basis providing this direct support to the WWMCCS user community, including personnel who will be doing the actual software maintenance, test and evaluation, and computer operator personnel who will be operating the JTSA computer on a two-shift, and eventually a three-shift, seven-day per week, basis. In addition, JTSA personnel will be providing direct consultation service and technical advice in such areas as site planning, installation layout, workload sizing, and software conversion, including on-site visits by JTSA personnel.

b. WMCCS ADP System Support. A large portion of JTSA in-house manpower (35-40 percent) will be devoted to providing technical support to the Joint Chiefs of Staff (JCS) in managing the overall WWMCCS ADP program, and conducting an RDT&E program, the major goals of which are to improve the efficiency and capability of the WWMCCS. These activities include: definition and configuration management of hardware and system software standards; design specifications for the ADP/communications interface; development, test and evaluation of improved system software; planning, programming and acquisition of system improvements, and development of a prototype WWMCCS intercomputer network. These activities are of utmost importance to achievement of WWMCCS long-range goals since, whereas each of the individual WWMCCS sites is concentrating its efforts on local operational requirements, JTSA is the single organization devoted to providing systems engineering support from the viewpoint of the overall WWMCCS ADP system as a whole.

c. Acquisition and Supervision of Service-Support Contracts. A small portion of JTSA manpower (10-15 percent) will be involved in acquisition and direct supervision of efforts under service-support contracts which augment in-house capability, principally for those activities cited immediately above.

The FY 1972 cut in funding for civilian salaries has had severe impact on mission accomplishment. Should relief not be provided, an even more drastic impact lies ahead. The workload involving direct support to the WWMCCS sites continues to grow, since delivery of the new standard computers to the 35 WWMCCS sites has only begun. More importantly, should adequate manpower not be provided, the claim on JTSA resources to meet the day-to-day direct support requirement will preclude conduct of the vital JTSA effort directed at the long-range goals for which the WWMCCS ADP program was established.

We urgently request relief in FY 1973 from the constraint on the JTSA civilian personnel manning level resulting from the funding cut in FY 1972. The availability of sufficient personnel to insure accomplishment of the

JTSA mission of providing centralized technical support is critical to success of the WWMCCS in providing effective and responsive global command and control capability to the National Command Authorities.

Service Support Contracts. The House Appropriations Committee action to cut $1.9 million from service support contracts will increase FY 1975 costs by $3.0 million and delay implementation of the WWMCCS ADP program worldwide at least one year. The service support contracts in support of the conversion of ADP software for WWMCCS is $3.5 million not $4.9 million as stated in the report (see page 1134 and 1153 of House Subcommittee on DoD Hearings Book Part 5).

The JTSA in-house personnel and the services cannot perform any of this conversion. The Report states that "part of this conversion effort should be done in-house by JTSA employees or by having the services perform this conversion." JTSA was not chartered to, nor can they perform any of the NMCS conversion effort without adverse impact on support to all elements of the ADP program. The bulk of the JTSA in-house manpower in FY 1973 is programmed for direct support of all WWMCCS users, testing of Honeywell software, and providing a centralized service for resolving standard software programs. The dedication of approximately 40 JTSA in-house personnel to NMCS software conversion efforts would essentially mean that no other WWMCCS user could receive JTSA support. The JTSA concept has been a fundamental part of the WWMCCS ADP program almost from its inception, and its defacto elimination would place the entire program in a high-risk situation. The services are likewise not programmed to perform and of these conversion tasks. They are fully occupied in converting their own programs and those of unified and specified commands, in supplying inputs to the NMCS and in meeting operational command and control requirements. The NMCS has provided all of the in-house support to conversion possible. Therefore the efforts can only be provided by service support contracts.

The $1.9 million cut will increase FY 1975 costs by $3.0 million. An IBM computer will be extended beyond the planned phase out date of June 30, 1974. The unplanned increased lease and operation costs in FY 1975 would be in excess of $1.1 million. In addition the $1.9 million reduced in FY 1973 would be required in FY 1975 for conversion. Consequently, the NMCS will require the $3.0 million or more for conversion in FY 1975.

The proposed reduction is most serious in terms of its potential delaying effect on the overall WWMCCS standardization program. Since the NMCS is the focal point of the WWMCCS, conversion plans were aimed at completing conversion during the first year, of those computer programs, which most directly interface with other WWMCCS installations and support the priority functions of the WWMCCS. Delaying this portion of the conversion effort will require other WWMCCS installations to modify their conversion plans, to retain capabilities to interface with the NMCS in the previous mode and to delay the development of a true, functional standard WWMCCS ADP system. Although this impact cannot be quantified, it is nevertheless a severe blow to the overall objectives of the WWMCCS ADP program.

It is therefore requested that the $1.9 million reduction in WWMCCS service support contracts be restored to DCA.

Defense Intelligence Agency

Studies and Analyses. These funds are required for investigations into the adequacy of those systems depended upon to provide warning to the National Command Authority of launch of a strategic nuclear attack against the United States. The recent Blue Ribbon Defense Panel identified this

area as one of the most critical elements [(deleted)] [(deleted)]. Four analyses, estimated to cost $850,000 are essential to this effort. One would address the [(deleted)] warning systems and determine appropriate and cost-effective hardening techniques for these and associated communications and data processing subsystems. Another would analyze and evaluate warning systems performance [(deleted)] reliability and credibility. A third would specifically address the impact of an adversary's electronic countermeasures on the credibility of our warning systems, and determine the costs and benefits of developing electronic counter-countermeasure packages for those systems. A fourth study would identify those intelligence systems which have significant potential for dual application into the warning area, and would address the specific data exchange, communications, data processing, and administrative problems which such application would raise. Loss of the funds for these analyses would severely limit the capability of the Assistant Secretary of Defense for Intelligence to do responsive and comprehensive planning [(deleted)] in United States warning capabilities.

The remaining $200,000, earmarked for analyses [(deleted)]

Strategic Arms Limitation Verification. The Strategic Armed Limitation agreements verification function centers on the requirements to monitor [(deleted)] the Soviet strategic posture. [(deleted)]

To follow [(deleted)] changes limited by the agreements, analysis of Soviet capabilities must be augmented [(deleted)] [(deleted)]. Our leverage in the SAL environment is predicated on our ability to keep pace with Soviet improvements [(deleted)]

To this problem is added our need to know the Soviet capability [(deleted)]. These are broad areas of intelligence activity which are directly related to the verification requirements. The analytical [(deleted)] resources requested in the amendment are crucial to provide this verification data. Outside of these functions, such supporting activities as clerical, graphics, and computer support personnel will require proportional strengthening. These requirements are now estimated at 141 personnel and $1 million for Fiscal Year 1973.

[(deleted)]. Such intelligence can be produced only through more intensive analysis of available data from all sensors to enhance the quality and depth of intelligence assessments and more expeditious processing of both raw and finished intelligence to minimize time lag between detection of a development and the delivery of a statement of its significance to decisionmakers. These improvements can only be made with augmentation of specialized resources dedicated solely to the process of verification.

The additional requirements to support the Verification Panel, OSD, and the JCS on verification matters, [(deleted)]

National Security Agency

NSA has reviewed its current year operating program in light of the planned House reduction of $7.9 million in the Agency's budget request under Operations and Maintenance, Defense Agencies Appropriation. We find that the five percent reduction in civilian manpower ordered last year by the President, his requirement to de-escalate grade structure, and a greater

Classified material which has been deleted is indicated by brackets. [ ]

number than expected of retirements in late FY 1972 have resulted in lesser manpower costs for FY 1973. Additionally, a new method of Government contracting for data processing equipment will also achieve some significant savings this year. These two factors, along with belt-tightening in other O&M expenses such as travel, contractual support and materiel consumption will permit NSA to absorb a significant part of the House reduction in the Operations and Maintenance Appropriation. [(deleted)]

DEFENSE INTELLIGENCE AGENCY
EXTERNAL ASSISTANCE CONTRACTS
STRATEGIC ARMS LIMITATION VERIFICATION

The requested external assistance contracts in support of Strategic Arms Limitation (SAL) verification are divided into three general categories; data analysis techniques, multi-source data integration and evaluation, and substantive technical intelligence. Within each category new areas of external contracts not covered in the regular FY 1973 budget are specified as well as those which are expansions of existing areas of external contracts necessary to respond to intelligence requirements resulting from the SAL agreements.

1. Data Analysis Techniques ($2.85 million): Development of data processing and analysis techniques and related theoretical studies are required to increase the probability of retaining a verification capability in the future and to increase the value of collected data.

a. New areas of external contracts ($1.66 million).

[(deleted)]

b. Expansions of existing areas of external contracts ($1.19 million).

[(deleted)]

2. Multi-Source Data Integration and Evaluation ($0.70 million): Development of appropriate software to provide a multi-source data integration and evaluation capability is required to permit a more timely and effective analysis of data from various collection systems [ ]. The major types of weapon systems considered will be those covered under the SAL agreements: ABMs, SLBMs, and ICBMs. All of this effort is a new area of external contracts.

3. Substantive Technical Intelligence ($3.45 million): The specific terms of the SAL agreements place increased requirements on intelligence in selected substantive areas. [(deleted)]

a. New areas of external contracts ($2.20 million).

[(deleted)]

b. Expansions of existing areas of external contracts ($1.25 million).

[(deleted)]

Classified material which has been deleted is indicated by brackets. [ ]

DEPARTMENT OF DEFENSE
OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

(Thousands of Dollars)

FY 1973 Request, as amended	$468,510
House Appropriation Adjustments	-35,390
House Bill	$433,120
DoD Reclama	+20,147
Current DoD Request	$453,267

Summary of Adjustments and Reclama:

(Thousands of Dollars)

	House Adjustments	DoD Reclama
Personnel Services (Technicians)	$-12,700	$+12,700
All Other	-22,690	+ 7,447
Total	$-35,390	$+20,147

JUSTIFICATION

Technician Strength. The denial of the requested increase in technician strength would severely restrict progress in improving the readiness capability of the Army National Guard.

The FY 73 technician requirement in the Budget request is consistent with Public Law 92-119.

The increase in requirements is related to the Aviation Program for operations and training of aviators and maintenance of aircraft; and for the maintenance of surface equipment, including receipt, storage and issue of supplies and materials.

The Total Force approach to national security carries out the often expressed intent of the Congress that the National Guard and Reserve be strengthened and improved so that they are, in fact, able to perform their mobilization missions in a timely manner. The Air National Guard and the Air Force Reserve are the only Reserve Components which have historically been able to meet Active force mobilization standards (in 1961, 1962, and 1968). Their ability to achieve and maintain high levels of combat readiness is related directly to the use of technicians in sufficient numbers to maintain continuity of operations and to perform the maintenance and support activities necessary for effective training of other unit personnel.

Although these facts were clearly understood in the past, there was no value in increasing the number of technicians when equipment levels and quality were so low as to be, in themselves, the limiting factor in the attainment of mobilization readiness. Now that combat serviceable equipment has begun to flow into Reserve Component units at a rapid rate and with attainment of substantially complete equipping in these units projected within the next two to three years, the only way to keep equipment from continuing to be the major limiting factor in the attainment of readiness is to provide the manpower support necessary for maintenance and use of the equipment on hand.

The requested increases in technician strength for the Reserve Components of the Army do not fulfill the entire purpose of the technician program but they are designed to cope with the significant increase in combat serviceable equipment and the resultant increase in requirements for adequate maintenance and control of materiel. Positions have been authorized based on established work standards and are austere in numbers. They are considered the minimum essential for continuing progress toward acceptable levels of equipment and training readiness in the Army Reserve Components.

A reduction of $12,700,000 and a limitation to 27,035 technicians for the Army National Guard would severely restrict the ability of units to absorb and use new equipment in the development of better training and would impact adversely on readiness capability.

Request $12,700,000 be restored and the ceiling on technicians for the Army National Guard be established at 28,654 for FY 1973.

All Other. The reduction in technician funding has been applied twice inasmuch as the reduction in the requested headquarters operations duplicates the reduction in technician funding (technicians account for approximately 69% of the entire appropriation). If the reductions are applied, technician strength will have to be reduced an additional 645 below the ceiling specified in the report, further limiting the probability of progress in readiness improvement.

Request $7,447,000 be restored.

(Thousands of Dollars)

	Total Appropriation	Technician portion of Total Appropriation
a. Base	$468,510	$321,298
pro rata cut	2.1%	2.1%
Reduction	$ 9,840	$ 6,747*
b. Base (FY 73)	$ 28,200	$ 14,800
(FY 72)	22,500	13,400
Increase	5,700	1,400
reduce by	50%	50%
Reduction	$ 2,850	$ 700*

* Reductions applicable to the technician program: $7,447.

OPERATION & MAINTENANCE, AIR NATIONAL GUARD

(Thousands of Dollars)

FY 1973 Request, as amended	$ 461,743
House Appropriation Adjustments	- 13,235
House Bill	$ 448,508
DoD Reclama	+13,235
Current DoD Request	$ 461,743

Summary of Adjustments and Reclama:

	(Thousands of Dollars) House Adjustment	DoD Reclama
Shortfall in ANG Drill Strength	$ -4,800	$ +4,800
Technician Program	-6,835	+6,835
Base Operating Supplies and Equipment	-1,600	+1,600
Total	$-13,235	$+13,235

JUSTIFICATION

Technician Program. The Air National Guard was authorized a phased increase to 22,550 technicians in FY 1973 by Public Law 92-119. OMB subsequently placed a ceiling of 21,790 on technician manning for FY 1973 with the understanding that full implementation of the law would be completed in FY 1974. The 22,206 end strength for combined technicians and DAF civilians reflects the addition of 416 DAF civilians transferred from the Air Force for support of Selfridge AFB and should not be interpreted as an increase in technician support for combat readiness of units.

Since passage of PL 92-119, conversions to more modern aircraft have increased the total technician requirement from 22,550 to 23,921. The validity of these requirements is attested by the high degree of readiness which has been consistently maintained by the Air National Guard through use of the technician program and which was tested and proved by the mobilization of 1961 and 1968. The authorization of technician levels lower than those required to support aircraft types and missions would degrade the readiness of the units of the Air National Guard and could impair the historic timeliness with which these units have responded to mobilization and deployment needs of the nation.

Request that $6,835,000 be restored.

Shortfall in ANG Strength. Reductions in O&M funding should not be based on anticipated shortfalls in Air National Guard strength for two reasons. First is the fact that reserve component operating costs are not directly related to personnel strengths as are those of the active components, because housing, personnel services, and other normal expenses of active force installations do not exist for the part-time forces to a like degree. Furthermore, the Air National Guard is demonstrating an exceptional ability to recruit and retain personnel at a time when other components are experiencing difficulties. Air National Guard end strength for August 1972 had risen to 90,055 or 2,441 above the FY 73 budget strength. There are indications that additional personnel funds may be required to support attainable strengths unless controls are placed on personnel procurement in the ANG.

A decrease of $4,800,000 would therefore cause a reduction, not in personnel support costs, but in essential mission programs and would adversely affect mobilization readiness and progress in conversions to more modern aircraft and higher priority missions.

Request $4,800,000 be restored.

Base Operating Supplies and Equipment. The funds requested under this heading are directly related to the cost of aircraft conversion programs and increased operating costs for newer weapon systems. A reduction of $1,600,000 cannot be absorbed without impairing mission support, procurement of needed mission equipment and ultimately the readiness of the units involved.

Request that $1,600,000 be restored.

DEPARTMENT OF DEFENSE
CLAIMS, DEFENSE

	(Thousands of Dollars)
FY 1973 Request	$52,900
House Appropriation Adjustment	-7,900
House Bill	$45,000
Department of Defense Reclama	+3,400
Current Department of Defense Request	$48,400

JUSTIFICATION

The House adjustment, in substance, has the effect of holding the FY 1973 appropriation to the actual obligations incurred in FY 1972. This does not give adequate consideration to the impact of several actions taken by the Services to improve the claim processing procedure particularly with regard to personnel claims. The Services have passed the authority to adjudicate claims further down the command level and have increased the dollar limit of claims that can be settled at the lower level. As a result of these actions more and more servicemen are aware of their rights for reimbursement for their losses due to their Government service, and many are no doubt now submitting claims for small losses that formerly would probably have been ignored due to the paperwork and time required to adjudicate and pay their claim. The FY 1973 current Department of Defense request was developed as follows:

	(Thousands of Dollars)
FY 1972 Actual	$45,727
Addition Required to Finance Personnel Claims 1/	+2,673
Current Department of Defense Request	$48,400

1/ Based on FY 1972 experience, and involves an 8 percent increase in personnel claims priced at the FY 1972 average cost per claim of $205 per personnel claim. As indicated below the 8 percent increase appears conservative in view of recent actual experience.

	Number of Personnel Claims	Increase Over Prior Fiscal Year
Fiscal Year 1970	126,534	5 Percent
Fiscal Year 1971	150,888	19 Percent
Fiscal Year 1972	163,315	8 Percent

Revised Operation and Maintenance Appropriation Structure

House Bill

The House Bill would subdivide the principal existing operation and maintenance appropriations in such a fashion as to prohibit transfers between budget programs without utilization of Section 735 transfer authority. In addition it would establish four new appropriations for Operation and Maintenance of the Army, Navy, Marine Corps and Air Force Reserves.

Department of Defense Position

The Department requests that operation and maintenance appropriation and language continue as in the past, as requested in the President's Budget.

JUSTIFICATION

The House Bill would establish four new Reserve appropriations for Operation and Maintenance (O&M), and would subdivide the principal existing O&M appropriations, creating for practical purposes a total of 47 appropriations where now there are 5. The additional subdivisions proposed for FY 1974 would increase that number by at least 16. Transfers between these accounts would be prohibited without utilization of Section 735 transfer authority, which concurrently would be significantly reduced below both the request and the FY1972 level. The subdivision of the O&M appropriation would, effectively, mean a further drastic reduction in that Section 735 authority; for instance, reprogramming between existing programs totalled $216,580,000 during FY 1972.

It should be noted that during FY 1972 only $206,032,000, just under 1% of the total appropriated, moved between O&M programs without the prior approval of Congress under existing arrangements; and Congress raised no objection when notified of these changes. In addition, an analysis of each of the three cases cited in the Report as reasons underlying this recommendation indicates that none would have been prevented had the proposed restrictions been in effect. These are discussed individually below.

What the restrictions will do, insofar as the conduct of the Committees' business is concerned, is delay the flow of information on DoD programs now provided by the reports of reprogramming actions which would be prohibited; increase the number of requests requiring action by the Committees; require the Committees to review prior to implementation minor adjustments of interest only from an information viewpoint; increase the likelihood of costly delays and disruptions in execution of approved programs; and - if and when the Section 735 transfer authority is exhausted - require time-consuming legislation action for necessary relief.

Within the Department of Defense the administrative control of funds will be much more complicated, expensive and time-comsuming; management effectiveness will be reduced; and management personnel frustrated. The Report implies that existing Financial Management structure and accounting systems are suited to the controls proposed. While the structure itself exists, the initial impact of implementing a system of before-the-fact control throughout the Department of Defense, which would be required by the subdivision of the appropriations, is significant. Computer systems have been designed around such control at the appropriation level and would have to be reprogrammed. With management resource levels already severely constrained - and further reduced by the House action - the emphasis on further control is bound to be at the expense of efficiency.

Congress clearly recognized the complexity and inefficiency of having many subdivisions, and legislated against it in Section 3679 of the Revised Statutes As Amended (31 U.S.C. 665) which states:

> "g. ...In order to have a simplified system for the administrative subdivision of appropriations or funds each Agency shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one administrative subdivision for each appropriation or fund affecting such unit."

The Report further requests that for FY 1974 "the Department of Defense include all funds for specific operations within the same budget activity. All communication costs should be included within the request for communications; all requests for intelligence operations within the intelligence request; all transportation costs in one account; all base operations costs included in one account; and a separate budget activity for each." Not only does this assume, for instance, that there are no communications involved in intelligence or base operations, but it would further frustrate the intent of Congress that "each operating unit, at the highest practical level, be financed from not more than one administrative subdivision" of funds.

The Department of Defense will work with the Committee staffs to determine what changes in the program structure should be made to provide a system which best reconciles the recurring needs of DoD and both Appropriations Committees for broad program visibility with the necessarily diverse organizations which manage and execute programs. The existing reprogramming procedures, however, do not restrict Committee control to the terms of the account structure. At the same time they leave the Department of Defense free to comply with the Committees' specific limitations without changes in the structure which would destory the usefulness of past data or cause a system-crippling proliferation of subaccounts and overlapping controls.

It should be noted that on May 8, 1972 the Secretary of Defense advised the Chairman of the Senate Committee on Appropriations of steps that had been taken to correct weaknesses in the control procedures which were in effect during the period of the alleged abuses cited in the House Report. Apparently the House Committee on Appropriations was not aware of these steps. Hereafter "each function, program or activity reduced by Congressional action, regardless of level, will be separately identified on reprogramming reports. With this procedure there will be a basis for verification that all Congressional reductions have been made and that in reported programs no increases have been applied without necessary prior approval." The same procedure applies equally to the subdivisions proposed by the Committee whether or not they had been reduced.

The account structure itself derives much of its value by revealing the movement of funds from one account to another; to prohibit the movement is also to lose that source of information. The expression of Congressional interest in a specific program already provides a more meaningful and effective control than the proposed subdivision, and does so without the costly side-effects resulting from those subdivisions.

The FY 1973 estimates are as conservative as they are because the Department of Defense assumed continuation of the flexibility allowed by the Congress in the past. The risk that some estimates might prove to be too low in certain areas could be accepted because of the Department's confidence that the Appropriations Committees would be as reasonable in

allowing and approving changes as in the past. Therefore, the proposed action is particularly untimely. The Report recognizes that precision is unattainable in O&M. The combination of imprecision in the estimates and barriers against reprogramming is bound to lead to higher estimates in each subdivision, and in the total. At the same time it becomes more difficult to motivate each manager to economize in his area against the possibility of shortages in others. Obviously the Committee does not want larger budget requests less effectively utilized, but wants to know how and for what purposes funds are being used. The movement of funds between programs is, of course, as much evidence of management action as of bad estimates or program changes. None of these will be as evident to Congress if the movement is suppressed; nor will the disposition of savings.

The Committee's proposals, based on the examples, are intended to insure that it is not uninformed or misinformed about what is happening in the Department of Defense. We should jointly strive to improve the flow of information about what is happening, and to prevent actions only on the basis of positive information, not by general systematic constraints on good management as well as bad, on good programs as well as bad.

The Report cites three cases as examples of problems it hopes to eliminate by the proposed subdivisions.

The first involved the Army's alleged misuse of continuing resolution authority to prosecute a budgeted Army program for hiring civilian KPs within budget levels, not the transfer of funds from one program to another within the O&M budget structure; not even the application of budgeted funds for other than budgeted purposes.

The second case involves an alleged deception by the Army in justifying as an additional requirement for medical supplies, a $27 million increase for pay of additional civilians. Since the revised employment plan and related costs had been clearly presented in the FY 1972 column of the FY 1973 Budget justification, there was obviously no deception intended. But, misunderstanding aside, it is clear that the subdivisions proposed in the Report will not prevent deception of the kind alleged since that misunderstanding arose over a prior-approval reprogramming request to the Committee under existing controls. Were any deception intended it would be to secure Committee approval, not to avoid it. Whatever inclination a program manager might have to deceive the Committees would in any case only be aggravated by limiting his recourse to reprogramming.

The third case cited involved a proposed transfer (also requiring Committee prior approval) of $33.0 million into the Operation and Maintenance, Navy (O&MN) appropriation for ship maintenance, from which $28.7 million had been transferred out to other O&MN purposes with prior approval. The facts are not in dispute; the Navy had indicated in the FY 1972 column of the FY 1973 Budget that it could reduce the ship overhaul program to meet other urgent requirements, but subsequently found that cost increases and schedule changes instead would require an increase. What is important is that the House proposal would in no way affect this kind of situation; the program in which the funds were required - General Purpose Forces - had in fact been increased, not decreased in the first instance. In other words the diversion from ship maintenance was entirely <u>within</u> one of the subdivisions now proposed.

In short, the subdivision of O&M appropriations and establishment of separate Reserve appropriations will not eliminate any of the problems cited: the interpretation of the continuing resolution; the improvement of the reprogramming justifications themselves; and the reallocation of funds

within a subdivision of the appropriation. Both the FY1973 changes and the further revisions recommended for FY 1974 would make past data obsolete and reduce the utility of the structure for internal Department of Defense management while increasing significantly, if not overwhelmingly the burden on the management system. It is therefore recommended that the existing appropriation structure and flexibility be retained by amending the proposed language in the bill to put the Operation and Maintenance Reserve amounts back in the various O&M appropriations, and by eliminating the proposed subdivisions.

DEPARTMENT OF DEFENSE
AIRCRAFT PROCUREMENT, ARMY

(Thousands of Dollars)

FY 1973 Request, as amended	$ 162,900
House Appropriation Adjustments	-119,400
House Bill	$ 43,500
Restoration Requested	+ 5,300
Current DOD Request	$ 48,800 a/

Requested for Reconsideration:

(Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DOD Request
U-21F - UTE Acft	$ 12,700	$ 12,000	$ 0	$ 12,000
AH-1G - COBRA	12,300	0	0	0
CH-47 - CHINOOK	13,800	0	0	0
Modification of Aircraft - AH-1G	10,100	4,800	5,300	10,100
First Destination Trans	2,700	600	0	600
Common Ground	1,100	900	0	900
All Other	110,200	25,200	0	25,200
	$162,900	$ 43,500	$ 5,300	$ 48,800

a/ Excludes transfer of $85,000,000 a NOA adjustment.

JUSTIFICATION

The fundamental purpose of the Advanced Production Engineering (APE) funds for the AH-1G COBRA TOW modification in FY 1973 is to insure full producibility of materiel prior to quantity procurement and thus improve the transition from research and development to production. Tasks associated with APE generally include the development of data packages, e.g., manufacturing drawings, bills of material, quality assurance procedures, planning for plant layouts, parts lists, and descriptions of manufacturing procedures. Although these funds were requested in the procurement appropriations, the Army intends to change its method of funding the tasks described above from procurement appropriations to the RDT&E appropriation since these tasks more properly fall into the category of development. We request, therefore, that a total of $5.3 million be transferred from the Aircraft Procurement, Army Appropriation to the FY 1973 RDT&E Appropriation in order to permit timely accomplishment of these APE vital tasks for the AH-1G COBRA TOW modification.

Funds in the amount of $5.3 million are requested for FY 1973 for APE to shorten procurement leadtime and reduce costs for modifying the AH-1G COBRA helicopter with an airborne TOW missile system. The heliborne TOW will provide a quick reaction anti-tank capability, a requirement previously recognized by the Congress and a concept proven in Vietnam where two Huey helicopters equipped with TOW missiles have scored 52 kills of which 25 were tanks. The APE funds are requested in FY 1973 in order to take research and development hardware and transition into a production program. In view of current development and test experience with the two heliborne systems, transitioning from research and development into production is a low risk program. A denial of the $5.3 million in FY 1973 will delay fielding the TOW equipped COBRA by about one year. The TOW COBRA is to be assigned to Europe to give the U.S. Army an heliborne anti-tank capability as soon as practicable and is required regardless of the disposition of the Advanced Attack Helicopter Program.

DEPARTMENT OF DEFENSE
PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

	(Thousands of Dollars)
FY 1973 Request, as amended	$ 375,100
House Appropriation Adjustments	95,900
House Bill	279,200
Restoration Requested	3,600
Current DOD Request	$ 282,800

Requested for Reconsideration:

(Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DoD Request
VULCAN	$ 15,200	$ 0	$ 0	$ 0
M60 Machine Gun (Lay Away)	1,500	0	0	0
XM198	3,600	0	3,600	3,600
Amendment	115,600	40,000	0	40,000
(Tanks)	(34,800)	(0)	(0)	(0)
All Other	239,200	239,200	0	239,200
Total	$375,100	$279,200	$ 3,600	$282,800

JUSTIFICATION

The fundamental purpose of the Advanced Production Engineering (APE) funds for the XM198 Howitzer in FY 1973 is to insure full producibility of materiel prior to quantity procurement and thus improve the transition from research and development to production. Tasks associated with APE generally include the development of data packages, e.g., manufacturing drawings, bills of material, quality assurance procedures, planning for plant layouts, parts lists, and descriptions of manufacturing procedures. Although these funds were requested in the procurement appropriations, the Army intends to change its method of funding the tasks described above from procurement appropriations to the RDT&E appropriation since these tasks more properly fall into the category of development. We request, therefore, that a total of $3.6 million be transferred from the

Procurement of Weapons and Combat Vehicle Appropriation to the FY 1973 RDT&E Appropriation in order to permit timely accomplishment of these APE vital tasks for the XM198 Howitzer.

Funds in the amount of $3.6 million are requested for FY 1973 for APE tasks on the XM198 Howitzer in order to tie in with current development effort and reduce costs in the fielding of an effective new weapon which will give the Army extended range capability. A delay in the fielding of the XM198 Howitzer would require the Army to retain the 30 year old M114A1 Howitzer another year, with the attendant problems of maintainability, reliability, and incompatibility with new rocket assisted and nuclear ammunition, and would place the Army in the position of being outgunned by comparable Soviet weaponry for 12 to 15 months longer than is necessary. The House Committee has stated that an additional $6.4 million will be required in FY 1974 to complete development when, in fact, it is planned that only $3.5 million is needed. Investigation of the technical difficulties reported to the Congress by the GAO revealed that dummy ammunition being used to test fire the XM198 was "out of balance" causing wear on the cannon. Correction was made to the ammunition and the problem was obviated. The XM198 has had 3200 successful firings using R&D Prototypes. Human Factors Evaluation Tests were completed 16 August 1972 and the results were good; no items were recommended for redesign. The ET/ST of the cannon and breech, originally scheduled to begin in October 1973 has been accelerated to begin in February 1973 and is planned for completion in April 1974. Due to the accelerated program and in order to be ready for production, the $3.6 million for vital APE tasks is requested for FY 1973.

The Army reclammas the Committee directions and instructions as stated in para 1, page 157 for the Army Tank Program for the following reasons:

1. The Army initially elected to provide the M48A3 tanks instead of M48A1 tanks to RVN forces because (a) M48A3 assets were available in-country for issue to RVN; (b) this in-country availability of M48A3's facilitated the required training of RVN forces by U.S. Army personnel that had been their combat support companions; (c) repair parts and the repair parts pipeline to RVN to support this tank were available at Sagami to facilitate the maintenance and repair operations; (d) the M48A3 tank provides increased operational capability over the M48A1 in terms of cruising range and fire control in order to cope with NVN tanks; (e) costs associated with retrograding the M48A3 tanks and related repair parts to CONUS and refurbishing and shipping other M48A1 tanks, plus repair parts for initial and replenishment supply support to RVN, (f) finally, the time sensitiveness of providing ARVN a medium tank battalion because of the existing enemy tank threat and the redeployment of U.S. armor units. In this connection, it would have taken 18 to 20 months before the first M48A1's could have arrived in-country and an additional 3 to 4 months to organize and train the first RVN battalion. By providing M48A3 tanks, the first RVN tank battalion was organized, trained and committed to combat in 7 months from the date of decision.

2. Nothwithstanding the technological, operational and ease-of-training superiority of the M48A3 over the M48A1, a principal, insurmountable factor mitigating against replacing ARVN M48A3 tanks with M48A1 tanks is time. Several constraints contribute to the overall time problem. Salient among these is the 18 months required to procure M48A1 peculiar repair parts for overhaul operations and convert rebuild/overhaul lines at either Anniston Army Depot or Sagami from M48A3 repair to M48A1 repair. Further, the entire ARVN system

would have to be converted to M48A1 support, requiring acquisition and introduction of peculiar parts, tool and shop sets and maintenance training. Tank crew training for both maintenance and gunnery must be considered separately and could not be initiated in-country until after delivery of at least one company of tanks.

3. Further complicating a changeover to M48A1's would be the inevitable presence in-country of two medium tank systems, requiring widely differing power train and fire control support technology and materiel. It is estimated that this condition would exist for approximately 2 years, and would require the Army to support both systems on a continuing basis.

4. The title to the M48A3 tanks currently located in RVN has passed to the GVN. Accordingly, retrieval by the U.S. would require negotiation with GVN for transfer of the title back to the U.S. for those tanks currently deployed and committed to combat in RVN.

5. In summary, the Army considers the Committee's directive to be infeasible if ARVN force goals and military posture are to be maintained consistent with South Vietnam's ability to contend with what has proven to be a formidable enemy armor threat. If it remains the intent of the United States to protect, short of direct ground involvement, the territorial integrity of South Vietnam, then the Army considers the delay incurred by denial of M48A3 tank deliveries to be damaging to the likelihood of eventual GVN military success.

6. Based on the above justification, it is requested that paragraph 1, page 157 be deleted from the House Appropriations Subcommittee report on the Procurement of Weapons and Tracked Combat Vehicles, Army appropriation.

DEPARTMENT OF DEFENSE

PROCUREMENT OF AMMUNITION, ARMY

(Thousands of Dollars)

FY 1973 Estimate, as amended	$ 1,350,400
House Appropriation Adjustments	- 31,600
House Bill	$ 1,318,800
Restoration Requested	+ 5,100
Current DoD Request	$ 1,323,900

Requested for Reconsideration:

(Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DoD Request
76mm Ammunition	$ 5,100	$ 0	$ 5,100	$ 5,100
Ammunition Plant Modernization	133,000	113,000	0	113,000
Layaway of Industrial Facilities	16,500	10,000	0	10,000
All Other	1,195,800	1,195,800		1,195,800
TOTAL	$1,350,400	$1,318,800	$ 5,100	$1,323,900

JUSTIFICATION

76mm Ammunition: The U.S. Army now is supporting and is planning to continue to support over [ ] M41 operational tanks with troops in ARVN. The Cartridge 76mm HEAT is the primary armor defeating round of ammunition for the 76mm Gun equipped on the M41 Tank. Procurement is required if these tanks are to be supported with ammunition.

DEPARTMENT OF DEFENSE
OTHER PROCUREMENT, ARMY

(Thousands of Dollars)

FY 1973 Estimate, as amended	$ 654,000
House Appropriation Adjustments	- 56,500
House Bill	$ 597,500
Restoration Requested	+ 11,300
Current DoD Request	$ 608,800 a/

Requested for Reconsideration:

(Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DoD Request
Pollution Control	$ 3,600	$ 0	$ 0	$ 0
Safeguard	400	0	0	0
TADS	7,000	3,400	+3,600	7,000
SEA Amendment	6,200	0	0	0
Sensors	12,000	6,000	0	6,000
Ribbon Bridge	7,700	0	+7,700	7,700
Bridge Erection Boats	4,000	0	0	0
All Other	613,100	588,100	-	588,100
Total	$654,000	$597,500	$ +11,300	$608,800

JUSTIFICATION

TADS. The Army has a validated requirement for a Store and Forward message switching capability. Increased use of computers and data systems in the field Army emphasized the urgency of this need. The Tactical Automatic Digital Switch (TADS) AN/MYQ-2 was configured in 1969-70 to meet the requirement expressed by the Army from studies previously conducted. Two TADS were leased in FY 1972, and testing results have confirmed the design and capability to support combat operations. The TADS has upgraded field army communications by combining teletypewriter and data networks into a single common user system and eliminating manual relays. The procurement of the third TADS is necessary to attain the full store and forward flexibility required by total system. No additional capability will be available until calendar year 1977 when the Store and Forward Module of the

a/ Excludes transfer of $25,000,000 a NOA Adjustment.

Classified material which has been deleted is indicated by brackets.[ ]

AN/TTC-39 is programmed for introduction to the Active Army. The current TRI-TAC schedule calls for first article production in September 1976. Subsequent schedules have not been defined, but testing and delivery are expected to consume 6-9 months. The third TADS could be available to the Army on or about March 1974 and thus eliminate an unacceptable 3 year differential which is critical to the Army's current operational requirements.

Ribbon Bridge. The float-ribbon bridge reduction of $7.7 million recommended by the House Appropriation Committee in its report would delay the program to restore the U. S. Army to a competitive position with the Soviet Union in the tactical bridging field. The new Ribbon Bridge which was reverse engineered from a Soviet Union bridge and which will replace the M4T6 bridge will provide an improved float bridge system that will significantly increase the U. S. capability to rapidly cross tactical vehicles over nonfordable wet gaps with minimum loss of momentum. The Ribbon Bridge will complement the mobile assault bridge's (MAB) assault bridge/ferry capability and together they will provide the Army's total heavy floating bridge capability. Army procedure does not include type classification as a prerequisite for budgeting; however, it is a prerequisite for production decisions. To make type classification a prerequisite to budgeting would add one year to the lead time for weapons systems acquisition and would add considerably to the cost of development. As predicted at time of budgeting, the Ribbon Bridge has now been type classified Standard A by Department of the Army. The bridge was type classified based on the suitability for use statement issued by the U. S. Army Test and Evaluation Command. Following the successful completion of engineering and service testing (ET/ST), the U. S. Army Test and Evaluation Command verified that the shortcomings detected during ET/ST were correctible by minor design changes. The procurement package and the procurement plan for the bridge are now ready as planned and a delay in the funding would break the program continuity thus increasing the cost of the bridge and would delay our becoming competitive with the Soviet Union in this area. The Ribbon Bridge is ready for procurement in Fiscal Year 1973. Recommend that the full amount of $7.7 million be restored for the Ribbon Bridge.

DEPARTMENT OF DEFENSE
PROCUREMENT OF AIRCRAFT AND MISSILES, NAVY

	(Thousands of Dollars)
FY 1973 Estimate, as amended	$ 4,118,600
House Appropriation Adjustments	-436,460
House Bill	3,682,140
Restoration Requested	+352,800
Current DOD Request	4,034,940

Requested for Reconsideration: (Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DOD Request
A-7E Aircraft	163,700	155,700	2,000	157,700
S-3A Aircraft	519,900	387,700	132,200	519,900
LC-130 Aircraft	31,500	0	31,500	31,500
Aircraft Mod (SEA) & Other	399,400	339,200	35,600	374,800
S-3A Initial Spares	51,523	36,523	15,000	51,523
LC-130 Initial Spares	1,400	0	1,400	1,400
AIM-7E SPARROW Missiles (SEA)	5,500	0	5,500	5,500
AIM-9H SIDEWINDER Missiles (SEA)	2,000	0	0	0
TRIDENT Missile	10,000	0	0	0
AIM-7E/F SPARROW Missile	77,000	0	77,000	77,000
AIM-9H/L SIDEWINDER Missile	14,700	0	14,700	14,700
AIM-54A PHOENIX Missile	94,800	89,300	5,500	94,800
RIM-66B/RGM-XX Standard Medium Range Missile	13,800	0	13,800	13,800
Missile Modification AGM-83 BULLDOG Air-to-Ground Missile	12,600	0	12,600	12,600
Missile Spares and Repair Parts	18,600	16,100	2,500	18,600
Fleet Satellite Communications System	32,100	27,540	3,500	31,040
Transfer of prior yr. Balances	-	-40,000	-	-40,000
All Other	2,670,077	2,670,077	-	2,670,077
TOTAL	4,118,600	3,682,140	352,800	4,034,940

JUSTIFICATION

A-7E Aircraft. The Navy requested 24 A-7E's for $98.3 million and a SEA Amendment request for 24 additional A-7E's for $65.4 million as combat attrition replacements for a total FY 73 request of 48 aircraft for $163.7

million. This total recognized a savings of $8.0 million resulting from adding 24 A-7E's in the SEA Amendment to 24 A-7E's in the Basic Budget. The House report reflected the previous congressional reduction of $8.0 million resulting from adding 24 USAF A-7D's to the Basic Budget of 24 Navy A-7E's. This adjustment would have been correct starting from a Navy base of 24 A-7E's. The impact however is on the Navy repriced program of A-7E's that already included the savings of $8.0 million achieved by adding 24 A-7E aircraft to the 24 A-7E base. The savings achieved by adding the 24 A-7D aircraft to the repriced Navy 48 aircraft procurement is $6.0 million. Therefore in order to provide adequate funds for the FY 73 48 A-7E aircraft a restoration of $2.0 million is required.

S-3A. Within a balanced Navy program the S-3A performs a vital role in the defense of naval and merchant shipping against the major Soviet naval threat. The effect of the Committee's recommendation to reduce the FY-73 program by 19 aircraft will not be their restoration in FY-74, despite the retention of full long lead funding. The new quantity of 83 aircraft simply could not be absorbed, and extension of procurement into FY-76 would become almost inevitable. The Navy is apprehensive that the $140M in cost growth estimated to result from such a development will be attributed to bad Navy management. In fact, given the complexity of managing today's advanced weapon systems, the Navy regards the S-3A as a well managed program.

The reduction from the 42 aircraft requested to the contract minimum of 23 is based on the Committee's concern over alleged undue concurrency and potential cost growth in the program. The committee further stipulates that the SECDEF must conduct a complete reevaluation of the S-3A program before the monies recommended may be obligated.

The SECDEF did conduct just such a vigorous reevaluation of the S-3A Program in conjunction with the Lot II DSARC review. This reevaluation examined the role of the S-3 in the CV concept, and included an extensive analysis of landbased P-3C alternatives to the S-3A. It was concluded that for some air ASW missions the S-3A is more cost effective than the P-3C. While it is true that the P-3C can reach many areas of the oceans which are to be patrolled, the instrinsic value of organic air ASW in task force operations derives from the ability to provide timely, persistent, concentrated air ASW effort unconstrained by proximity to land bases.

In the execution of the ASW mission it is inappropriate to consider the P-3C, S-3A, SH-3 and SH-2 LAMPS as equal in capability and therefore warranting substitution on a one-for-one basis. Rather, these aircraft are complementary, and not competitive, in their contribution to the execution of the overall ASW mission. A balanced force mix is required in coping with the total submarine threat. The delay from 1 April to 28 April 1972 in authorizing Lot III procurement was due to the depth and scope of this review, and not, to a great degree of skepticism." In fact, the SECDEF in his 28 April decision not only authorized procurement of the 13 FY-72 S-3As but directed the Navy to proceed with long lead time funding for 42 aircraft in FY-73. Another DSARC will be conducted prior to the contractual order date for the FY-73 aircraft, at which time all aspects of the program will again be reviewed.

The S-3A program has from its beginning had detailed and meaningful milestones to preclude concurrency. To date the program has met all ground, laboratory and flight milestones on or ahead of schedule and has been in no serious technical difficulties. To reduce FY-73 quantities at this time from 42 to 23 would substantially aggravate the fiscal picture in exchange for a very questionable stretch-out in the name of reducing concurrency. To extend the very low production rate begun in FY-72 for another entire year at a 2 aircraft per month rate, and then begin an acceleration to much higher rates would be extremely costly. By raising the total S-3A program costs by approximately $140M, the production unit cost of every S-3A produced will increase by over $700,000. This direct result of the recommended Congressional action is contradictory to the expressed concern over program cost growth.

LC-130 Aircraft. Office of Management and Budget (OMB) circular A-51 of August 4, 1971, states that the National Science Foundation (NSF) shall "Fund the U. S. program in Antarctica, including logistic support activities, except where such services are funded by the Depart of Defense or the Department of Transportation....". The Department of Defense is directed to provide logistic support and other programs and functions as may be requested by the NSF or the Antarctic Policy Group, on a mutually acceptable reimbursement or non-reimbursement basis and to fund and procure all aircraft required to provide these services and functions. This has been interpreted to mean that although the DOD is to be reimbursed for aircraft operating costs incurred in providing logistic support and other services, the funding and procurement of required aircraft is to be on a non-reimburseable basis. This interpretation was confirmed by the OMB prior to the DOD submission of the FY 1973 procurement request. Funding requested for this procurement was added at the DOD level, thus was not in direct competition with other Navy objectives and requirements during formulation of the Navy budget request. [(deleted)] Six LC-130 aircraft are required to provide an adequate level of support. The five LC-130 aircraft requested in the FY 1973 budget are required to fill existing shortages and to replace aircraft which will reach the end of service life within the next two years.

Aircraft Mod (SEA) & Other. The restoration requested breaks down as follows:

	($ in Thousands)
Basic Budget	$10,000
SEA Amendment	
RA5C Modifications	2,000
F4 Modifications	8,400
Infra Red Suppression Modifications	6,700
Infra Red Countermeasure Pods	8,500
Total Ammendment	25,600
Grand Total	$35,600

Classified material which has been deleted is indicated by brackets. [ ]

A. Basic Budget Request: The Committee recommended a total reduction of $20,000K from the basic budget estimate of $359,200K, which includes a $10,000K general reduction plus the $10,000K, of the basic budget which was not authorized by the conferees on the authorizing legislation. Rationale was based on the existing modification backlog and questioned the need for a line item for Miscellaneous Flight Safety and Operational Necessity Changes.

When processed through the normal budget cycle the average time delay from establishment of an aircraft modification requirement until approval for implementation is approximately two years. This is the lead time for administrative preparation, budget submission and review through Department of Defense and Congressional levels prior to approval in the enacted appropriation. Flight safety requirements can not be subjected to such delays prior to execution of a technical directive to implement the modification. It is imperative that some provision be made to fund these unforeseen flight safety and operational necessity changes as they are identified and defined during each fiscal year. Failure to provide such a fund will necessitate reprogramming of funds on a priority basis as these safety items are identified. This procedure, requiring numerous reprogramming actions, would severely compound the management and accounting requirements in the program as well as impacting approved programs by deferment cancellation due to removal of funds without benefit of the same stringent review which granted approval. The proposal to submit these items during the regular budget cycle necessitates accepting high risks to safety of life and property due to delay in correcting defects.

An unidentified, general reduction of $10,000K in the modification budget will severely impact the on going programs from prior years and new starts urgently required to modernize older aircraft which must be continued in use to provide adequate numbers to fill force levels. Modernization is essential to keep our first line combat aircraft operationally capable to counter ever improving world-wide threats in tactical warfare, ASW, and electronic warfare areas.

B. Amendment Request. (SEA)

(1) RA5C Aircraft. Two RA5C aircraft have actually been lost in SEA combat. It is essential that these be replaced to maintain force levels. Replacements will be made by removing RA5C aircraft currently in storage and modernizing them to fleet configuration including a uprated engine for improved safety and installation of a zero/zero ejection system. Restoration of that part of the amendment request to replace the two actual losses to date is requested.

(2) F4 Aircraft. The Navy has experienced 12 F4B/J combat losses in SEA to date, a figure in line with our projected attrition of 16 addressed in the budget amendment. As a result of these losses, additional F4B's must undergo service life extension (SLEP) during FY 73 if fighter force levels are to be maintained through FY 74. Restoration of funds in the amended budget request in the amount required to SLEP 16 F4B aircraft is requested.

(3) Infra Red Suppression Modifications for 20 OV-10, 23 CH46D, 21 CH53, and 36 H-1 aircraft. IR suppression devices [ ] of the aircraft on which installed are urgently required on these aircraft operating in SEA now. Numbers requested are for those aircraft actually deployed. These devices [(deleted)] Helicopters and slow flying aircraft are still being [(deleted)] lost in the [ ].

(4) Infra Red Countermeasure Pods. Current tactics require a pilot [(deleted)] These pods are urgently needed for SEA combat aircraft now.

S-3A Spares. Restoration of these spares will be required if restoration of the basic FY 73 S-3A aircraft procurement request is approved.

LC-130 Spares. Restoration of these spares will be required if restoration of the basic FY 73 LC-130 aircraft procurement request is approved.

AIM-7E SPARROW Missile (SEA). The budget amendment was requested to replace SPARROW combat expenditures in SEA and requests [ ] AIM-7E2 missiles. This request was made in anticipation of early Congressional approval.

The AIM-7E2 is being phased out of production in accordance with the DCP in anticipation of the successful completion of the AIM-7F OPEVAL in Dec 1972. The performance and reliability demonstrated in the ongoing AIM-7F OPEVAL has been impressive. It is considered to be more desirable to procure a lesser quantity of [ ] AIM-7F missiles rather than the [ ] AIM-7E2 missiles requested in the amendment.

The unanticipated expenditure of SPARROW missiles in combat since April 1972 resulted in [ ] expenditures as of 15 August 1972. The SPARROW III program is below inventory objective and will be at [ ] of IO if the FY-73 procurement of [ ] missiles basic submit and [ ] SEAsia 7F procurement is approved. Replacement of these missiles as requested in the amendment is considered necessary. The justification for AIM-7F procurement is included under the request for AIM-7F reinstatement in the basic budget.

AIM-7E/F SPARROW Missile. The AIM-7F is a semi-active all weather, all aspect air-to-air missile employing solid state circuitry for improved reliability. The procurement program is a joint Navy/USAF effort with the Navy acting as Executive Agency. The Operational Evaluation is presently [ ] complete and has shown significant operational improvements in reliability and performance. Maximum launch range has been shown to be [ ] that of the AIM-7E2. Reliability based on captive carry flights demonstrated in the OPEVAL is over three times the AIM-7E2. [ ] of the missiles fired in the OPEVAL had over 100 captive carry hours. Cost of ownership will be significantly lower since less missiles will be in the repair pipeline and in the long term will compensate for the increased unit cost. We have every confidence based

on actual AIM-7 performance to date that the missile will be ready for production in December 1972 following completion of the OPEVAL. OPEVAL results to date are [ ] successes, [ ] no test and [ ] failures. The [ ] failures occurred in the [(deleted)] and corrective fixes have been identified. The RDT&E funding requested in FY-73 and planned for FY-74 & 75 will be utilized to investigate future applications to the AIM-7F of the monopulse guidance techniques and alternate fusing circuits. The results of this R&D effort would not be ready for incorporation into production missiles before FY-75 and no backfit program to missiles produced prior to that time is envisioned. In the interim, the present AIM-7F gives us a quantum improvement in capabilities.

Failure to restore funds will delay availability to the fleet and to the USAF. The significant improvements in demonstrated reliability and performance dictate an urgent requirement for the AIM-7F operational capability in the fleet.

If the [ ] AIM-7F included in the basic budget request were approved and [ ] of these missiles were added to replace losses being experienced in SEAsia the SPARROW inventory would be approximately [ ] of the inventory objective at the end of the FY-73 funded delivery period. This includes the AIM-7 missiles awaiting overhaul in the pipeline.

AIM-9H/L SIDEWINDER Missile. The AIM-9L is a low risk, low cost improvement modification to the AIM-9H SIDEWINDER missile that will be compatible with all Navy and USAF tactical airplanes. The program is a joint Navy/USAF development with the Navy acting as Executive Agency.

The AIM-9L will have an [Deleted] launch capability that will greatly improve [Deleted] available to pilots. Earlier model SIDEWINDERs were [Deleted]. The [Deleted] will significantly expand the offensive capabilities of our fighters and enhance the self defense capability of our attack airplanes.

The AIM-9L is in engineering development and the [ ] missiles requested are required for the Operational Evaluation Testing which is a necessary milestone prior to release for production. The two AIM-9H contractors have been selected and will competitively bid the first production lot of AIM-9L's in accordance with the DCP.

Experience with SIDEWINDER missiles gives us every confidence that the 9L will become a reality on schedule. A delay in the procurement of [ ] pilot production missiles will delay OPEVAL and subsequent fleet introduction and will significantly impact unit procurement cost. Any delay in IOC will deny the fleet a dramatic low cost improvement to the short range missile inventory.

AIM-54A PHOENIX Missile. To date 375 PHOENIX missiles have been authorized and funds appropriated by the Congress. The breakdown by type is 47 Test Prototype, 19 Value Engin-

eered, 69 Pilot Production and 240 Production missiles. The 240 production missiles being the FY-72 procurement. Thus far in the PHOENIX test program [ ] missiles have expended and approximately [ ] additional missiles will be expended in the remaining PHOENIX test, demonstration and acceptance program to be conducted over the next nine month period. The formal test program terminates in July 1973.

The FY-72 procurement, 240 missiles, constitutes the only operational inventory available to the F-14. These missiles will be delivered in calendar year 1973. The present FY 1973 request for [ ] missiles represents a buildup in operational inventory to support initial F-14 deployments in the Pacific and Atlantic Fleet. Based on the present F-14 program schedule, the first F-14 deployment is planned in [Deleted] to the Western Pacific. The operational missiles procured thus far will be required to support this deployment, initial ship fill and pipeline, including prepositioned replenishment missiles. The second F-14 deployment in the Atlantic, tentatively planned in [Deleted] will also require the establishment of support, utilizing the missiles in the FY 1973 request. The recommended decrease of $5.5 million to the minimum contract quantity would result in the procurement of [ ] missiles, though seemingly a slight decrease from the requested [ ] missiles, the impact on establishing deployment support for one Fleet is significant. The FY 1973 missiles will be delivered in calendar year 1974, permitting an orderly buildup for the early 1975 deployment.

The report states that "...Navy testing of PHOENIX will not be completed until about FY 1974." Testing will be completed in July 1973, the first month of FY 1974. In testing to date, a [ ] success ratio has been achieved; [ ] firings, [ ] no-test, [ ] successful and [ ] failures. The deficient areas in the [ ] failures, have been resolved and with few exceptions fixes verified and successfully retested. The basic missile design concept has been proven, and corrective measures have not required major design modification, but merely refinement of the existing hardware. It must be recognized that the [ ] missiles requested would not be delivered until CY 1974, six months after the completion of PHOENIX testing. Should deficiencies be discovered in the course of these tests, requisite modifications would be incorporated. Planning for an orderly introduction of the PHOENIX should be maintained. Implementation of the current program plan for fleet introduction and operational employment provides for delays previously encountered.

In addition to the operational considerations discussed, the $5.5 million reduction in requested funds adversely impacts on missile unit cost. The FY 1973 unit cost as requested is [ ] missiles for $94.8 million). The FY 1973 unit cost increases [ ] million per missile when considering the recommended $5.5 million reduction [ ] missiles for $89.3 million = [ ] million unit cost). Thus, the [ ] missiles deleted by the recommended reduction of $5.5 million could be recovered for a unit cost of [ ] per missile [ ] missiles for $5.5 million), if the recommended reduction is deleted from the budget request.

Classified material which has been deleted is indicated by brackets.[ ]

Because of the adverse impact on program stability, operational considerations and unit cost, it is strongly recommended that the $5.5 million decrease in PHOENIX procurement funds not be enacted, and the requested PHOENIX procurement funds be appropriated.

RIM-66B/RGM-XX Standard Medium Range Missile. The RIM-66B/RGM-XX missile is being procured on an urgent basis to provide the Navy with an [[deleted] . [deleted]] engagement capability against [ ] in up to moderate to high sea states. The capability is required as early as practicable and more rapidly than could be provided by the more orderly, long-term HARPOON program.

The Navy with Department of Defense concurrence has structured a development program, including three RGM-XX flights, which incorporates an active radar seeker into the STANDARD RIM-66B missile. This development program will complete in March 1973. Accepting concurrency, $13. 800,000 is required in FY-73 in order to procure [[deleted]] fleet escorts being modified in FY-73 and 74 to fire these missiles.

If the $13,800,000 requested to initiate pilot production of the RGM-XX is denied and the missile is retained in RDT&E, a day for day delay in the program will occur. In addition, program costs will escalate by 10-15% and the arming of the eight escorts being modified to fire this missile will be delayed at least one year.

Missile Modification AGM-83 BULLDOG Missile. An urgent Navy and Marine Corps requirement exists now for an air launched weapon that can destroy hard/fast moving point targets, bunkers/tanks/missile boats, day and night under restrictive weather conditions. The problems associated with destroying waterborne logistic craft [under [[deleted]] cannot be adequately countered by any present day weapon other than BULLDOG.

The BULLDOG is a modification of the BULLPUP missile and was developed utilizing existing technology and hardware to meet the earliest possible IOC at the lowest cost. The Navy is working with the Air Force on joint use of either the BULLDOG or an improved larger warhead version of the Maverick as a long term solution for a common laser guided missile. Operational availability of the larger warhead laser guided Maverick is estimated, however, to be [[deleted]] which does not satisfy the immediate requirement.

BULLDOG in its intended role is considered highly cost effective. Its capability to destroy point/moving targets under [[deleted]], optimizes its cost effectiveness in the combat role. The unit costs of the FY-73 modifications are high because of the small procurement and learning curve associated with initial production. It is expected that unit

Classified material which has been deleted is indicated by brackets. [ ]

costs can be lowered dramatically as production proceeds providing sufficient modifications are funded. BULLDOG is the only laser guided forward firing weapon available today that:

a. Can be employed under a [(deleted)]

b. Provides a 250 lb warhead;

c. Has been proven by operational tests conducted by OPTEVFOR; and

d. Can meet urgent SEAsia requirements [(deleted)]

The [ ] missiles requested for modification in FY-73 will provide a suitable base for an initial operational capability.

Based upon the highly successful and extensive test program, including an IOT&E, confidence in the efficiency and capabilities of BULLDOG is high. (In 29 test firings to date, a CEP less than 10 ft. has been demonstrated.) Three of the firings were against ship targets and resulted in three direct hits. Consideration is being given to an emergency deployment of a portion of the pilot production missiles scheduled for OPEVAL. The Navy has requested from DDR&E approval to execute the contract for FY-73 modification in November 1972. This will permit delivery of production missiles in June 1973 which will be used to supplement and replace deployed OPEVAL missiles.

In view of the existing urgent requirement and demonstrated capability of the BULLDOG missile system, it is recommended that funds for this program be restored.

Missile Spares and Repair Parts. Restoration of the spares requested for the AIM-7F SPARROW III, AIM-9L SIDEWINDER, AGM-54A PHOENIX and AGM-83 BULLDOG missiles will be required if restoration of the basic FY-73 requests is made.

Fleet Satellite Communications System. The FY-73 request of $4600K is for long-lead satellite items consisting for the most part of critical electronic piece-parts. The testing and screening procedures required to assure high reliability and desired V&H (vulnerability and hardening) characteristics necessitate long-lead procurement of the items. With the present schedule of thirty months from development contract effective date (approximately mid-October 1972) to first launch of an operational satellite, it is necessary for the spacecraft contractor to place long-lead orders no later than January 1973. Therefore, delay of funds for long-lead procurement until FY-74 will delay the program by at least six months. The contract presently being negotiated for spacecraft engineering development includes provisions for long-lead procurement of parts for three operational satellites in FY-73 in anticipation that three operational satellites will be ordered on a production contract in FY-74.

Since the submission of the FY-73 budget to the Congress, the FLTSATCOM schedule has been adjusted to accommodate a development phase (cost-plus-incentive-fee contract) followed

by a production phase (fixed-price-incentive-fee contract). Concurrency has been reduced to absolute minimum possible without significantly delaying the program. Eliminating all concurrency will delay first launch of operational satellites by more than a year, and is considered to be unjustified because engineering development of FLTSATCOM satellites is well within state of the art. Proposed long-lead procurement of satellite items is a low-risk venture because items to be procured will be adequately identified by the time the contractor completes preliminary spacecraft design in January 1973. The revised estimate of $3.5 million for long-lead satellite items is based on proposals of four contractors with whom final negotiations prior to source selection are in progress. Failure to restore $3.5 million will result in a delay of at least six months in the launch of the first operational satellite.

DEPARTMENT OF DEFENSE
SHIPBUILDING AND CONVERSION, NAVY

(thousands of dollars)

FY 1973 Estimate, as amended	$3,564,300
House Appropriation Adjustments	-546,700
House Bill	$3,017,600
Restoration Requested	+155,400
Current DOD Request	$3,173,000

Requested for Reconsideration: *

(thousands of dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DOD Request
TRIDENT Submarine	$361,000	$311,000	$+50,000	$361,000
DD-963 Destroyer	610,000	247,000	0	247,000
SCS Sea Control Ship	10,000	0	+10,000	10,000
PHM Hydrofoil	60,400	0	+60,400	60,400
ATS Salvage Ship	53,100	31,000	0	31,000
Outfitting	38,800	32,600	0	32,600
Cost Growth	110,900	75,900	+35,000	110,900
All Other	2,320,100	2,320,100	-	2,320,100
	$3,564,300	$3,017,600	$+155,400	$3,173,000

JUSTIFICATION

TRIDENT. DOD requested $361 million for TRIDENT advance procurement in the FY 1973 budget. The Committee recommended a reduction of $50.0 million to a new total of $311 million on the basis that "it is highly doubtful that all of the funds being requested can even be obligated in Fiscal Year 1973." DOD requests restoration of the entire $50 million. The Navy's best estimate is that $361.0 million is required and will be obligated in FY 1973 to support the orderly construction of the TRIDENT Shipbuilding program. The Navy's commitments to the Secretary of Defense and Congress on cost estimates and schedules for the TRIDENT program are based on adequate advance procurement funds being made available for large enough buys to obtain commitments from the most qualified manufacturers to set up production lines for the components. It will not be possible to build the lead and follow TRIDENT ships on the shortened schedule proposed by the Administration if the Navy does not get the long lead machinery on order

* Requested change in appropriation language covered on p. 126.

and the ship design effort started now. Delay in these efforts will in turn delay the submarines themselves, cause the machinery and design costs to increase, and cause the total costs of the submarines to escalate. The Navy's estimates of ship schedules and costs are based on obligation of the full $361.0 million in FY 1973. Therefore, failure to provide the entire $361.0 million could jeopardize the ability to support the planned TRIDENT Shipbuilding program and increase the end costs of the ships.

SCS Sea Control Ship. The FY 1973 DOD budget contained $10 million in SCN for Sea Control Ship advance procurement. The committee transferred the entire amount to the RDT&EN appropriation. DOD requests restoration of the $10 million in SCN.

The SCS hull is a conventional design and will be equipped for the most part with conventional, proven, off-the-shelf subsystems and hardware. Because its value is in the aircraft it carries, the Sea Control Ship will not contain the sophisticated and integrated weapons systems which are built into other escorts and which can be a source of changes and cost growth. Prototype tests in the interim SCS, USS GUAM, will be completed before the first SCS is authorized. Characteristics have been established for the Sea Control Ship and a Class C (budget quality) cost estimate exists for it. In view of the conventional design of the Sea Control Ship and the status of its characteristics, it is recommended that the ship be built with SCN funds and that the $10.0 million in the FY 1973 budget for the Sea Control Ship be returned to SCN. That $10.0 million will fund effort that is at present an SCN funding responsibility, i.e., contract design, detail drawings and advance procurement.

PHM Hydrofoil. DOD budget request was for $60.4 million. Without prejudice, the committee deleted $30 million and transferred the remaining $30.4 million to the FY 1973 RDT&EN budget as the first increment of the funding of a two-ship project as a "developmental" undertaking. DOD requests restoration of the entire $60.4 million to the FY 1973 SCN budget.

The PHM program is now proposed as a joint US/NATO hydrofoil program for which the design and certain one time costs will be shared by the United States and participating NATO countries.

The success of this, the first proposed joint NATO major shipbuilding program, depends significantly on the full participation of all signatories to the agreement. Under the committee's partial funding proposal, subject to annual review, the program will be exceedingly difficult to structure with regard to long term completion-type procurement contracts with suitable incentives. Incremental RDT&E funding will cast doubt on U.S. intentions and will probably require renegotiation of the agreed-upon Memorandum of Understanding which is now ready for national signature. This action presents a high risk of loss of the entire NATO program with resulting loss of allied naval support as well as cash sales to the U.S.

The committee's argument that the two prototype hydrofoils are developmental in nature is only marginally valid. While the two lead ships will receive extensive platform and subsystems test and evaluation prior to follow-on procurement, in compliance with P.L. 92-156, these ships will become fleet assets as the first of a new class of small combatants. Hydrofoil construction technology in the U.S. has progressed to the point where it cannot realistically be considered as developmental. The PHM program utilizes existing technology.

The committee has recognized and acknowledged both the need for the PHM and the viability of the proposed NATO program. Recommend that the PHM program be fully funded under the SCN appropriation in the amount of $60.4 million as originally requested.

Cost Growth. The original DOD request was for $110.9 million to fund prior year cost growth in the SCN budget. The committee deleted $35 million for a new total of $75.9 million. DOD requests restoration of the deleted $35 million.

For the past three fiscal years, DOD has submitted requests to cover cost growth in the SCN program. These submissions have been made in accordance with the full funding concept rather than on a yearly obligational requirements basis and in specific accordance with the OMB requirement that "requests for major procurement programs will provide for full financing of the entire cost." The concept of full funding was first applied to Navy shipbuilding in the mid-1950s. Congressional emphasis regarding the concept has repeatedly expressed, as mandatory, the avoidance of "the apparent expectation of completing the financing by ultimately fully obligating the transactions by succeeding years appropriation."

Restoration of the deleted $35 million for FY 1973 is requested in order that the SCN appropriation may comply with the full funding concept rather than necessitating future budget requests for the same program.

LIMITATIONS (TRIDENT PROGRAM AND SSN 688)

House Bill

The House Bill provides for Shipbuilding and Conversion, Navy, "...$3,017,600,000, of which $311,000,000 shall be available only for the TRIDENT Program and $1,039,000,000 shall be available only for the SSN 688 class submarine program"; for Other Procurement, Navy, "$2,328,400,000, of which $23,500,000 shall be available for the TRIDENT program"; and for Research, Development, Test and Evaluation, Navy ... "$2,504,343,000, of which $470,400,000 shall be available only for the TRIDENT program".

Department of Defense Position

The Department requests the deletion of the language which restricts the usage of appropriations for the TRIDENT and SSN 688 class submarine

JUSTIFICATION

The restrictions applied to the TRIDENT program for the appropriations represent a serious encroachment on the Defense Department's capability to balance its programs within the existing appropriation structure. The Congress is currently kept apprised of program status and significant changes which have been accommodated through the existing reprogramming process, in which the Congress has participated and in fact, has the final say. It is recognized that there have been reprogrammings involving the POLARIS/POSEIDON program. For the most part however, these have been approved by the Congress. Legislative restrictions within all appropriations effectively hamper management's efforts at balancing programs during execution, and result in uneconomic use of resources, by reducing incentives to effect economies where possible within the protected program.

DEPARTMENT OF DEFENSE
OTHER PROCUREMENT, NAVY

(Thousands of Dollars)

FY 1973 Estimate, as amended	$ 2,501,200
House Appropriation Adjustment	- 172,800
House Bill	$ 2,328,400
Restoration Requested	+ 144,800
Current DOD Request	$ 2,473,200

Requested for Restoration:*

(Thousands of Dollars)

ITEM	Budget Request As Amended	House Bill	Restoration Requested	Current DOD Request
TASS Improved	15,700	3,800	+11,900	15,700
ASW Centers Command and Control Sys	7,200	0	+ 7,200	7,200
Sonobuoys	71,800	39,400	+29,400	68,800
WALLEYE	12,300	10,800	+ 1,500	12,300
Improved Point Defense	36,400	0	+36,400	36,400
Mobile Target MK-27	3,000	1,200	+ 1,800	3,000
ASMD Radars	10,100	7,000	+ 3,100	10,100
ORDALT Material SMS	36,800	34,700	+ 2,100	36,800
SEA Emergency Comm	3,900	0	+ 3,900	3,900
SEA Sup & Eng Equip.	900	0	+ 900	900
SEA Ammo Reprog Payback	52,500	5,900	+46,600	52,500
Transfer of Pr. Yr. Bal.	0	-25,000	0	-25,000
All Other	2,250,600	2,250,600	0	2,250,600
Total	$2,501,200	$2,328,400	$144,800	$2,473,200

JUSTIFICATION

TASS Improved. The size and capability of the Soviet submarine force threatens U.S. and Allied security and interests on a world-wide basis. The strategic threat of their YANKEE SSBN's is well known and documented. The large majority of vital commerical export and import as well as military shipping is carried over shipping lanes which are

*Requested change in appropriation language is covered on page 126.

subject to interdiction by submarines. The essential first step in determining submarine movements and thereby possible aggression is surveillance.

[(deleted)] TASS offers a demonstrated potential to develop a deployable surveillance capability to limited ocean areas of high interest, [(deleted)]

The original request for $15,700,000 provided for an orderly expansion of TASS into the Atlantic and Pacific Fleets with proper test, training and field services support. The committee action has adjusted this request to $3,800,000, eliminating non-recurring test and software support, a maintenance trainer, and continued system procurement. This adjustment is based on the logic that the FY-72 procurement should be used to test improvements incorporating corrections to earlier deficiencies before more systems are bought. In fact, by deleting funds for recurring test and software support, the required capability to continue reliability, maintainability, environmental and critical component testing of improvements is lost. By deleting essential software support, the [ ] systems either in service or about to enter service are also crippled in their operational role.

Loss of the trainer will result in no capability to train replacement TASS crews, or necessitate reducing Fleet deliveries from the FY-72 buy from [ ] to maintain a training capability. Both alternatives clearly will significantly reduce our TASS readiness posture.

Committee action strikes hardest at new system procurement, disrupting the Navy's orderly expansion of a capability critically required [(deleted)] Delay in procurement and Fleet introduction of a modest FY-73 buy pending evaluation, as dictated by Committee action, is not considered prudent due to the critical operational requirement for additional systems as rapidly as feasible. Additionally, the FY-73 units are required to gather environmental and operational data in widely scattered ocean areas in order to more fully capitalize on the tremendous ASW surveillance potential of the system. Further, the technical risk associated with incorporating the improvements which have been planned for both the FY-72 and FY-73 buys of TASS based on ITASS experiences is considered very low.

ASW Centers Command and Control Systems. The Committee's report questions the requirement for the system pending the submission of its Surveys and Investigation staff study.

Budgetary pressures over the last several years have resulted in significant reductions in the Navy's ASW forces, including 6 of the 30 original land based patrol aircraft (VP) squadrons. At the same time, the Navy is faced with responsibility for controlling an increasingly potent Soviet submarine threat. In attempting to do this with the limited forces available, the Navy is seeking to bring advanced technology to bear to enable quality to compensate for lack of quantity.

This approach affects many systems, but a key element in improving ASW readiness [(deleted)] is the ASW Centers Command and Control System.

[(deleted)] an active, aggressive, coordinated drive to deal rapidly with the threat is not feasible.

. The ASWCCCS enables the ASW Commander in each ocean to deploy his forces to best advantage responsive to a rapidly, continually updated understanding of the real situation at sea. [ ]

The Navy has worked closely with the HAC Surveys and Investigations staff unit examining its ASWCCCS plans, and anticipates a confirmation of the requirement for this system and of its validity as an aid to command and control.

Sonobuoys. The House mark-up is based on the draft GAO Report (Case #3400-24) of December 1971. Since that report was issued, the FY-71 and FY-72 buys have been placed on contract and SSQ-53 deliveries have greatly improved. On July 31, 1972 the Navy had accepted 37,625 SSQ-53 sonobuoys of the 60,787 buoys scheduled for delivery under existing contracts. Over half of these SSQ-53's were delivered in the last six months, February - July 1972, at an average rate of 4,500 buoys per month, the scheduled rate. All current SSQ-53 contracts are forecasted to complete in the October 1972 to August 1973 period, clearing up the delinquent delivery situation.

SSQ-53 reliability has also shown continuing improvement with the increased quantities of buoys produced. The Fleet has recently reported 90.5 per cent SSQ-53 reliability, and attainment of the manufacturing reliability goal of 95 per cent (AQL 4.0) is expected due to the continuing improvement in reliability.

The $5 million reduction for product improvement does not correspond to the $2.4 million planned for this purpose in the Navy's FY-73 sonobuoy procurement plans. The Navy regards product improvement as a legitimate procurement cost in that it provides production engineering of improvements of a component nature already researched with R&D funds. In itself, it involves neither research nor development, but incorporation into the production process.

The FY-73 funds provide for [ ] SSQ-53 buoys. Deletion of these funds would cause a lengthy shutdown of SSQ-53 production lines, destroying cumulative improvement in quality, cost and reliability, and incurring a severe shortage of SSQ-53 sonobuoys in the Fleet.

WALLEYE II Conversion. RDT&EN procured Walleye II's were introduced in Southeast Asia on July 19, 1972. Hits on targets [(deleted)] have been demonstrated from a distance in excess of a ten mile standoff range. As a result of this successful introduction, CINCPACFLT has requested that 80% of future Walleye II weapons delivered to the Fleet have the data link capability.

With OSD concurrence, the Navy has proceeded with procurement of 50 extended range Walleye II's with data link to provide weapons for completion

Classified material which has been deleted is indicated by brackets. [ ]

of Navy Technical Evaluation (NTE) and Operational Evaluation (OPEVAL) prior to the end of FY 1973. In order to conduct the NTE and OPEVAL, it is necessary to have production hardware which represents the weapons which will be delivered for Fleet use in the future.

$1,492,000 of the restoration request has been obligated to date. It is estimated that, in the event of contract termination, twenty percent of this amount would be recovered. Restoration of $1,500,000 is strongly recommended.

Improved Point Defense Missile System. The Improved Point Defense Surface Missile System is comprised of the cooperatively developed and produced NATO SEASPARROW Surface Missile System (NSSMS) and the U.S. developed and produced Target Acquisition System (TAS).

The $36,400,000 requested in FY-73 was to procure 14 NATO SEASPARROW Surface Missile Systems. The Committee, in view of the outstanding operational testing of NSSMS and since TAS will not be ready for testing for a number of years, considers the procurement of NSSMS premature and recommends that $36,400,000 requested for this purpose be denied. NATO SEASPARROW developmental and operational testing will complete the week of November 20, 1972 and NSSMS will be ready for production at the end of November 1972. As a result of the extensive testing during the past 14 months there remain no significant modifications required to the fire control and launching systems, and thus the $36,400,000 to procure 14 NSSMS in FY-73 should be restored.

The NATO SEASPARROW Project is a multi-national cooperative development and production program designated a NATO Project by the Conference of National Armament Directors and bounded by an international Memorandum of Understanding (MOU) signed by the participating governments (Denmark, Italy, Norway, United States, Belgium and The Netherlands). The United States is committed by a procurement intention officially tendered to the participating governments to procure [(deleted)] NSSMS from a two year directed procurement contract commencing in FY 1973.

During the first half of FY 72, land based testing of the first of three engineering development models was initiated and successfully concluded. (The other two engineering models are currently undergoing the final phase of intensive environmental, reliability and maintainability testing.) This model completed installation in USS DOWNES (DE-1070) in March 1972 and the at-sea testing phase began. Since March 1972, contractor demonstrations and the Navy technical evaluation portion of a concurrent technical/operational evaluation have been successfully completed. To date hundreds of at-sea tests have been completed and of the 36 missile firings that have been conducted to date, 29 have successfully met all test parameters. The system aboard DOWNES will commence the final phase of the concurrent technical/operational evaluation on September 25, 1972 and will complete the week of November 20, 1972. Based on the extensive testing the system has received during the past 14 months, it is expected NSSMS will be accepted for service approval at the completion of these tests without the need for additional modification and thus be ready for production at this same time. It is significant to note that the milestones established upon initiation of the development contract over three years ago are being met successfully and that there has been no increase in developmental costs. As a result of this successful progress, all of the other participating nations have initiated ship building and modification programs phased to the FY-73 initiation of production of NSSMS.

Classified material which has been deleted is indicated by brackets.[ ]

NATO SEASPARROW design modulatory is configured to interface with both analog and digital external target acquisition and sensing systems. While NSSMS will achieve its maximum performance when integrated with TAS, its ability to provide a significant improvement to our fleets point/self defense capability against the threats of the late 1970's is not solely dependent upon this integration. In the interim until TAS is available, NSSMS can be interfaced with existing shipboard sensors. This performance and ability to interface and operate with existing shipboard sensors has been clearly demonstrated by its performance to date on DOWNES.

Based upon the successful test results to date, all of the participating governments, except the U.S., have budgeted, and had approved by their respective parliaments, FY-73 funding for their procurement of NSSMS.

Failure to restore the $36,400,000 FY-73 funding would have the following impact:

a. Delay installation of NSSMS in 14 high value ships which can be expected to operate independently or in-company, in areas well within the range of potential enemy aircraft and missiles, and on which suitable systems to counter this threat in the mid to late 1970's do not exist.

b. Void the current international Memorandum of Understanding and Letter of Intent which commits the U.S. Navy to procure [ ] NATO SEASPARROW systems from the two year directed production contract commencing in FY-73.

c. Cause the governments involved to also delay their procurement due to economy of scale (small unit buy - high unit cost), thereby disrupting the budgetary processes of the participating governments.

d. Cause distruption in the shipbuilding and modification programs of all of the participating governments.

e. Damage the creditability of the U.S. in this venture, and possibly cause withdrawal by some or all of the participating governments resulting in termination of this highly desirable international cooperative effort - an effort which supports the sense of the Congress, that member nations of the NATO Alliance bear their fair share of the financial burden of mutual defense.

f. Have a debilitating effect upon other cooperative programs such as the NATO Hydrofoil.

Mobile Target MK-27. Arrival of the MK 48 torpedo in the Fleet is the driving factor in sustaining the operational target population in the Fleet. The quantities of existing or new MK 27/30 targets on order or budgeted through FY 73 are insufficient [(deleted)] qualifications plus continued testing as well as other ASW training requirements. [(deleted)] The only solution, other than increased new procurement, is a substantial refurbishment. Rather than buy new targets for over $6 million, the Navy has chosen to refurbish a selected group for about 1/3 of the cost.

The use of $1.8 million in FY 72 to upgrade 2 targets was prompted by developments in the MK 27 program which followed the Navy's appraisal

Classified material which has been deleted is indicated by brackets. [ ]

of the MK 30 target as the more promising of the 2 targets. Rather than remain committed to the MK 30 when an improved MK 27A might be demonstrated to be ultimately more cost-effective, the Navy upgraded the 2 MK 27's to MK 27A configurations to be able to conduct competitive testing. This testing is still in progress.

Decisions on new procurement of targets will be directed to provide the maximum in target services at the lowest cost. However, it must be emphasized that -- except insofar as all new procurement taken together is insufficient to support MK 48 Fleet introduction, testing and the heavy proofing requirement of new MK 48's -- the new procurement plans are not directly related to the MK 27 refurbishment program.

ASMD Radars. Two different radars were chosen to meet the urgent Southeast Asia requirement in order to provide a faster delivery rate (3 per month) than could be achieved by a single manufacturer. While neither has been service approved, both had undergone thorough testing and evaluation before selection.

The Westinghouse Hostile Alert Radar (HAR) consists of electronics from the AN/SPS-58. It omits the SPS-58 display console, using existing shipboard displays, and is provided with a smaller, more easily installed antenna than that used by the SPS-58.

The SPS-58 completed a full operational evaluation by the Operational Test and Evaluation Force (OPTEVFOR), the Navy's independent testing and evaluation agency, in 1970 and was kept in development to correct deficiencies. A second operational evaluation has been completed and a favorable report issued by COMOPTEVFOR. Six developmental SPS-58 radars are operating successfully in aircraft carriers. Full service approval is expected by December 1972. In addition, the HAR version of the SPS-58 has been successfully tested by COMOPTEVFOR at a Naval Research Laboratory facility; COMOPTEVFOR evaluated the pilot shipboard installation at sea from September 6th to September 12th, 1972. All of these steps preceed actual radar introduction into the Southeast Asia environment.

The Teledyne-Ryan Missile Detection radar was thoroughly tested in USS LAWRENCE (Project Hip Pocket) in the spring of 1972. Even in its developmental form, this radar proved to be highly effective and reliable. USS LAWRENCE, now in Southeast Asia, has retained this test radar and continues to provide highly favorable reports on its performance. The MDR has been made more rugged to meet combat conditions, has received its pilot shipboard installation, and will be evaluated by COMOPTEVFOR at the same time and against the same criteria as the HAR before deployment to Southeast Asia.

Because both of these radars already had a solid test and evaluation history when the Southeast Asia requirement arose, the low risk they represented was far outweighed by the urgent need for their special capabilities. The risk is being reduced even further by the thorough test and evaluation program conducted on the first production models. In view of the urgency of these programs, they were initiated in FY 1972 and the required FY 1973 funds have been released by the Secretary of Defense under the Continuing Resolution and added to contracts initiated in FY 1972. If cancelled at this time, it is estimated that less than 20% of the $3.1 million could be recovered.

ORDALT Material SMS. Included in this item are funds to install 23 Army CHAPARRAL air defense missile systems in Navy ships. In recommending this reduction, the Committee pointed out that a FY 1972 buy of CHAPARRAL by the Army was cancelled in favor of a program to develop a forward aspect capability for this missile. In its action on the O&M,N funding request for CHAPARRAL, the Committee also stated that this system was not designed and is not suitable for installation in Navy ships. Finally, the Committee directed that the Navy reevaluate the propriety of this proposed installation.

Although not specifically designed for shipboard use, CHAPARRAL launchers are being modified, hardened, and marinized for shipboard installation. These modifications provide sufficient protection for the launchers to permit use in a salt water environment. The basic Army missile, MIM-72A, employs the Navy SIDEWINDER missile infrared seeker, AIM-9D. Against a [ ] anti-ship missile target [(deleted)], the CHAPARRAL missile will acquire a [ ] aspect target at an average range of [ ] yards. Post-launch intercept and target kill will occur at [ ] yards. Under these conditions, the probability of kill against a [ ] missile or aircraft target is predicted to be [ ].

The primary threat to Naval ships operating in the North Vietnam littoral is [(deleted)] are considered the secondary threat. Employment of the modified Army CHAPARRAL missile in Navy ships provides at minimal cost, an effective defense against these threats. Operational testing of CHAPARRAL onboard USS LAWRENCE as part of the Hip Pocket project achieved highly successful results. Four missiles were fired at a target [(deleted)] successful target intercept and destruction occurred at [(deleted)] yards. Restoration of the $2,100,000 reduction is requested.

SEA Emergency Communications ($3.9 million). The House Committee report did not specifically address this element of the Amendment request. As with the preceding urgent SEA items, action has been initiated to insure that the improvements in communications are provided in a timely manner. The specific items covered by this $3.9 million are as follows:

a. $1.7 million for AN/UYA-7 digital communications and associated encrypting equipment to provide emergency HF communications capability in heavy clutter environment.

b. $1.4 million for high speed Ship-to-Shore terminals to insure the timely transmittal of the heavy load of message traffic.

c. $ .8 million for payment to the Air Force of a system in use by PACFLT which allows the secure transmission of video intelligence data direct from 7th Fleet ships to CINCPACFLT Headquarters.

SEA Supply and Engineering Equipment ($.9 million). In excess of $7.0 million in equipment such as trucks and forklift trucks has had to be made available at such locations as Subic Bay in the Philipines to handle the increased flow of munitions to Southeast Asia. The $900 thousand included in the Amendment represents that portion of this that was not anticipated to be recoverable. Absorption of this added usage

in the currently deficient vehicle replacement program will only increase the number of average vehicles that burden the inventory with their high operating and maintenance costs. Restoral of $900 thousand as a proper element of cost for SEA is recommended.

SEA Ammo Reprogramming Payback. The House Committee has not recognized the requirement to provide program restoration in FY 1973 for programs that had to be arbitrarily reduced in FY 1972 to fund the urgent increase in ammunitions production. Of a total of one hundred million that had to be reprogrammed in FY 1972 for increased Southeast Asia tempo of operations, $85.7 million was for ammunition. The Amendment requested that $52.5 million of the $100 million in decreases be restored. Of this amount only $5.9 million has been recognized in the House bill.

Failure to appropriate the additional $46.6 million will seriously impact on the FY 1973 OPN programs. The major programs impacted include the following:

a. $12.0 million, Ship Alterations. Current FY-73 planning for ship overhauls would result in a Ship Alteration deficiency of $17.0 million which must be resolved through strong internal management actions as well as reprogrammings. Failure to appropriate this will increase the deficiency to $29.0 million and in all probability result in procurred equipment not being installed on active Fleet ships.

b. $3.4 million, Ship Spare and Repair Parts. The House Committee recognized the increased consumption of electronic spare and repair parts, but did not provide for the ship related spares which are equally important.

c. $1.3 million, NTDS. Although initially included as a payback item the requirement in this area has become acute in view of the need for replacement equipment for the USS FORRESTALL.

d. $3.6 million, Coherent Side Lobe Cancelers for Search Radars -

e. $1.9 million, Remote Air Traffic Control Communications - Both of the above programs meet urgent tactical requirements. They were not scheduled for contract until late FY 1972 and as such had to be used as assets to fund the ammunition requirements. They must be restored in FY 1973.

f. $4.7 million, Interim Surface-to-Surface Missile capability (ISSM). The Department of the Navy has been directed by the Department of Defense in Program Memorandum #16 of April 20, 1971 to provide, on an urgent basis, an active-homing surface-to-surface missile capability by modifying a limited number of existing STANDARD Missiles (RIM-66B) with an active radar seeker to achieve an [ ] engagement capability against [(deleted)] in moderate to high sea states. Change #1 to Program Memorandum #16 directed the Navy to expand procurement of the RGM-XX Active STANDARD Missile in order to provide [(deleted),] fleet escorts with this improved Interim Surface-to-Surface capability (ISSM) as early as practicable, and more rapidly than could be provided by the long-term HARPOON Program.

The $4.7 million SEA funding is required for the procurement of ISSM ship modifications for installation in [ ] ships and 1 training site during scheduled FY 1974 overhauls.

If the $4.7 million is not provided, the planned FY-74 installation of ISSM modifications in the above ships will have to be delayed until the FY 1977 time frame.

Classified material which has been deleted is indicated by brackets.[ ]

g. $2.6 million, AN/SQS-35 Sonar training capability for the 14A2 Series trainers. As with several programs included in the payback the requirement for this capability has not diminished; however, due to the fact that the item was not on contract when the ammunition requirements surfaced the funds were reprogrammed. The AN/SOS-35 Variable Depth Sonar is currently being introduced into the fleet in large quantities. This team training capability must be introduced into the ASW team trainers to insure that shore team training is realistic.

h. $2.7 million, Production Facilities and Equipment. Increased ammunition production has an impact on the tooling at ordnance loading facilities and the increased cost must be funded. If funds are not appropriated then reprogramming from other programs will be required during the year.

Recognizing the many imponderables that result in ultimate Congressional budget reductions and the numerous line items included in the OPN payback, consideration must be given to, as a minimum, exempting these payback items from the Congressional interest category which would require prior Congressional approval of any reprogramming into the 31 line items involved.

DEPARTMENT OF DEFENSE RECLAMA
AIRCRAFT PROCUREMENT, AIR FORCE

(Thousands of Dollars)

FY 1973 Estimate, as amended	$ 3,255,700
House Appropriation adjustments	- 887,700
House Bill	2,368,000
Restoration requested	+ 276,400
Current DoD request	$ 2,644,400

REQUESTED FOR RECONSIDERATION:

(Thousands of Dollars)

	Budget Request As Amended	House Bill	Restoration Requested	Current DoD Request
F-15 Aircraft	$ 421,600	$ 320,600	$ + 101,000	$ 421,600
AABNCP Aircraft	217,600	-0-	+ 127,000	127,000
F/RF-5A Aircraft	7,800	-0-	+ 7,800	7,800
CH-47 Helicopter	13,700	-0-	+ 13,700	13,700
UH-1H Helicopter	70,600	53,300	+ 17,300	70,600
AWACS	309,900	-0-	-0-	-0-
A-37B	49,100	32,000	-0-	32,000
F-5E	92,700	90,400	-0-	90,400
F-5B	-0-	11,900	-0-	11,900
F-111	160,300	190,300	-0-	190,300
A-7D	-0-	83,200	-0-	83,200
C-5A	207,600	107,600	-0-	107,600
C-130E	127,700	90,000	-0-	90,000
Spares & Repair Parts	542,200	527,100	+ 9,600	536,700
Modification of In-Service Aircraft	504,000	465,700	-0-	465,700
Prior Year Recoupments	-0-	- 135,000	-0-	- 135,000
All Other	530,900	530,900	-0-	530,900
TOTAL	$3,255,700	$2,368,000	$ + 276,400	$2,644,400

JUSTIFICATION

F/TF-15. The House Appropriations Committee recommended a reduction of $101 million and 15 F-15 aircraft in FY 1973. The recommendation is based upon its degree of uncertainty at the present time of the Series 2 engine with respect to weight, performance, schedule, and concurrency in the program. The recommendation was made, not because of any lack of confidence in this program, "but out of an abundance of caution based upon Committee experience with other military hardware programs."*

A recent revision to the YF 100 engine delivery program provides for incorporation of the Series 2 design in the last three of the 21 YF 100 prototype engines. Delivery of these Series 2 engines is scheduled for November 1972, and they are scheduled to be flying in F-15 test aircraft before the end of 1972. Top level management attention is being focused on the hardware testing of the Series 2 engine. One engine has successfully completed 154 hours of running and data indicates that the sea level static thrust is higher than required by the specifications. Pratt-Whitney is presently conducting their preliminary "company" qualification test. After some initial problems caused by instrumentation and unique test hardware, a successful six-hour cycle has been completed.

Although the current weight of the engine is above the MQT specification, the most significant aspect of this engine is the high thrust-to-weight ratio. The goal has been to obtain an [ ] to 1 ratio as compared to current engines with a 4.5 to 5.0 to 1. A weight reduction program is being actively pursued. However, even with no weight reduction, the F-100 engine would have an [ ] to 1 ratio, which is a major improvement.

Flight test repetition is not a major factor. Recent actions to have the Series 2 engine in the flight test program by the end of calendar year 1972 will mean that the majority of test work after delivery of the third aircraft in November 1972 will be with the improved engine hardware.

The F-15 program must be reviewed at the Secretary of Defense level in February 1973 prior to release of full procurement funds for the first production aircraft. If it is apparent at that program decision point that the F-15 system cannot achieve its performance requirements, the decision to produce the aircraft will be held in abeyance until further testing provides assurance that the F-15 will meet its performance goals. Cognizant Committees will be informed should this occur.

A reduction of $101.0 million and 15 F-15 aircraft in FY 1973 will have a severe cost, schedule, and planning impact on the F-15 program. Execution of the lower contract options with McDonnell-Douglas and Pratt-Whitney will result in about $75 million total program cost increase. Procurement of the 15 F-15 aircraft in FY 1974 will result in an estimated $103,000 per unit increase over the total buy and an estimated $700,000 per unit increase computed through the first 107 aircraft. Research and Development costs (CPIF contract) will also increase because the prime and subcontractors will use higher overhead rates due to the lower business base in FY 1973. Other programs, now contracted with McDonnell-Douglas and Pratt-Whitney, would be impacted by the reduced business base as well.

*House Report, p. 188.

Classified material which has been deleted is indicated by brackets. [ ]

Adding the 15 F-15 aircraft to the FY 1974 buy of 77 aircraft would result in a less than optimum production rate buildup through FY 1974, which would force the contractors to either retain an unnecessarily high number of skilled workers or fire and re-hire resulting in a cost increase to the program. In recent years, the Air Force has made many improvements in the acquisition process to avoid increased costs. One of the most important aspects of program management is firm planning. The House Committee action disrupts this planning and requires replanning, re-phasing, and renegotiation with many subcontractors.

The program mix proposed in the House Appropriations Committee recommendation of 8 Fighter and 7 Trainer TF versions of the F-15 will have a contractual impact on the F-15 program. The pricing formula used in deriving the F-15 contractual prices was based on a ratio of 23 Fighters to 7 Trainer aircraft. Changing the ratio to 8 and 7 breaks the pricing formula and therefore breaks the contract. If the 50% reduction clause in the contract is to be exercised, then the ratio of Fighters to Trainers must remain in the same percentage as in the original program, i.e., the 23 to 7 ratio must be maintained.

Restoration of the 15 F-15 aircraft and $101 million is required to insure an orderly and economical program. Restoration is also required of the $9.3 million for initial spares in support of these aircraft which was deleted by the House action.

Advanced Airborne Command Post. The House Appropriations Committee denied the Air Force request for FY 1973 procurement of four Boeing 747 aircraft for the Advanced Airborne Command Post. This eliminates the interim NEACP phase of the Advanced Airborne Command Post program. The Committee approved a one-aircraft program to be accomplished in RDT&E.

In the opinion of the Committee, the request for the three interim NEACP aircraft is premature and could not be justified. Essentially, the Committee reported that the three aircraft would provide little more than additional space for advisors, the requirement for which has not been adequately justified and four hours more of flight endurance than that provided by the current EC-135. Finally, the Committee reports that the current EC-135s are adequate to perform the NCA function until advanced command control and communications equipment, approved in RDT&E by the Committee, becomes available.

The program reduction denies a capability that is required. National policy dictates that we be in the position of responding to a wide range of options. The current EC-135 command post aircraft cannot carry sufficient personnel to receive and process the quantity of incoming data currently available. When the small battle staff is processing incoming data, they cannot support nuclear war decision-making and vice versa. This saturated condition does not permit detailed review of numerous response options. Currently, the manpower and manual information processing methods on the existing EC-135 Airborne Command Posts (ABNCP) permit execution of only very limited options when the soft, ground-based command posts are incapacitated or destroyed.

The three interim NEACP aircraft would provide a significantly improved capability at an early date. The improved capability results from an increased battle staff which would provide for more rapid manual

processing of incoming data plus more in-depth support to analysis of the nature of the attack, the relation of the attack to the preplanned response options, and selection of a reasonably tailored response for execution. With this capability, we will be able to prepare additional preplanned options during peacetime that will increase the NCA's flexibility to respond to general war provocations. This will significantly reduce the possibility of over-reaction to accidents or limited attacks.

On the technical side, experience with development of command and control systems indicates that far less development trouble occurs when automatic data processing is applied to jobs that are well understood and well defined. An ABNCP has never been flown with a large battle staff (PACCS ADA addressed SAC only with a very small battle staff) which has even reasonably complex information processing and decision tasks to perform. Putting an adequate battle staff airborne in the interim NEACP, in a real operational environment, will permit development for the advanced systems of the interfaces between the staff agencies, information flow routing and decision methodology in a realistic manual mode before attempting to produce the data processing system software for the advanced program. This real experience will give much greater assurance that the advanced system will work as desired when deployed.

The 747 has operational advantages over the EC-135 that will provide flexibility which increases the operational survivability of the NEACP. The 747 has six to eight hours additional unrefueled endurance over the EC-135, which gives additional decision time prior to refueling or landing. The payload/fuel load on the 747 interim NEACP, which is much less than maximum gross weight, permits operation of the 747 into and out of many more airfields than the EC-135. This significantly increases the probability of trans/post attack recovery of the NEACP. The design speed of the 747, which is greater than the EC-135, increases the mobility factor which directly relates to the probability of survival under an area saturation attack on the ABNCP.

Early acquisition of an improved NEACP gives visibility to U.S. intent to continue to improve our command and control capability. permits the nation to maintain a deterrent posture, while accepting [(deleted)] This intent is evident even if no immediate improvement in communications or data processing is involved in the interim NEACP. The improvement is real in terms of the improved decision support provided by the larger staff. With completion of the development of the Advanced Command, Control, and Communications package, and procurement of the Advanced 747, the full potential of the larger battle staff, supported by automatic data processing and improved communications, can be achieved.

Reduction of the FY 1973 funding to $53.2 million (RDT&E funding) will eliminate the interim NEACP phase of the program and convert the test bed aircraft to a development effort. The Air Force supports the inclusion of the interim NEACP in the program and therefore restoration of $127.0 million for four aircraft in the procurement account is required to support the ABNCP program including the interim NEACP. With the restoration of these procurement funds, only $28.9 million would be required to accomplish the RDT&E effort during FY 1973.

F/RF-5A. The House Appropriations Committee recommended a reduction of $7.8 million and seven aircraft from the amended budget on the

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Classified material which has been deleted is indicated by brackets. [ ]

basis that there are funds for seven F-5B training aircraft and the final increment of 57 F-5E fighter aircraft recommended in the Bill. The House Appropriations Committee concluded that the F-5A aircraft are not required by the South Vietnamese Air Force and cannot be utilized for training purposes.

The F/RF-5A aircraft were needed to meet the immediate requirements of the heightened level of combat in Vietnam. The F-5B and F-5E production cannot meet the immediate requirement for increased VNAF capability and attrition losses. The F/RF-5As, originally purchased on the basis of an anticipated reimbursement for a Foreign Military Sale to [.] which was later disapproved by the State Department, were available and were sent to Vietnam to meet the immediate requirement for added Air Defense capability as well as support for the Vietnamese ground forces. The need for additional capability was recognized during May 1972 when the UE of the VNAF F-5A squadrons was increased from 18 to 23 per squadron.

To fulfill the VNAF requirements with F-5E aircraft as the Committee suggests will not provide the required capability which exists now, and which is being met with the F/RF-5As. Without these aircraft, VNAF Air Defense and support of Vietnamese ground forces would be degraded in the presence of heavy enemy pressure.

It is requested that funding of $7.8 million for the seven F-5A/RF-5A aircraft be reinstated. An anticipated reimbursement of $7.8 million was established upon receipt of a valid order from [.] Funds in the reimbursable account to which foreign military sales are deposited were used to pay the contractor for procurement of the seven aircraft. In this instance, the $7.8 million anticipated reimbursement failed to materialize due to our being unable to deliver the aircraft to the foreign government recipient, as an export license was denied by the State Department. Therefore, the aircraft procurement reimbursable account is delinquent to the extent of $7.8 million provided the contractor for procurement of the seven aircraft. Restoration is also requested of the $100,000 for initial spares in support of these aircraft which was also deleted by the House action.

CH-47. The House Appropriations Committee eliminated the CH-47 procurement of 6 aircraft and $13.7 million requested in the FY 1973 Budget Amendment. This was based on the Committee's belief that the four aircraft actually attrited between 1 April and 30 June 1972 could be more economically bought in FY 1974 when the Army and Air Force requirements would form a larger production quantity.

The 6 CH-47s requested were required to provide replacement aircraft for unprogrammed attrition caused by the April North Vietnamese invasion. Actual attrition experienced from 1 April through 10 September 1972 has been 6 aircraft, including 2 CH-47s destroyed at Bien Hoa on 10 September. Immediate replacement for the unprogrammed losses has been accomplished by transfer of U.S. Army aircraft to the VNAF. Although the VNAF inventory has been exceeded, the requested aircraft are for the Army as replacement for those CH-47s already transferred to the VNAF. Restoration is also required of the $100,000 for initial spares in support of these aircraft which was deleted by the House action.

The impact of deleting these 6 aircraft from the FY 1973 budget is a reduction in the Army's capability to maintain its required operational readiness posture and to provide support for unseen VNAF requirements.

Classified material which has been deleted is indicated by brackets. [ ]

It is recommended that $13.7 million and 6 CH-47s be reinstated in the FY 1973 Budget.

UH-1H. The House Appropriations Committee recommended a reduction of $17.3 million and 72 aircraft from the FY 1973 amended budget on the basis that the estimated attrition rates were high when considering the number of helicopters damaged in combat that are overhauled, refurbished, and returned to service. In addition, the Committee doubted the ability of the South Vietnamese to absorb 252 helicopters in a short period of time.

The amended budget requested 252 aircraft at a cost of $70.6 million. The 120 aircraft in the original FY 1973 request were intended as attrition replacements through FY 1973 and based on actual and forecast attrition prior to the April North Vietnamese (NV) invasion. The Southeast Asia Amendment added 100 aircraft to replace unprogrammed losses from 1 April - 30 September 1972, which resulted from increased activity brought about by the NV invasion. In addition, the unit equipage of 16 UH-1H helicopter squadrons have been increased by two aircraft each to provide for increased firepower capability. Examination of VNAF units has confirmed their capability to effectively use these aircraft.

The UH-1H helicopters are required to replace U.S. Army assets provided the VNAF. Repayment to the Army is necessary to satisfy identified requirements in both their Active and Reserve forces. By the end of FY 1973, transfer of a cumulative total of 892 Army helicopters are programmed for delivery to the VNAF. Through the end of FY 1972, 640 UH-1H's were procured by the Air Force for replacement of the Army assets. The 252 helicopters in the FY 1973 amended budget will complete Air Force responsibility for procurement of these helicopters through end FY 1973.

Actual attrition (not crash damaged helicopters capable of repair) subsequent to the NV invasion has been 102 UH-1H's through 10 September 1972. We are estimating the loss of an additional [ ] through the end of September. During the remainder of FY 1973, it is estimated that [ ] more UH-1H's will be lost.

The FY 1973 amended budget request provides no margin for potential increased attrition or the possibility of large numbers of helicopters being damaged by ground attack. For example, approximately 30 UH-1H's were damaged in a surprise attack while on the ground at Bien Hoa 10 September 1972. Incidents of this nature are not covered in the amended budget request. Therefore, it is a matter of prudence to plan for procurement of 252 helicopters during FY 1973 to accommodate programmed Army transfers to the VNAF through end FY 1973.

Restoration of $17.3 million for 72 UH-1H helicopters is required to accommodate Army requirements. Restoration is also required of the $100,000 for initial spares in support of the aircraft deleted by the House action.

Spares & Repair Parts. The House Appropriations Committee reduced the spares and repair parts program by $15.1 million to reflect changes in initial spares requirements necessitated by changes in the procurement of aircraft weapon systems. The FY 1973 amended budget request had included $542.2 million for procurement of aircraft spares

and repair parts. Restoration of $9.6 million for procurement of initial spares is needed to meet requirements in support of the aircraft for which restoration is being requested.

	$ in Millions
F-15	9.3
F/RF-5A	.1
CH-47	.1
UH-1H	.1
TOTAL	$ 9.6

DEPARTMENT OF DEFENSE RECLAMA
Missile Procurement, Air Force

	(Thousands of Dollars)
FY 1973 Estimate, as amended	$ 1,816,800
House Appropriations Adjustments	- 179,300
House Bill	$ 1,637,500
Restoration Requested	+ 65,000
Current DoD Request	$ 1,702,500

Requested for Reconsideration:

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DoD Request
	(Thousands of Dollars)			
LGM-30F/G Minuteman II/III	$ 419,300	$ 397,800	$	397,800
Minuteman Force Modernization	273,600	231,100	+42,500	273,600
AGM-45A, SHRIKE	11,800	10,800		10,800
AGM-78, Standard ARM	42,700	39,000		39,000
AIM-7F, SPARROW	19,500	9,750	+ 9,750	19,500
AIM-9L, SIDEWINDER	14,300	5,150	+ 9,150	14,300
Minuteman Update Modification	36,900	31,400		31,400
Spares and Repair Parts	47,500	43,900	+ 3,600	47,500
Defense Communications Satellite	4,200	2,600		2,600
Military Satellite Communications Systems	2,000	-0-		-0-
Classified Projects	468,900	414,900		414,900
Prior Year Unobligated Balance		- 25,000		-25,000
All Other	476,100	476,100		476,100
Total	$1,816,800	$1,637,500	$+65,000	$1,702,500

JUSTIFICATION

Minuteman Force Modernization (Command Data Buffer)

The House Appropriations Committee reduced $42.5 million from the Minuteman Force Modernization budget request (Command Data Buffer). The Committee did not consider the current Command Data Buffer deployment schedule to be in compliance with the Committee's request that the Command Data Buffer be thoroughly tested as a complete system.

The Air Force in discussing the FY 1973 Minuteman Force Modernization Program with the Committee furnished schedules reflecting milestones and events for the Command Data Buffer system which indicated the high confidence

the Air Force has in fielding this system. The Command Data Buffer program uses existing technology and, to the maximum extent possible, adaption of existing, proven components. All components have been thoroughly tested, and system level testing has been proceeding for the past eight months. Because of the high confidence, a desire to minimize the program costs, and the necessity for major redesign of the ground electronics for the Upgrade Silo environments, Command Data Buffer has been wholly integrated into the design of the Force Modernization Program for Minuteman III. The ground electronics design incorporates:

a. Retargeting of Minuteman III from the Launch Control Facility.

b. Encrypted communications between the Launch Control Facility and the Launch Facility for secure status and control.

c. Hardening to increased EMP, blast/shock, and nuclear radiation requirements consistent with the Upgrade Silo criteria.

d. Reduced electrical power and cooling requirements consistent with extended post attack emergency operations.

e. Use of Command Data Buffer electronics to perform many monitor and control functions now done by other equipments.

Elimination of Command Data Buffer from Minuteman III Force Modernization will require a major system redesign. There is no existing, applicable, alternate design for Minuteman III Force Modernization at Wings V, VI, III and Squadron 20.

Deletion of the $42.5 million will have three major program impacts.

First, the Force Modernization Program would be delayed for approximately one year. Without Command Data Buffer, there is no ground electronics system design, and even if an alternate design existed, hardware procurement would require about a year. In any case, major contract terminations would be required.

Second, the deployment of Minuteman III would be extensively delayed. Wing V presently has Minuteman I missiles, and Minuteman III cannot be deployed at Wing V without Force Modernization.

Third, it is most likely that the Minuteman III production line would be shut down, with the attendant costs and lead times to restart. No reasonable alternatives to halting production have been identified. In any case, major contract terminations would result.

The net effect would be a considerable increase in the cost of the Minuteman program, and a protracted delay in the deployment of Minuteman III and the Upgrade Silo Modifications.

The Air Force did not consider the internal reprogramming of funds ($11.2 million) within the total FY 1972 Minuteman Force Modernization program as disregarding reprogramming understandings with the appropriate committees of Congress. The Command Data Buffer system is an integral part of the Minuteman Modernization program and the internal shifts within the program were not viewed as reprogramming.

Request $42.5 million be restored to the Minuteman Force Modernization program (Command Data Buffer).

AIM-7F, SPARROW. Funds for the AIM-7F SPARROW air-to-air missile program were denied on the basis of insufficient test data upon which to

make a production decision this year. To bolster the inventory of air-to-air missiles the Committee proposes to restore $9,750,000 for the procurement of a quantity of AIM-7E SPARROW missiles.

The Navy Operational Evaluation (OPEVAL) is 50% complete and demonstrates a marked improvement in reliability and performance over the AIM-7E. OPEVAL test launches to date show [ ] successes and [ ] failures, failures being in a [(deleted)] The causes have been identified and corrective fixes have been made. Of the test launches, [ ] of the missiles had accrued over 100 captive carry hours. Based on captive carry flights, reliability has been demonstrated to be better than AIM-7E reliability by a factor of three. Although the AIM-7F has an increased initial unit cost, the life time cost will be significantly lowered since the mean time between failures will be lengthened requiring fewer missiles in repair facilities and in the pipeline between repair facilities and operational units. The RDT&E funding planned by the Navy for fiscal year 1973, 1974, and 1975 will be applied to the investigation of future applications of monopulse guidance techniques and alternate fusing circuits. The results of the investigation would not be ready for incorporation in the AIM-7F until FY 1975 and no program is envisioned to update missiles produced prior to that time.

Substitution of the AIM-7E for the AIM-7F is not a feasible solution to overcome inventory deficits because of physical and electrical dissimilarities of the two missiles. Further delays to the AIM-7F production schedule will also delay the attainment of an integrated AIM-7F/F-4E fighter capability to destroy high altitude, high MACH aircraft such as the FOXBAT.

Request restoration of $9,750,000 in the AIM-7F SPARROW program to permit the Air Force to procure an initial quantity of 100 missiles in FY 1973. Reinstatement of AIM-7F procurement will also necessitate restoration of $2.5 million deleted for initial spares support.

AIM-9L, SIDEWINDER. The House Appropriation Committee denied funds for the procurement of 100 AIM-9L at $14.3 million. The basis of this action was that the development of the missile has not been completed and the Navy has not begun technical evaluation. $5,150,000 was provided to buy AIM-9H missiles as a substitute for the denied AIM-9L.

While the development program is not complete, the Navy will begin technical evaluation in March 1973. The Navy/Air Force first buy is to be pilot production, which is in line with the fly-before-buy concept. The missiles from this buy are to be used to assure that the missile is ready prior to release of full production with FY 74 funding. The FY 73 buy provides missiles which will allow for completion of testing, including the user evaluation. This plan also assures complete productibility before full production release in FY 74.

The Air Force cannot substitute the AIM-9H for the AIM-9L, since the AIM-9H is not compatible with Air Force aircraft. This would require costly modification of aircraft.

The loss of the FY 73 AIM-9L procurement will deprive the Air Force of 100 missiles scheduled for delivery between August 1973 and August 1974. This will eliminate the missiles required for Operational Test & Evaluation (OT&E). The specific impact on the AIM-9L program will be that the OT&E will not be completed prior to a FY 74 procurement. The missiles allocated to F-15 contractor DT&E and Air Force DT&E, plus the missiles for F-4/AIM-9L Operational Test and Evaluation (OT&E), would not be available.

Classified material which has been deleted is indicated by brackets.[ ]

Request restoration of $9,150,000 in the AIM-9L, SIDEWINDER, program to permit the Air Force to procure an initial quantity of 100 missiles in FY 1973. Reinstatement of AIM-9L procurement will also necessitate restoration of $1.1 million deleted for initial spares support.

Spares and Repair Parts. The FY 1973 amended budget request included $47.5 million for procurement of missile spares and repair parts. The House action reduced this request by $3.6 million to reflect changes in initial spares requirements caused by deletion of the initial AIM-7F and AIM-9L procurement requests. Restoration of $3.6 million for procurement of initial spares is requested in support of the following missile weapon systems:

	$ In Millions
AIM-7F	$ 2.5
AIM-9L	1.1
	$ 3.6

DEPARTMENT OF DEFENSE RECLAMA
OTHER PROCUREMENT, AIR FORCE

(Thousands of Dollars)

FY 1973 Estimate, as amended	$2,210,300
House Appropriation Adjustments	- 71,000
House Bill	$2,139,300
Restoration Requested	+ 58,200
Current DoD Request	$2,197,500

Requested for Reconsideration:

(Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DoD Request
Modular Guided Glide Bomb	$ 10,200	$ 5,100	$ 0	$ 5,100
Vehicular Equipment	35,500	32,300	+3,200	35,500
Electronic Sensors	7,700	0	0	0
AN/TPN-19 Ground Approach Radar	31,800	0	+31,800	31,800
All Other	2,125,100	2,125,100	0	2,125,100
TOA	$2,210,300	$2,162,500	$+35,000	$2,197,500
Proposed Transfer of FY 1972 Funds	0	- 23,200	+23,200	0
Total NOA	$2,210,300	$2,139,300	$+58,200	$2,197,500

JUSTIFICATION

Vehicular Equipment. The House Committee does not believe that the request for $3,200,000 to replace certain trucks turned over to the VNAF to be of sufficient urgency to require funding in a budget amendment and proposes deferral of such funding to the Fiscal Year 1974 budget.

As a matter of operational priority the Air Force provided vehicular equipment to the VNAF. This decision implemented subsequent to the submission of the President's Fiscal Year 1973 Budget necessitates continued use of vehicles that from an economical viewpoint should be replaced without further delay. Failure to replace these overaged vehicles results in expenditure of excessive funds to keep them in operation and adds considerably to the 23,000 overaged vehicles still in the operational inventory. It is the opinion of the Department of Defense that funding of this requirement in Fiscal Year 1973 is a more prudent action than the proposal of the House to defer funding to the Fiscal Year 1974 budget. Restoration of the funds to accomplish this action is, therefore, requested.

AN/TPN-19 Ground Approach Radar. Last year the House Committee recommended that the request for Fiscal Year 1972 funds be denied because tests of these radars had not been completed and it appeared that contract specifications and Air Force requirements would not be satisfied. Subsequently, the Committee approved the program because the Air Force was in negotiation with the contractor to allow for additional testing. This approval was contingent upon the Committee being advised of the test results prior to placing the Fiscal Year 1972 buy under contract.

During the hearings this year, according to the House Report, testimony indicated that the additional testing had been completed and that the system is still lacking in performance with regard to meeting all of the revised specifications. The Committee believes that its original decision last year has been confirmed as justified since it now appears that this radar will not meet the down graded specifications without a significant expenditure of additional funds. As a result, the House Bill deletes the funds requested in Fiscal Year 1973.

The additional testing of this radar had not been completed prior to or during the period of this year's hearings before the House Committee. The performance of the TPN-19 during the additional testing completed 8 September 1972, indicated that the system does meet the revised specifications previously discussed with the House Committee and satisfies USAF requirements. The Air Force users of the system consider it the only near-term solution to satisfy a long delayed USAF requirement for a highly mobile air traffic control radar system. Therefore, it is requested that the production funds requested in the Fiscal Year 1973 budget for the TPN-19 Radar Program recommended for deletion by the House be restored. The Air Force and the Department of Defense will present the formal test data to the Appropriations Committees as promised by the Secretary of Defense prior to production release.

Proposed Transfer of FY 1972 Funds. The House Bill provides for a reduction of $55,000,000 in New Obligational Authority to procure the AN/TPN-19 Radar, thereby terminating the program. This reduction includes $31,800,000 requested in the Fiscal Year 1973 Budget, which is discussed in the foregoing reclama, and $23,200,000 appropriated in Fiscal Year 1972 for this program. However, language is provided in the House Bill transferring $23,200,000 from Fiscal Year 1972 to the Fiscal Year 1973 account to partially offset that amount of the total reduction in New Obligational Authority levied against Electronics and Telecommunications equipment in Fiscal Year 1973.

The $23,200,000 proposed for transfer in the House Bill from Fiscal Year 1972 to Fiscal Year 1973 is no longer available. This amount was reprogrammed from the Fiscal Year 1972 TPN-19 Radar Program to procure additional munitions in support of Southeast Asia operations. This reprogramming was approved by the Department of Defense in May, 1972. Congress was notified by DOD Reprogramming Action Serial Number FY 72-65 and did not interpose any objections. In addition, the House has approved the Fiscal Year 1973 pro-

gram for Electronics and Telecommunications equipment totalling $205.8 million but allows only $182.6 million in New Obligational Authority to support that program.

Accordingly, it is requested that the language in the House Bill transferring the $23,200,000 from Fiscal Year 1972 to Fiscal Year 1973 be deleted and that $23,200,000 be added to the amount of New Obligational Authority as proposed by the House in order to fully fund the Fiscal Year 1973 program for Electronics and Telecommunications equipment as recommended in the House Bill.

DEPARTMENT OF DEFENSE
PROCUREMENT, DEFENSE AGENCIES

(Thousands of Dollars)

FY 1973 Estimate, as amended	$ 72,730
House Appropriation Adjustments	-10,700
House Bill	$ 62,030
Restoration Requested	5,700
Current DoD Request	$ 67,730

Requested for Reconsideration:

(Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DoD Request
General reduction to be offset by transfer of available unobligated balances from the account entitled "Procurement, Defense Agencies, 1972/1974"		$- 7,700	$+ 2,700	$- 5,000
DIA	$ 8,620	- 3,000	+ 3,000	8,620
All Other	64,110			64,110
Total	$72,730	$-10,700	$+ 5,700	$ 67,730

JUSTIFICATION

General Reduction. The House Appropriations Committee made a reduction of $7,700,000 in the budget estimate. Offsetting transfers from the 1972/1974 program was provided. Careful analysis of all unobligated balances indicate that $2.7 million can be transferred from FY 72-74 and $2.3 million from FY 71-73. The additional $2.7 million is not available for transfer and would have to be obtained by reducing the FY 1973 program. This would have a very severe impact on several of the Defense Agencies funded under this appropriation.

Strategic Arms Limitation. The single most important source of intelligence necessary to verify Soviet compliance with the SAL agreements is [ ]. This source will provide [deleted] data on the [deleted].

Classified material which has been deleted is indicated by brackets.[ ]

weapon systems. Proper equipment to perform the detailed exploitation of materials [(deleted)] is crucial to support timely and effective SAL verification. If these funds for [(deleted)] equipment are not restored, [(deleted)] equipment currently in use will necessarily be diverted to the SAL requirement. Such diversion would result in equally important requirements in other [(deleted)] areas being relegated to [ ] equipment not fully capable of exploiting all information available [(deleted)].

[(deleted)] equipment, requested for the SAL mission, is essential to providing increased quality of the delivered product [(deleted)]. The imposition of increased production, which will be required as a result of the verification process, would [ ] equipment is necessary to more fully exploit [ ] available from existing and programmed systems in order to make assessible to the analyst date contained in the [ ] which cannot be exploited by classical [ ] techniques. Without this equipment, timely exploitation of data [(deleted)] would be delayed.

[ ] equipment is required to support a program to determi[ ] applications [ ]. This equipment will also determine [ ].

Accomplishment of all these objectives are basic to the productivity of future negotiations in the arms limitation dialogue, as well as assuring parity under the current agreement. All equipment is interrelated in the maximum exploitation of currently available intelligence data, optimal quality, timeliness, and improved assessment.

COMMAND AND CONTROL COMMUNICATIONS

The Department must urge in the strongest terms the restoration of House reductions in RDT&E, procurement, and O&M for command and control communications. The Congress has repeatedly expressed concern, the Blue Ribbon Defense Panel has reiterated, and the Department has acknowledged serious deficiencies in the reliability, survivability and security of our command and control communications. These communications are the most vulnerable single element in our strategic deterrent. Problems with these communications, and the command and control procedures themselves, have contributed to Pueblo and Liberty incidents through lack of responsiveness. These communications, and the lack of communication security equipments associated with them, have divulged operations plans to the enemy at the cost of lives and objectives. The Department of Defense has been taking vigorous actions to try to remedy these deficiencies, including reorganization and concentration at the OSD/JCS level. The FY 1973 budget request, and the FY 1972 Supplemental request which preceded it, recognized the problems and proposed programs to correct them. These programs address both our near (mid 1970's) and far (late 1970's and early 1980's) term needs and our understanding of both near and far term threats.

Classified material which has been deleted is indicated by brackets.[ ]

The House and Senate authorization conference has explicitly recognized and supported these programs. For example, they have given approval of an Advanced Airborne Command Post program to aggressively attack the problem of survivable command and control, they have approved the budget amendment supporting our efforts to achieve an early option for a survivable satellite program, new secure voice systems and an early improvement of the World Wide Military Command and Control System and they have approved acquisition of a robust Fleet Communication Satellite System supporting both our strategic and tactical forces.

In their report, the House Appropriations Committee noted the difficulty in choosing programs recommended for reduction and stated their belief that "the reductions delete programs that might be nice to have but which are not essential to national defense at this time." It is the Department's belief that the House action would have a major adverse impact on our national defense posture in the area of command and control.

In discussing strategic nuclear forces, the House report considered both the strategic sufficiency criteria enumerated by the President and the effects of the Strategic Arms Limitation Talks. The Department's concern is that, when the two concepts are linked, it must be recognized that limitations on quantitative force levels have to be offset by continuing increases in the quality of the forces and their effectiveness. The House Report states that the House Bill would continue our program to increase the quality of the forces and that this will contribute to increasing their effectiveness. However, survivable deterrent weapons are meaningful only if their command and control is comparably survivable and responsive to national and tactical control. Flexibility in our defense posture is possible only if our command and control systems provide the information needed to support decisions in a timely and reliable manner. The proposed reductions would delay improvements to our command and control at a time when precise management of our reduced forces is urgent to fully deter a surprise attack and reduce the incentive for the Soviet Union to strike the United States first in a crisis.

To avoid this adverse impact, the Department strongly requests restoration of substantially all of the command and control communications reductions in the House Bill. Specifically, the following amounts should be restored to the House Bill:

- $127 million for the Advanced Airborne Command Post Program. If this restoration is made, the RDT&E effort during FY 1973 can be accomplished with $28.9 million (compared to $53.2 million in the House Bill). The House procurement reduction would eliminate an immediate improvement to our operational National Emergency Airborne Command Post -- attainable through increased aircraft size, endurance and random basing capability which would maximize the possible immediate increase in our command and control stability. The reduction would also delay our multi-phase approach to survivable command and control, an objective which we seek to attain by maintaining a system which interfaces with our best communications and assessment systems at each point in time.

- $3.5 million of the $4.6 million reduction in the Fleet Satellite Communications Program. This reduction would deny the ability to acquire low-risk long-leadtime items

and will delay initial operational capability by some six months and final operational capability by approximately a year.

- $.7 million for DCA Systems Engineering Facility, $4 million for NSA (the cut was $8.4 million) and $4 million for DARPA. These House reductions occur at a time when programs at all three agencies should be expanding to support an improved Defense Communications System, development of sorely lacking secure voice capability and needed advanced communications concepts. At least $4.0 million of the NSA reduction should be restored to support both our secure communications and intelligence related programs.

- $3.9 million in Navy Communications procurements for high speed ship/shore terminals, digital communications processors and a secure image transmission system. These reductions would impact our ability to avoid delays in selected Fleet Communications.

- $1.9 million in O&M for the Joint Technical Support Agency at DCA. This reduction and the manpower limitation involved would seriously impair our ability to rapidly achieve effective and interoperable software for the new computers in the World Wide Military Command and Control System.

Delays to command and control communications improvements must be avoided as a matter of the highest priority. The actions recommended above will remove the most serious delays resulting from the House action.

DEPARTMENT OF DEFENSE
RDT&E ARMY

(Thousands of Dollars)

FY 1973 Estimate, As Amended	$ 2,122,716
House Appropriation Adjustments	- 376,584
House Bill	$ 1,746,132
Restoration Requested	+ 231,744
Current DoD Request	$ 1,977,876 1/

Requested for Reconsideration:

(Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DoD Request
AAH	$ -0-	$ -0-	$ 30,000	$ 30,000
MANPADS	18,000	3,000	15,000	18,000
Aerial Scout	9,120	-0-	9,120	9,120
UTTAS	64,040	50,440	-0-	50,440
HLH	53,000	38,000	15,000	53,000
Mil Sci (15% Red)	30,822	-0-	30,822	30,822
General Reduction	94,562	-0-	94,562	94,562
Site Defense	140,060	94,060	19,240	113,300
M60A1	10,400	6,400	2,000	8,400
STANO (TOW Night Sight)	38,850	34,850	4,000	38,850
Electronic Warfare Laser Countermeasures, Simulators & Testing Multiple Target Electronic Warfare Systems - Radar	[	[deleted]		]
Advanced Helicopter Development	14,500	8,500	3,000	11,500
ABMD	102,110	98,910	-0-	98,910
Pershing	8,200	6,600	-0-	6,600
Shillelagh	5,900	4,400	-0-	4,400
ARSV	15,550	12,350	-0-	12,350
FCRC's	23,798	20,298	-0-	20,298
CLGP	4,000	-0-	-0-	-0-
Test Combat Equip	61,240	57,240	-0-	57,240
Civil Engr	9,440	6,540	-0-	6,540
CHEYENNE (AAFSS)	$ 58,610	$ 4,000 -5,000 2/	$ -0- 5,000	$ 4,000 -0-
SAFEGUARD	306,540	255,540	-0-	255,540
Other	1,019,474	1,019,474	-0-	1,019,474
Total	$2,122,716	$1,746,132 3/	$231,744	$1,977,876 1,3/

1/ Excludes transfer of $60,000,000, a NOA adjustment.
2/ The $5 million for the attack helicopter evaluation in the supplemental was deducted twice - once in the Cheyenne line and once in the supplemental.
3/ Will not add due to rounding.

Classified material which has been deleted is indicated by brackets.[ ]

JUSTIFICATION

Advanced Aerial Fire Support System

The House Committee report cites failure of the Cheyenne Program, the $450M expended over a 9-year period, and management weaknesses associated with administration of this program as a basis for denying the funding request for a new Advanced Aerial Fire Support System (AAFSS). The Committee further states that "this performance (Cheyenne Program) does not instill sufficient confidence to recommend appropriations for the initiation of a new program in this area." The fundamental point is that the Cheyenne was programmed to meet a valid requirement for an advanced attack helicopter. Failure of the Cheyenne does not negate the requirement but forces the Army to initiate a new, but less ambitious program. It must be emphasized that the Army itself cancelled the Cheyenne because it had ceased to be a cost effective program.

While the committee views on management practices should not be the basis for denying this program, since they have been expressed, they must be addressed. Management improvements have long since been adopted by the Department of Army to rectify the management weakness cited by the HAC report in its comments on the Cheyenne program. These include the requirements for thorough investigation of technical, schedule, and cost risks, rationale for the requirements, threat assessment and program need; review of the results by the Defense Systems Acquisition Review Council; and documentation of the results in a DCP, which must be approved by the Secretary of Defense before a program is started. Contracting procedures have been adopted which will preclude the total package contracting approach which was a major problem in the Cheyenne program.

The Committee went on to say that it "does not feel that all important aspects of this matter have been adequately studied and that the initiation of a new program at this time would be premature." Apparently, the Committee is not aware of actions taken in preparation for this new proposal. An intensive Advanced Attack Helicopter Requirements Evaluation was conducted by the Army to identify the physical characteristics, subsystems, and performance required in an AAH to fight effectively and survive in a sophisticated environment. This included cost analyses and flight evaluations of the Blackhawk, Cheyenne, and King Cobra. Analyses of the increased anti-aircraft threat and field experimental data indicated that an aircraft smaller than Cheyenne possessing outstanding flight agility (a function of power, airframe, and flight handling) will meet the Army's revised minimum requirement. Flight test results and cost analyses revealed that none of the candidates as tested, or with modification, fully meets the stated requirements. A new start development program for AAH is the most efficient approach to competitively procure an optimum solution to this requirement. Implicit in this approach is consideration of AAH solutions based upon UTTAS derivatives.

The Army's need for an advanced attack helicopter has been acknowledged by DoD and the Armed Services Committee by their authorization of funds. Failure of the Cheyenne has seriously jeopardized the Army's capability in this critical area. To deny FY 73 funds would result in further delay in the Army's number one priority development program. It is essential that funds in the amount of $30.0M be appropriated for this program per the Armed Services Committee's authorization.

Man Portable Air Defense System (MANPADS)

The Committee report raised two objections to the STINGER program: (1) The STINGER performance requirements are similar to the original REDEYE requirements which were not attained; (2) The engineering development contract is sole source - it was signed with General Dynamics, Pomona, on June 28, 1972.

The state of the art now is not what it was 10-14 years ago. Five years of critical component development with extensive simulations and field experimentation has shown that today the technical and cost risk for STINGER is low. And the threat has changed; air targets are higher speed, more maneuverable and more likely to employ countermeasures. The need for STINGER performance parameters is greater now.

The U.S. Marine Corps has participated in all phases of the STINGER advanced development work and shares the Army's estimates of urgency and risk.

The contractual effort over the last five years has been performed by General Dynamics but at the initial phases it was pursued competitively. Motor development competition was won by Atlantic Research Corporation who is now a subcontractor to General Dynamics. The advanced seeker development was won by General Dynamics over two other competitors. As recently as 1970, three firms competed on a MANPADS system concept and General Dynamics won.

The result is that General Dynamics has a very substantial technical advantage over all potential competitors. Moreover, contracting with General Dynamics will capitalize on their experience with basic REDEYE. Their proposal was about 15% less than the Army had predicted.

It is the Army's plan that during the initial production run of STINGER, a second source will be qualified and all subsequent procurement will be competed. This competition will include approximately 75% of the total outlay (RDT&E and procurement) projected for STINGER.

Reducing the funding to $3.0M means termination of the contract with associated termination costs and at least one year's delay. As planned STINGER would begin to phase into the inventory just as REDEYE shelf life starts to run out.

Aerial Scout

In recommending deletion of the $9.1M the Committee stated that the program had been misrepresented in that the Army stated that maximum use would be made of presently available components while, in fact, a new engine is being developed for this helicopter rather than utilizing existing engines. The Committee, not in agreement with the changes in the Army's original premise of using available components, directed the Army "to reevaluate this program and redirect it along the lines originally presented to the Committee in which existing components are utilized."

The Army does propose to make maximum use of presently available components. The program is based on the current OH-58 and OH-6 and has incorporated existing state-of-the-art equipment to the maximum extent possible.

The prototypes will possess extended target acquisition range capability through a long-range stabilized optical subsystem for the observer, improved position location by a computerized navigation system, improved survivability by reducing aural, visual, radar and infrared signatures, and improved flight performance capability. Because of increased weight due to the addition of these mission essential subsystems, the current light observation helicopter airframes require greater power. There is presently no engine in the Army inventory which would provide adequate mission performance. Each prime contractor independently selected the same upgraded engine to power its prototype Aerial Scouts. The total cost of this engine to the Army for this program including development, installed engines and the required spares is $2.5M.

The Committee correctly cites that the $9.1M would not be adequate and an estimated additional $10.9M would be required in FY 73 based on contractors' responses to the Army's request for quotation. The Committee "believes that the cost increase is at least in part a result of the departure of the Army from the original concept of the utilization of available components." The cost increase, in fact, is due mostly to the integration of the subsystems and more comprehensive software support.

The Committee took issue with the fact that the Aerial Scout Program is included in the line item entitled "Aircraft Weapons Fire Control." It was not the Army's intent to deceive the Committee and the FY 74 budget has been restructured to display the Aerial Scout as a separate line item project.

It appears that the Committee applied a restrictive interpretation to the Army's statement that this program would make maximum use of presently available components, assuming that no new components would be required in the program. The program does not envisage a higher risk experimental prototype approach, but rather, a minimum risk advanced development prototype program for an improved Day Aerial Scout. To further reduce costs, a program at Electronic Command, in conjunction with the Low Level Night Operations Program already in progress, will provide the basis for a night vision system to be incorporated in the Day Scout configuration to obtain a Night Aerial Scout capability.

As pointed out, this program has not been misrepresented to the Committee. Deletion of the FY 73 funds would cause at least a one-year delay in the attainment of this critical capability for mid-intensity warfare, and to disrupt the program in its second year would forfeit a program cost to date of approximately $8.0M which includes termination costs. It is essential that the $9.1M be restored.

Utility Tactical Transport Aircraft System. The Utility Tactical Transport Aircraft System (UTTAS) is to be the Army's first true infantry squad carrying helicopter. It is designed specifically to lift an infantry squad with its normal attachments in tactical troop assault and related missions now performed by the UH-1 series helicopter. Specific tasks include transporting troops and equipment into combat; resupplying troops in contact; and accomplishing the associated functions of aeromedical evacuation, repositioning of reserves, command and control, and other combat support. Sizing and other design parameter requirements for the UTTAS were chosen with a view towards reducing cost. As a result, cost effectiveness will be the primary advancement achieved by the UTTAS. The UTTAS will have an increased payload which will reduce the number of troop carrying helicopters that are required, substantially improved maintainability, reliability, survivability and performance. These improvements will result in a significantly reduced fleet life cycle cost.

The language of the HAC report, which specifies a reduction in the number of prototypes from seven to four, will require a restructuring of effort which will hamper and degrade the UTTAS program. The overriding state-of-the-art improvement in the UTTAS' development is that of reliability and maintainability. Any program alterations which degrade the reliability achievement goals will ultimately result in reduced cost effectiveness, increased life cycle costs and a delayed Initial Operational Capability. The HAC proposed prototype engineering program provides absolutely no flexibility in the event of an aircraft loss due to an accident and further prohibits contractor modifications for aircraft discrepancies surfaced during the Government Competitive Test phase. To achieve the total system Mean Time Between Failures (MTBF) goal on schedule will require six flyable prototypes and one Ground Test Vehicle per contractor. Dynamic component testing, through bench tests and the Ground Test Vehicle, will provide a limited data base of pertinent reliability information. The total helicopter system, performing in its operational environment, is required to attain the program reliability goals. Pursuing the reliability and maintainability goals by the HAC directed prototype approach will stretch the program an additional 24 months and boost the program cost by $12 million. Any alteration to the original UTTAS prototype concept will dilute the benefits of the previous decade's technological advancements. For these reasons, the Army believes the previously approved program is in the best interests of the government and the Army accepts the present funding level.

Heavy Lift Helicopter. This program element supports development of the Department of Defense Heavy Lift Helicopter (HLH). The HLH is a helicopter capable of lifting 22.5 tons, and is being designed specifically to meet the shore based HLH requirements of all Services. The HLH will also be capable of operating from the Navy LHA class of ship. The HLH will lift more than twice the payload of the largest current Army helicopters, the CH-47C and the CH-54B; more than three times the payload of the largest current Navy Helicopter, the CH-53D; and sixty percent more than the Navy HLH. The Army HLH will be capable of unloading the standard 22.5 ton container from container ships and transporting them across the beach when ports are unavailable due to geographical location, congestion or combat damage. The HLH will also be used to transport tactical, engineer, bridge and other equipment without the requirement for disassembly thereby permitting their immediate use when unloaded. In addition to the increased capability to lift larger tactical and logistic loads the HLH will be more cost effective than current transport helicopters. The increased cost effectiveness derives from lower ton mile operating costs and improved reliability and maintainability.

The FY 73 budget request of $53 million for the HLH includes $15 million to initiate the prototype phase of the program. The House Appropriations Committee "... directs that the Army Heavy Lift Helicopter program be conducted as a competitive component development program," and deleted $15.0M from the program. This instruction is essentially the same as that planned and approved by the DepSecDef in July 1970, but discarded after a detailed technical evaluation of contractor proposals. The Congress was informed of this change in plans and a competitive component program was not specified in either FY 71 or FY 72 Congressional reports. Further, after considering similar directive language on this issue, the SASC rejected such a directive as being unwarranted.

The HAC instruction would increase the cost of the component development phase by more than $100M for no commensurate return (in the judgement of the technical evaluators and responsible decision authorities) and delay the prototype phase by 18-24 months.

In view of the foregoing considerations, the DoD believes that it is following a prudent program management course in the development of the most cost effective HIH capability at low risk. It is recommended that the DoD planned program be approved and the reduction of $15 million be restored.

Military Sciences

The House Appropriations Committee action in reducing the RDT&E, Army Military Sciences program five percent ($10.3 million) coupled with an additional reduction of ten percent ($20.5 million) will reduce the FY 73 request of $205.5 million to $174.7 million or $11.4 million below the FY 72 budget of $186.1 million. This reduces the established trend for a modest increase in the Military Sciences to maintain the United States technological superiority, and to prevent technological surprise. The new amount for FY 73 is only $8.3 million over the $166.4 million in FY 71, an increase of only 5% in the two-year span. The small increase over FY 71 will not prevent the erosion of the Army's Military Sciences by inflation, and the reduction from FY 72 will require in-house personnel reductions-in-force, and curtailment of on-going research efforts at colleges and universities. This loss of capacity and talent cannot be easily reconstituted. Our longest leadtime item in the technological race is people, and this reduction will diminish our development of brain power seriously. If this is translated into a loss of professional talent to the Army (at a rate of $45,000 per professional man-year and support) it would amount to 650 personnel regardless of whether the projects are executed in-house or on contract. At present the Army contracts for 30% and executes in-house 70%. The loss could be 455 government professionals, and 195 contract personnel. The aggressive DOD policy to stimulate the productivity of the technology base, started and approved by the Congress in FY 72 and reiterated in FY 73, will be annulled.

General Reduction. The FY 73 appropriation recommended in the House DOD Appropriation Bill is $41.6 million less than the Appropriation for FY 72 even though costs are continuing to increase. Based on Bureau of Labor statistics, costs other than salaries are forecasted to increase approximately 4.0% during FY 1973. A 4% increase of the FY 72 RDTE Army Appropriation would require $71.5 million additional just to maintain the FY 73 level of Army research and development. A further increase of $17.6 million is required in FY 1973 to cover the annualization of the Congressional approved civilian pay raise effective in January 1972 if the same minimum level of in-house capability is to be maintained. These unavoidable additional costs total $89.1 million on a conservative basis. The restoration of the total general reduction would not be sufficient to cover this cost growth. In addition, within the Army's RDT&E effort, there are certain programs where it would be infeasible to reduce the FY 1973 funding by 5% or stretch out the program in order to accomplish such a reduction. These include:

- Joint and Strategic Programs (e.g., Safeguard, White Sands and Kwajalein Missile Ranges, Site Defense, and Advanced Ballistic Missile Defense).

- Extremely high priority Army development programs (Advanced Attack Helicopter, UTTAS, SAM-D, Main Battle Tank, Terminal Homing, Tactical Command and Control, and MICV).

- The Army's in-house facilities, which are essential to the R&D effort and have already been cut back in past years.

- Major systems nearing the end of their development where a 5% reduction could cause a disproportionate delay in system testing or availability.

The 5% reduction applied to the remaining RDT&E programs would in reality amount to more than a 20% reduction. These programs cannot be reduced by this amount without major program delays, stretch-outs and cancellations. These actions will result in an over-all increased cost of the development process.

Site Defense

The HAC deleted $46M from this program, $40M of which was money budgeted to return the program to a normal development schedule, and $6M of which is for incremental funding adjustments.

The HAC rationale is that SD is simply a more effective Safeguard System for which there is no clear reason for development and deployment. On the contrary, SD is conceptually different from Safeguard, offering the potential for a much more effective and much more economical ABM which can be rapidly deployed in the event of treaty abrogation and whose technology is adaptable to NCA defense. The reduction primarily defer procurement of radar and data processor hardware and slow down the critical development and demonstration of software. This in turn results in delaying the demonstration of the SD advantages noted above. Additionally, the time scale in which this system can be made available and its rapid deployability are major factors in the FY 73 funding. Without restoration of the FY 73 funds the capability to deploy SD beginning in FY 77 would incur a much higher risk.

M60A1 Tank Product Improvement Program. This program provides for the development of a solid-state computer, laser rangefinder, and improved suspension system for use in M60-series tanks. The application of these improvements will afford M60-series tanks increased capabilities in the areas of firepower and mobility. Also provided for in this program is the fabrication and feasibility testing of a thermal sight for use in M60A1 tanks.

As originally implemented, this program called for the development of the laser rangefinder, solid-state computer, and improved suspension system as individual components. With revision of the program in FY72 to provide for the development of these improvements as a system, additional funds were required. Accordingly, an additional $4.0 million was requested as part of the FY72 Supplemental Request.

This $4.0 million was required primarily to support the procurement of developmental component hardware for use in the expanded contractor tests and in the engineering and expanded service tests associated with the revised program. Full support of this revised program, with its associated system analysis, reliability and maintainability assessment, and system tests, would provide a high assurance of success prior to commitment to production.

With denial of the FY72 Supplemental Request, the Army added the $4.0 million to its amended FY73 President's Budget. In addition, in order to maintain the continuity of this program, the Army reprogrammed roughly $2.0 million into the project in late FY72. Hence, $2.0 million of the $4.0 million included in the amended FY73 President's Budget is still required.

Non-receipt of the $2.0 million in FY73 would necessarily cause the overall program (which includes reliability, as well as the aforementioned developmental improvements) to slip and to require increased funding in FY74. With

termination of the XM803 program, the M60A1 Tank Product Improvement Program has assumed increased importance and any adverse impact on the current schedule would be highly undesirable.

In view of this, it is requested that the Senate Appropriations Committee reconsider the proposed deletion of the entire $4.0 million in FY73 and restore to the program the required $2.0 million.

TOW Thermal Night Sight. The purpose of the night vision devices project is to conduct the advance development of components, devices, and accessories for providing the Army with a capability of carrying out its mission at night. Included within this project are direct and remote view image intensifier tubes, infrared detectors, cryogenic devices, light sources, power supplies, optics and thermoelectric coolers to provide night operational capabilities to assist in the performance of combat vehicle operations, aerial applications, anti-tank missile night sights and tasks to support the individual soldier.

The FY 72 budget request for the night vision devices project did not include the funds required for developing a full-range night time capability for the TOW as the technological breakthrough in new detector materials and novel new scanning techniques for thermal devices was not surfaced until mid FY 72. In anticipation that the $4.0 million FY 72 supplemental would be approved in FY 72, the funds were not included in the original FY 73 request and had to be added later as a FY 73 budget amendment.

Because our potential enemies emphasize night fighting capability for their armor, there is an urgent and important need to give TOW a night capability. Unless this deficiency is recognized and corrected now, additional procurements of the day-only sights will be continued and TOW will not have a night capability. Loss of the $4.0M in FY 73 funding will require resubmission in the FY 74 budget and will result in at least nine months delay, causing a similar delay in the First Unit Equipage date in Europe. (Without this night sight, TOW is essentially ineffective at night.)

Laser Countermeasures, Simulators and Testing. With greatly increased dependence of Army weapons systems on the use of lasers as target designators, range finders and for guidance of missiles it is extremely important to determine the susceptability and vulnerability of the Army's laser systems (LTD, LRF, Terminal Homing systems) to detection and jamming. Not to do this will result in the Army's fielding laser systems with incomplete knowledge regarding their susceptability and vulnerability to enemy countermeasures and will result in degradation in weapons effectiveness and ultimately in costly retrofit at a later date. This program supports the development of laser countermeasures, simulators and testing to determine the susceptibility and vulnerability of [(deleted)] State of the art type laser electronic warfare systems require development in order to provide a simulated threat environment.

The HAC deleted the $2.0M requested for this program because it was originally submitted as part of the FY 72 Supplemental request. There are no other funds in this area and the reduction of these funds will delay at least one year the initiation of a program which is already overdue in light of the U.S. extensive use and success with this type weapon system.

Classified material which has been deleted is indicated by brackets.[ ]

Multiple Target Electronic Warfare Systems - [ ] The MULtiple Target Electronic Warfare System (MULTEWS) is for the purpose of [ ] It is projected that a typical soviet front will have [ ] of widely varying capabilities. MULTEWS will permit us to counter the majority of the [(deleted)] from both ground and airborne platforms with the initial effort in an airborne configuration. The system will be capable of [(deleted)] This program was to be expedited with the advanced development in FY 72-73 and engineering development in FY 74-75 with type classification and procurement in late [ ] It would take full advantage of a recent [(deleted) (deleted)] The $2.0M request was denied by the HAC because it was originally part of the FY 72 Supplemental request.

The Army has NO capability in this area at the present time. MULTEWS is urgently needed to provide this vital capability. The program has already been delayed due to non-receipt of funds in FY 72. Non-receipt of funds in FY 73 will delay this vital development yet another year and will affect the planned procurement schedule. Delay in initiating development of this [(deleted)] equipment will have a serious impact on the near time overall combat capabilities of the U.S. Army.

Advanced Helicopter Development. The program supports a broad technology base on which to design and fabricate future rotary wing aircraft and aircraft engines. Specific works include: Advancing Blade Concept (ABC) Demonstrator Vehicle; Tilt Rotor Aircraft and Rotor Test Vehicle under joint development with the National Aeronautics and Space Administration; Telescoping Rotor Aircraft Concept (TRAC); Fan-in-Fin Tail Rotor; Elastic Pitch-Beam Tail Rotor; and Small Turbine Advanced Gas Generator (STAGG). By funding advanced development research within the cited work categories, the most technically feasible approaches for future rotorcraft systems are pursued. In addition to advancing the development of specific concepts for future systems, the spin-off and component developments provide options to other development programs such as UTTAS.

The total FY 73 budget request of $14.5 million would permit, within the limitations of incremental funding, continuation of established Army/NASA projects (a tilt rotor "proof-of-concept" aircraft and a rotor test vehicle), the ABC project of tri-service and ARPA interest, the STAGG program in support of the overall DOD aviation propulsion effort, and the smaller but important tasks. Funds requested for FY 73 are required to fund multi-year contracts that were initiated in FY 71 and to exploit recent technological breakthroughs. Of the $14.5 million requested for FY 73, $3.0 million is part of the Army's $28.0 million amendment request to the FY 73 budget. The $3.0 million add-on is needed to supplement the funds for the tilt rotor program that is being pursued jointly with the NASA. Since the tilt rotor concept has potential application for military and civilian systems, the Army and the NASA are combining their resources to conduct a "proof-of-concept" flight program which, in turn, will validate the technology base heretofore established by the two agencies. In order to exploit recent breakthroughs in our tilt rotor efforts and subsequently provide the military and civilian communities with a proven technology base from which to develop operational tilt rotor aircraft,

Classified material which has been deleted is indicated by brackets. [ ]

the $3.0 million amendment request is required now. Delays in advanced development of these important tasks will create a backlog of concepts requiring advanced development in subsequent years. The future fleet size and complexity of Army aircraft requires an adequate advanced development program. The cost effective approach is to adequately fund the Advanced Helicopter Development.

DEPARTMENT OF DEFENSE
Research, Development, Test and Evaluation, Navy

(Thousands of Dollars)

FY 1973 Estimate, as amended	$2,813,787
House Appropriation Adjustments	- 309,444
House Bill	$2,504,343
Restoration Requested	+ 187,474
Current DOD Request	$2,691,817

Requested for Reconsideration: a/

(Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DOD Request
General Reduction (5%)	$ 131,682	$ -0-	$+106,982	$ 106,982
Military Sciences	151,144	120,758	+ 22,692	143,450
V/STOL for SCS	24,000	16,000	-0-	16,000
Surface Effect Ships	50,112	32,112	+ 9,000	41,112
VCX	4,000	-0-	+ 1,000	1,000
Studies and Analyses*	(12,455)	(9,255)	(-0-)	(9,255)
Sub Launched Cruise Missile	20,000	2,000	+ 8,000	10,000
SANGUINE	12,000	11,800	+ 200	12,000
FBM System	22,192	21,072	-0-	21,072
GRYPHON	18,275	15,725	-0-	15,725
SSBN Defense	20,435	19,085	-0-	19,085
STANDARD Missile	15,135	13,005	-0-	13,005
Point Defense Improvement	21,103	19,803	-0-	19,803
AEGIS	82,334	79,234	-0-	79,234
Undersea Surveillance	37,030	33,040	-0-	33,040
A6 TRAM	6,200	4,400	+ 1,800	6,200
A7 TRAM	5,660	3,460	+ 2,200	5,660
Cruise Missile (ADV)	4,000	2,000	+ 2,000	4,000
Encapsulated HARPOON	16,000	14,000	- 2,000	12,000
Space Tech (Prog 749)	33,375	23,375	+ 8,000	31,375
CIWS	11,992	8,992	+ 3,000	11,992
Reliability and Maintainability	10,800	5,000	-0-	5,000
Advanced Ship Design	12,615	22,615	- 10,000	12,615
PHM	-0-	30,400	- 30,400	-0-
TRIDENT	555,400	470,400	+ 65,000	535,400
FCRC's **	41,010	30,774	-0-	30,774
HARPOON	60,265	58,265	-0-	58,265
All Other Programs	1,447,098	1,447,098	-0-	1,447,098
Total	$2,813,787	$2,504,343	$+187,474	$2,691,817

* Non Add, Included in Military Sciences line.
** Less FCRC amounts included in Military Sciences line.
a/ Requested change in appropriation language is covered on page (126).

JUSTIFICATION

General Reduction. The Committee recommended an unspecified reduction of $131,682 thousand (5%). Application of this reduction to Military Sciences is directed and is discussed separately. The RDT&EN FY 1973 program as requested would have provided a program designed to meet the Navy's essential near and mid-term requirements and to initiate new programs which would ensure a viable technological base in a period when budgets are constrained and forces are reduced consistent with international agreements and negotiations. The increasing determination of the Department of Defense to develop and test solutions before initiating production as a major effort to control the acquisition and operating costs of future combat systems is reflected in the proposed FY 1973 program in the form of increased quantities of test articles and expanded test plans.

It will not be feasible to apply any of the 5% general reduction to the higher priority projects; therefore, other programs areas would bear a heavier burden which would have a serious impact upon the Navy's future capability.

It is requested that this reduction be restored in the amount of $106,982 thousand. This will return the program to the authorization level.

Military Sciences. The Military Sciences Budget Activity includes Research, Studies and Analyses, Navy and Marine Corps, and the Center for Naval Analyses, Navy and Marine Corps. The House Appropriations Committee, following the pattern of the House Armed Services Committee Report, recommends an overall reduction of 15% in Military Sciences, and in addition they concur in specific reductions in Studies and Analyses, Navy and in Federal Contract Research Center Programs reflected in the authorization bill. The following table summarizes the reductions and reconciles the SFC amounts.

	($ in Thousands)		
	RDT&EN	SFC	TOTAL AUTH
1. Total Military Sciences Request	151,144	3,000	154,144
2. General Reduction of 15% (HAC):			
a. Specific reduction in Research included in Authorization Bill (In-house Lab. Independent Res.)	-430		
b. Remaining 15% reduction	-22,692		
3. Amount recommended on Page 216 of HAC Report	128,022	3,000	131,022

	($ in Thousands) RDT&EN	SFC*	TOTAL AUTH
4. Specific reductions based on Authorization Conferees recommendation			
a. Studies and Analyses, Navy	-3,200		
b. Federal Contract Research Centers	-4,064		
5. Total, HAC Recommendation	120,758		
6. Restoration Requested--see line 2b. above (Reductions specified in Authorization Conferees Report are not requested for restoration)	+22,692		
7. Current Military Sciences Request	143,450	3,000	146,450

As indicated above the House Appropriations Committee recommended a reduction of $30.286 million, from $151.144 million to $120.758 million, or a total reduction of 20% in Military Sciences. This includes a general reduction of $23.122 million (15%) and specific reductions of $3.2 million in Studies and Analyses and $4.064 million in Federal Contract Research Centers. If this general reduction is sustained, the Military Sciences funds for FY 1973 will be $23 million below the FY 1972 level.

a. RDT&EN Research. The proposed reduction of 15% will reduce the Navy's Research Program about $17 million below the FY 1972 level. A strong Navy Research Program is absolutely essential to the technology base on which tomorrow's Navy will be built. The proposed reduction of 15% in the Navy's Research program will seriously erode this technology base, thereby shrinking the number and quality of technologies available to the Navy for meeting challenges in critical operational areas.

During the last few years the Navy Research Program has undergone the most detailed and critical scrutiny to insure that only timely, essential, relevant research was being supported; thus, the proposed reduction will make serious inroads into our direct involvement with research in the physical, engineering, environmental and life sciences.

The recent successes of highly accurate weapons having the capability to pin-point military targets underscores the wisdom of past research in sensors, lasers, and infrared technologies. Such high-technology weapons systems will assume greater significance as our total naval force is reduced, for as we reduce the size and number of our deployed forces, the challenge moves from superiority in numbers to a contest of technology. The efficient deployment and use of limited forces depends directly on our technology base. An erosion of that base can lead to obsolescence of our military hardware and the assumption

* Special Foreign Currency

of a technological lead by our enemies. The threat of technological surprise becomes even greater.

The reduction would also compromise the Navy's ability to maintain a strong in-house scientific capability. The proposed cut must result in the loss of highly trained personnel from Navy laboratories.

b. RDT&EN Studies and Analyses Effort. Committee action specifically reduced this program by $3.2 million to hold it to the FY 1972 level. In addition, the general 5% reduction and the 10% reduction to Military Sciences impact on this program. These reductions would prohibit the Navy from increasing the employment of analytic methods to improve the program planning and program evaluation process. This strengthened studies program is necessary because of the absolute importance of identifying viable alternatives and of choosing correctly among those few options we can afford. A balanced program of studies and analyses is required to minimize the risks resulting from cuts to the operating forces and to maximize the force effectiveness which can be provided by the restricted military procurement budget.

It is requested that the FY 1973 Studies and Analyses Support Program be funded at the amount authorized in order to respond to the express desires of the Congress to improve the methods for establishing research and development programs as well as for determining their effectiveness and life-cycle costs.

It is therefore requested that Military Sciences be restored to the Authorization level of $143,450.

V/STOL for Sea Control Ship. The committee reduced the requested $24 million to $16 million on the basis of the approval of the $8 million reprogramming action.

From the language of the committee report however it is evident that the Navy did not obtain the Committee's understanding that the V/STOL Advanced Prototype program was never intended to be a competitive program comparable to the AX or the Light Weight Fighter prototypes, but rather a competition of technologies leading to a program for engineering development.

The two aircraft advanced prototypes briefed to the Committee by the Navy, the Augmented Wing and Lift plus Lift Cruise concepts, are competing technologies, rather than competing aircraft. It is entirely proper therefore that the Augmented Wing and Lift plus Lift Cruise technology efforts proceed in advanced development at their own pace. It is anticipated that the Augmented Wing technology concept will be

tested in the wind tunnel within 15 months and flight tested within 30 months. Success of the Augmented Wing approach at the 15th month may cause termination of the Lift plus Lift Cruise effort. Similarly, if the Augmented Wing concept fails to proceed satisfactorily, it may be cancelled, and increased emphasis will be placed on Lift plus Lift Cruise.

Therefore, the two technologies are in one sense competitive, but more properly, Lift plus Lift Cruise is a backup technology to Augmented Wing.

Regardless of which American manufacturer proves his advanced prototype concept, it is the Navy's intention to open the engineering development and the production version to competition.

To restate, the Navy does not request restoration of the $8 million reduction so long as the two year total available will be $24 million but does request a modification of the language requiring a competitive fly-off before progressing further toward a production prototype.

Surface Effect Ships. $9.0 million of the $18.0 million reduction from the $50.112 million requested is required to perform in parallel with preliminary design, development of critical subsystems such as the propulsion system, transmissions, integration of a weapons suite, etc. If the $18.0 million reduction is sustained then only preliminary design and propulsion gear box development for the 2,000 ton SES could start in FY 1973. No other critical subsystem work could begin, thus it would be delayed until FY 1974. This in turn would delay the start of construction of the 2,000 ton SES by as much as one year and inevitably cause an increase in program costs which are not reflected in any documentation at this time.

In order to preclude program delay and attendant cost increases, restoration of $9.0 million is requested for a program total of $41.112 million.

VCX Aircraft (Carrier On Board Delivery (COD) Replacement)

DoD Request	Authorization	HAC	DoD Reclama
$4.0M	$4.0M	0	$1.0M

The COD aircraft is a unique, small, transport capable of landing on, and being catapaulted from, carriers at sea. It's prime mission is to provide rapid, dedicated aerial resupply of maintenance parts for aircraft and other weapons systems from distant Naval shore bases direct to the

carrier task force at sea. Since the carrier is unable to store all the required parts for its aircraft, it must rely heavily on strategically located shore supply bases such as Cubi Point in the Philippines, or Rota in Spain. In addition, the COD provides personnel replacement, medical evacuation, mail and other high priority cargo and personnel transport services for the carrier and the combatant ships screening the carrier. The sustained operational readiness of the carrier task force is dependent upon this resupply capability.

The replacement requirement is based on existing and projected inadequacies of current inventory with respect to numbers of aircraft and performance. The Navy now has only 13 C2A COD aircraft to support all deployed carriers. These 13 aircraft are being supplemented by C1A COD aircraft which are severely limited in usage, speed, and payload. A total inventory of 36 VCX aircraft would be required to meet current and projected requirements. The Navy is alone in this mission, unlike other services whose groupments of tactical aircraft, based ashore, rely on MAC airlift or even commercial air freight, to provide aerial resupply of critical aircraft parts.

The Committee deleted the funds in view of the lack of a firm plan for the program, and recommended that the program be reinitiated when the plan was firm. The committee further recommended that consideration be given to the modification of aircraft presently in or being developed for the Navy inventory. The derivatives of existing or planned aircraft have been previously considered, however, as a result of excessively high cost of proposed S-3 and C-2 derivatives the Navy submitted a letter of interest to aerospace contractors for the VCX and specified maximum cost. The responses to this query are being considered by the Navy at this time and cover the spectrum from S- 3/C-2 derivatives to VSTOL. While it is correct that the Navy does not have a firm R&D plan, it nevertheless must have current funds to follow-up the most promising responses from industry so that design analysis, cargo system definition, certain aerodynamic tests, technical plans and and contract definition can materialize to prevent further slippage in the IOC of the candidate replacement. Since the Navy expects to present this plan during November 1972, and, assuming approval, it would require FY 73 funds in the amount requested herein to proceed ($1.0M).

Submarine Launched Cruise Missile (SLCM). The HAC reduced $18M from the program citing that it was "not at all firm" but also noting that a great deal of similar development has gone on since WWII. The Committee cited guidance problems as a reason for previous unsuccessful cruise missiles and recommended further detailed studies of various kinds.

The fact is that studies of SLCM are not required. Component technology is in hand. Guidance systems which can accomplish the SLCM mission with high confidence are now available. Major system components must now be built and tested, including the guidance system, the flight vehicle, and its engines. Only then can the tradeoffs in range, launch vehicle and payload which the HAC desires be made.

If the SLCM effort is confined to studies in FY 1973, the program will be delayed by one year and additional military readiness and cost risks assumed.

SANGUINE. The committee reduced the requested $12 million by $200 thousand to a new total of $11,800 thousand with specific direction to cease research into the deep underground SANGUINE concept. The Navy wishes the committee to reconsider denial of research needed to understand better the vulnerability, construction technique and cost of a deep underground SANGUINE facility. Modest investigation in this area could lead to significant technological breakthroughs. Without this knowledge the Navy and the Department of Defense will not have complete information on which to base future decisions on acquisition of SANGUINE options to assure reliable, survivable command and control of our strategic forces. Restoration of the $200,000 and deletion of the restrictive language is requested.

Target Recognition and Attack Multi-Sensor (TRAM). The purpose of the TRAM programs is to provide two aircraft, the A-6E and A-7E, an improved night attack capability along with an enhanced capability to employ "smart" weapons under day and night conditions. Funding for these programs appears in the FY 73 budget and amendment. The HAC deleted, without prejudice, that portion of the funding ($4.0M) included in the amendment.

The RDT&E funding of the A-6E program provides for integrating the laser and forward looking infra-red equipment which will result in a self-contained target location and attack capability at night. The HAC funding reduction will cause the program to be delayed at least six months.

The RDT&E funding for the A-7E will permit installation of laser and infra-red detection equipment and will provide the capability to attack targets with laser or infra-red homing weapons in conjunction with other aircraft. Deletion of these funds would delay obtaining this capability for up to nine months.

The success of the terminally guided "smart" weapons has been demonstrated in combat and our Southeast Asia experience reinforces the urgency of obtaining an improved capability to attack targets at night. In view of this, $4.0M should be restored to these two programs.

CRUISE MISSILE ADVANCED. House Appropriations Committee in deleting the FY 73 Amendment reduced the Advanced Cruise Missile FY 73 funds from $4 million to $2 million. A $2 million (or 50%) reduction in this program will delete the procurement and testing of hardware necessary to perform critical equipment trade-offs in FY 1973 and FY 1974. The following must be deleted from the FY 1973 program as a direct result of the $2 million decrease:

[(deleted)]
Should the money cut by HAC in the Submarine Launched Cruise Missile (discussed elsewhere) be restored, there will still be a need for this program (Advanced Cruise Missile) to cover work in the tactical area mentioned above.

Restoration of the $2 million reduction is requested.

Encapsulated HARPOON. The HAC recommended that $2 million in the FY 1973 Amendment not be allowed. The authorization bill reflects a reduction of $4 million in this program. No Restoration is requested.

CIWS. The HAC in rejecting the Amendment reduced this program by $3 million from the requested $11.9 million.

The $3.0 million originally included in the President's FY 72 Supplemental Request and later carried into this budget year as an amendment is needed to pursue reliability improvement effort on the two engineering development prototypes now being developed. One of the two engineering prototype systems is scheduled for completion of assembly late this year, and will be used for at-sea testing and evaluation. The second engineering prototype has been built to undergo an intensified reliability, availability, maintainability proofing program to exploit new learning and experience in this field to insure that performance at sea will match our naval requirements. The ultimate goal of this intensified reliability proofing program will be to make a quantum jump from [ ] hours MTBF to [ ] hours MTBF and to use the [ ] hour MTBF as a baseline for future production models.

It is therefore requested that the full $3 million reduction be restored.

SCS Sea Control Ship. The FY 1973 DoD budget contained $10 million in SCN for Sea Control Ship advance procurement. The committee transferred the entire amount to the RDT&EN appropriation. DoD requests restoration of the $10 million in SCN.

The SCS hull is a conventional design and will be equipped for the most part with conventional, proven, off-the-shelf subsystems and hardware. Because its value is in the aircraft it carries, the Sea Control Ship will not contain the sophisticated and integrated weapons systems which are built into other escorts and which can be a source of changes and cost growth. Prototype tests in the interim SCS, USS GUAM, will be completed before the first SCS is authorized. Characteristics have been established for the Sea Control Ship and a Class C (budget quality) cost estimate exists for it. In view of the conventional design of the Sea Control Ship and the status of its characteristics, it is recommended that the ship be built with SCN funds and that the $10.0 million will fund effort that is at present an SCN funding responsibility, i.e., contract design, detail drawings and advance procurement.

PHM Hydrofoil. DoD budget request was for $60.4 million. Without prejudice, the committee deleted $30 million and transferred the remaining $30.4 million to the FY 1973 RDT&EN budget as the first increment of the funding of a two-ship project as a "developmental" undertaking. DoD requests restoration of the entire $60.4 million to the FY 1973 SCN budget.

Classified material which has been deleted is indicated by brackets. [ ]

The PHM program is now proposed as a joint US/NATO hydrofoil program for which the design and certain one time costs will be shared by the United States and participating NATO countries.

The success of this, the first proposed joint NATO major shipbuilding program, depends significantly on the full participation of all signatories to the agreement. Under the committee's partial funding proposal, subject to annual review, the program will be exceedingly difficult to structure with regard to long term completion-type procurement contracts with suitable incentives. Incremental RDT&E funding will cast doubt on U. S. intentions and will probably require renegotiation of the agreed-upon Memorandum of Understanding which is now ready for national signature. This action presents a high risk of loss of the entire NATO program with resulting loss of allied naval support as well as cash sales to the U. S.

The committee's argument that the two prototype hydrofoils are developmental in nature is only marginally valid. While the two lead ships will receive extensive platform and subsystems tests and evaluation prior to follow-on procurement, in compliance with P.L. 92-156, these ships will become fleet assets as the first of a new class of small combatants. Hydrofoil construction technology in the U. S. has progressed to the point where it cannot realistically be considered as developmental. The PHM program utilizes existing technology.

The committee has recognized and acknowledged both the need for the PHM and the viability of the proposed NATO program. Recommend that the PHM program be fully funded under the SCN appropriation in the amount of $60.4 million as originally requested.

TRIDENT. The House Appropriations Subcommittee report on the Military Appropriation Bill recommends that $85 million be reduced from the TRIDENT FY 1973 RDT&E,N request. $50 million of this reduction was made to emphasize the Committee's direction "...that the ULMS-1 missile and the ULMS submarine be developed on a competitive basis." $35 million of the $85 million reduction is based on the assumption that, as these funds were originally requested as a FY 1973 Supplemental Budget, the time has passed when these funds could be used to accelerate the FY 1972 program.

The development effort for which the $35 million was requested in the FY 72 Supplemental Budget request includes missile related ship support items and ship and long lead component design. Since funds for thise efforts were not provided in FY 72, this effort must be funded in FY 73. Maximum Navy effort was directed in FY 72 to the technical and contractual planning necessary to support the increase in planned FY 73 effort. A cutback in requested R&D funding, including the $35 million requested by the FY 73 budget amendment, will require that the work be funded from FY 73 funds planned for other work and will result in a program schedule delay and risk of increased costs.

The TRIDENT budget request is based on competitive contracting to the maximum extent practical. The total weapons system effort is too large to be suitable for a competitive "Fly before Buy" multi-prototype approach. Development is too complicated to base selection of a contractor solely on conceptual documentation prepared in response to a competitive contract award process without accepting extremely high risk in meeting final performance and cost goals. However, competition is being used throughout the weapons system development in areas where several knowledgeable contractors exist, to minimize costs while avoiding the pitfalls which have been so costly to many major programs.

In the shipbuilding industry, there are only two private shipyards capable of building a nuclear powered ballistic missile submarine. Both shipbuilders are involved in the preliminary TRIDENT design work, and the design is being developed so as to allow competitive bidding for ship construction.

Therefore, additional savings through the increased use of competitive contracting should not be expected. Consequently, any additional reduction of funds will further reduce the amount of work which can be contracted for in FY 1973 and thus jeopardize meeting TRIDENT program schedules and cost estimates given to Congress.

Restoration of $65 million to the level of funding reflected in the authorization bill is requested.

DEPARTMENT OF DEFENSE RECLAMA
RESEARCH, DEVELOPMENT, TEST & EVALUATION, AIR FORCE

(Thousands of Dollars)

FY 1973 Estimate, As Amended	$3,262,177
House Appropriation Adjustments	- 181,237
House Bill	3,080,940
Restoration Requested	+ 191,837
Current DOD Request	3,272,777

Requested for Reconsideration:

(Thousands of Dollars)

	Budget Request As Amended	House Bill	Restoration Requested	Current DOD Req
AABNCP	32,000	53,200	- 24,300	28,900
DEFCOMSAT	0	1,600	0	1,600
MILSATCOM	29,800	31,800	0	31,800
AWACS	160,000	233,000	0	233,000
Mil Sciences	146,280	124,338	+ 21,542	145,880
ABRES	132,000	114,000	- 2,000	112,000
Ramjet Tech	4,556	2,000	0	2,000
Med STOL	51,800	16,000	+ 35,800	51,800
B-52 HARPOON	600	0	0	0
TRACALS	11,800	6,100	+ 5,700	11,800
Human Resources	7,360	5,300	+ 2,060	7,360
System Surv	22,500	13,500	+ 9,000	22,500
EF-111A	10,200	0	+ 10,200	10,200
Minuteman	154,700	151,700	0	151,700
Space Def Sys	10,100	5,100	0	5,100
SCAD	48,600	44,000	+ 4,600	48,600
FCRCs	110,751	110,551	0	110,551
General Reduction	160,379	0	+129,235	129,235
All Other	2,168,751	2,168,751	0	2,168,751
TOTAL	3,262,177	3,080,940	+191,837	3,272,777

JUSTIFICATION

ADVANCED AIRBORNE COMMAND POST. The House Appropriations Committee denied the Air Force request for FY 1973 procurement of four Boeing 747 aircraft for the Advanced Airborne Command Post. This eliminates the Interim NEACP phase of the Advanced Airborne Command Post program. The Committee approved a one-aircraft program to be accomplished in RDT&E.

In the opinion of the Committee, the request for the three Interim NEACP aircraft is premature and could not be justified. Essentially, the Committee reported that the three aircraft would provide little more than additional space for advisors, the requirement for which has not been adequately justified and four hours more of flight endurance than that provided by the current EC-135. Finally, the Committee reports that the current EC-135s are adequate to perform the NCA function until advanced command control and communications equipment, approved in RDT&E by the Committee, becomes available.

The program reduction denies a capability that is required. National policy dictates that we be in the position of responding to a wide range of options. The current EC-135 command post aircraft cannot carry sufficient personnel to receive and process the quantity of incoming data currently available. When the small battle staff is processing incoming data, they cannot support nuclear war decision making and vice versa. This saturated condition does not permit detailed review of numerous response options. Currently, the manpower and manual information-processing methods on the current EC-135 Airborne Command Posts (ABNCP) permit execution of only very limited options when the soft, ground-based command posts are incapacitated or destroyed.

The three Interim NEACP aircraft would provide a significantly improved capability at an early date. The improved capability results from an increased battle staff which would provide for more rapid manual processing of incoming data plus more in-depth support to analysis of the nature of the attack, the relation of the attack to the preplanned response options, and selection of a reasonably tailored response for execution.

On the technical side, experience with development of command and control systems indicates that far less development trouble occurs when automatic data processing is applied to jobs that are well-understood and well-defined. An ABNCP has never been flown with a large battle staff (PACCS ADA addressed SAC only with a very small battle staff) which has even reasonably complex information processing and decision tasks to perform. Putting an adequate battle staff airborne in the Interim NEACP, in a real operational environment, will permit development for the advanced systems of the interfaces between the staff agencies, information flow routing and decision methodology in a realistic manual mode before attempting to produce the data processing system software for the advanced program. This real experience will give much greater assurance that the advanced system will work as desired when deployed.

The 747 has operational advantages over the EC-135 that will provide flexibility which increases the operational survivability of the NEACP. The 747 has six to eight hours additional unrefueled endurance over the EC-135, which gives additional decision time prior to refueling or landing. The payload/fuel load on the 747 Interim NEACP, which is much less than maximum gross weight, permits operation of the 747 into and out of many more airfields than the EC-135. This significantly increases the probability of trans/post attack recovery of the NEACP. The design speed of the 747, which is greater than the EC-135, increases the mobility factor which directly relates to the probability of survival under an area saturation attack on the ABNCP.

Early acquisition of an improved NEACP gives visibility to U. S. intent to continue to improve our command and control capability. [[deleted] [deleted]] This intent is evident even if no immediate improvement in communications or data processing is involved in the Interim NEACP. The improvement is real in terms of the improved decision support provided by the larger staff. With completion of the development of the advanced command, control, and communications package, and procurement of the advanced 747, the full potential of the larger battle staff, supported by automatic data processing and improved communications, can be achieved.

Reduction of the FY 1973 funding to $53.2 million (RDT&E funding) will eliminate the Interim NEACP phase of the program and convert the test bed aircraft to a development effort. The Air Force supports the inclusion of the Interim NEACP in the program and therefore restoration to $127.0 million for four aircraft in the procurement account is required to support the ABNCP program including the Interim NEACP. With the restoration of these procurement funds, only $28.9 million would be required to accomplish the RDT&E effort during FY 1973.

MILITARY SCIENCES. The Committee recommended $124.338 million for Military Sciences. In addition to a specific reduction of $14.628 million, a further reduction of $7.314 million was included.

The technology base is directly related to the future military technological position of the United States. The Military Sciences budget category represents a significant part of the technology base and is a major determinant of our future weapon capabilities. Without advanced technologies, the United States clearly would be unable to provide superior military systems for its defense.

The $145.880 million requested will support a vigorous research program and maintain this part of the technology base at an effective level. A decrement of the magnitude proposed, $21.542 million, would further erode the already austere technological base and would reduce the capability to develop technology for later application to weapon systems. Specific identification of the impacted areas will require detailed examination and review but there would be a loss of approximately 500 man-years of effort. See full discussion of this point in section entitled "general reduction in military sciences."

ADVANCED MEDIUM STOL TRANSPORT AIRCRAFT PROGRAM (AMST). The Committee recommended the appropriation of $16.0 million for the development of a new engine for a future Medium STOL Transport aircraft but denied the $35.8 million requested to continue development of the airframe. Denial of airframe funding was based on initiating development of the engine which would be available for use with the airframe. The Air Force has not been successful in communicating to the Committee its need relative to the Medium STOL Transport since an impression was created that the airframe and engine development were interdependent. The engine and airframe were discussed jointly as a consequence of the consolidation of program elements and the proposed prototype aircraft program is not dependent on engine development. The prototype aircraft will use existing engines. The engine development program is a separate technology program which, if successful, could later result in an engine that might be introduced into the production program.

During the past few months, the Air Force has worked intensively with a number of contractors to develop the most meaningful, competitive prototype program completely consistent with the guidance and intent of the Committee. This work has culminated in a program to award contracts to two contractors and has just been approved by OSD. The program is time-phased, with Phase I limited to $2.5 million for each of two contractors to conduct trade-off studies to be completed within 90 days. At the end of that period, a determination will

be made as to whether to proceed with Phase II. Both phases of the contract are considered to be completely consistent with the desires and intent of the Committee.

Testimony before Congress in early 1972 indicated $70.0 million in FY 1973 was required to fund a two contractor program and the Air Force would reprogram resources to fund this increase. The Air Force still intends to pursue a two-contractor development (two aircraft each) but over a longer period of time than initially envisioned; i. e., a 47 month program instead of 40 months. This change and delay in issuance of the contract have reduced the requirement in FY 1973, allowing us to proceed with both the engine and aircraft programs for $51.8 million.

The AMST development is designed to provide proof of technology in powered lift and stability as well as control systems while evaluating the practicality and safety of conducting STOL operations using a large scale prototype. This program will be conducted using currently available engines. Existing engines are also adequate to provide a viable production version of an AMST prototype. However, an advanced engine with larger stability margins and lower specific fuel consumption than existing engines would enhance the capabilities of the AMST and provide improved operating economies.

The C-130 was based on technology that is now 20 years old. Even though the aircraft has been continuously improved over that time, the C-130 is still deficient in STOL performance, speed, ground flotation, and cargo compartment size. Correcting these deficiencies would require large development and procurement costs. Maintenance man-hours per flying hour are excessive as are operating expenses. A program eventually leading to replacement of the C-130 is required now.

Heavy lift helicopters could not perform the intra-theater transport mission alone with any degree of efficiency since they will lack speed and range and be extremely difficult to deploy to a combat theater. Every effort is being made to design the AMST prototype so that a production version would not have excessive cost. The aircraft is being sized for efficiency as well as cost thereby reducing the total number of aircraft required.

The economic attractiveness of an advanced engine program depends upon the number of production AMST aircraft procured, the AMST rate of utilization, as well as the application of the engine to other aircraft. The Advanced Turbofan Engine (ATE) program will enhance U. S. technology in the medium-sized engine field and provide an option for NASA to explore quiet engine technology.

TRAFFIC CONTROL AND LANDING SYSTEM (TRACALS). As a part of the Traffic Control and Landing System Program (TRACALS), the Air Force is participating in a jointly shared plan with DOT (FAA) and NASA for development of a National Microwave Landing System (MLS), which will permit all-weather landing for both civil and military aircraft. The committee deleted $5.7M from the TRACALS program, which, according to the Committee report, represents the Air Force's funding for the military version of the MLS, stating that FAA has responsibility for development of the system and when the system is substantially completed the Air Force can study those needs related to its requirement.

The Committee's rationale assumes that the civilian version of the MLS will meet the military needs of deployed tactical air forces, and that minimum time and effort would be required to develop a military application. In 1971 it was decided that concurrent and coordinated development by DoD/DOT/NASA would ensure that the final products are satisfactory for both military and civil application, built around a common signal in space approach. This Plan was reported to the Congress. The Air Force program is directed toward investigation of the operating parameters of an MLS which is particularly suited to unique military aircraft such as F-15, helicopters, advanced STOL

aircraft. These aircraft will be used in short landing fields in forward areas and may present special problems for the common system landing requirements of the FAA program. In order to design the FAA system, the USAF (and other Services) must obtain an insight into the unique military requirements prior to freezing the design of the FAA development equipment. Failure to have the correct operating characteristics for military needs may completely subvert the objective of a common system MLS.

If, as the Committee suggests, the Air Force were to wait until the civil system was developed, the subsequent military program would be time consuming and expensive. Redesign of a completed civil system to meet the military/tactical applications, which incurs repackaging, retesting and requalification is a costly and inefficient process and leads to much higher system development costs than the planned DoD/DOT/NASA program.

The concurrent civil/military development plan for the MLS is the most responsive and least expensive solution. Restoration of $5.7M to this program will ensure continuity to the joint DOT/DoD/NASA MLS plan.

HUMAN RESOURCES. The Committee recommended $5.300 million instead of the requested $7.360 million. The proposed reduction is based on the concern of the Committee that most of the increase is associated with contract effort and that benefits from past expenditures do not warrant an increase.

Programs of the Human Resources Laboratory are designed to provide methods of reducing costs of people which represent almost half of the Air Force budget. New developments such as Job Performance Aids (JPAs) which are under test in operational units, simulators which promise to cut Undergraduate Pilot Training costs, and new approaches to permit airmen in technical training to proceed at their individual pace instead of in lock-step with the entire class, all promise to make significant reductions in the costs and time to provide the Air Force with the skilled manpower it requires. The program on Job Task Analysis alone, through revised training course curriculum development, has avoided costs greater than the entire cost of operating the laboratory in each of the past two years.

Additionally, a Training Line Simulator will be used to control the flow of students through training schools to their final job. A Gunship Trainer for the operator of the forward looking infrared and low light level TV sensors provides training in target identification and tracking, and controls operation. An A-7D aircraft video recording system demonstrates to A-7 pilots their proficiency in the gunnery mission. The Flight Line Learning Center at Williams AFB, Arizona, uses mock-ups and allows students to practice walk-around inspection and taxi, traffic pattern, air traffic control, instrument and formation procedures. A FAC-GAC trainer is being used to practice operational FAC-TAC procedures. These and other new concepts are beginning to provide better trained personnel to the Air Force at the same or reduced cost.

The largest part of the increase is to support such projects as those outlined above, but also includes a replacement computer which is an essential laboratory research tool. Only about 10 percent of the increased funding is designated for new contracts. If the $2.0 million is not restored, the program to train and use personnel resources more effectively will be seriously degraded, and the projected cost savings will not be realized. The recommended reduction should be restored.

SYSTEM SURVIVABILITY. The Committee denied $9.000 million as part of the FY 1973 budget which was initiated as an FY 1972 Supplemental request. The reason cited for the reduction is that sufficient time has passed to prevent utilization of the funds to accelerate programs in FY 1972. The $9.0 million reduction associated with the Electromagnetic Pulse (EMP) testing program is required to continue to advance the technology for dealing with EMP effects. The IOC of the EMP Trestle has been adjusted to November 1974 which is considered to be the latest start date that would allow sufficient construction and check out of the facility to provide EMP testing for aircraft presently in the inventory as well as new systems such as the B-1, AABNCP, and AWACS.

We need to study and test how electromagnetic energy enters the aircraft and moves within the aircraft. Techniques will be developed for hardening critical subsystems such as those for fire control, communications and flight controls. Because large scale EMP testing has not been attempted before, risks and uncertainties exist in trying to advance this technology. The proposed reduction would increase these technical risks by reducing our ability to resolve technical problems at an early date.

EF-111A. The Committee denied $10.200 million as part of the FY 1973 Budget which was originally submitted as a FY 1972 Supplemental request. The reason cited for the reduction is that sufficient time has passed to prevent utilization of the funds to accelerate programs in FY 1972.

The EF-111A program was proposed for initiation in FY 1972 and $10.200 million was requested for FY 1973 to begin development of a prototype program. Extensive in-house risk assessment studies have concluded as recently as July 1972 that the EF-111A project is a technically feasible integration task of essentially low risk. Recent losses to MIGs and SAMs over North Vietnam again reiterate the critical need for a modern support jamming capability. The EF-111A offers the earliest and best support jamming capability but an early program start is imperative. Therefore, we believe it essential that the funds for the EF-111A program be restored to the FY 1973 Budget so that an even more serious deficiency does not develop in our tactical air forces.

SUBSONIC CRUISE ARMED DECOY (SCAD). The Committee recommended a reduction of $4.6 million in the SCAD program which was identified as including funding not required for obligation in FY 1973.

The development schedules for all major SCAD subsystems have been based on the requested $48.6 million for FY 1973 for work to be performed in FY 1973. This amount, which was previously based on planning data has now been firmly established as needed for negotiated contracts for each of the major subsystems. These contracts do not authorize carryover of any FY 1973 funds for work to be performed in FY 1974 and all FY 1973 funds are to be used in FY 1973. Because the present development and cost schedule depends upon simultaneous progress of all major subsystems, the proposed reduction of $4.6 million would require renegotiation of all six subsystems contracts and would result in slippage of the total program schedule with corresponding increases in cost.

GENERAL REDUCTION. The Committee recommended a general reduction of $150.379 million as included in the authorizing legislation previously passed by the House. The reduction indicates the Committee's belief that the increases requested for FY 1973 were excessive and unreasonable.

Every effort has been made to insure that the FY 1973 RDT&E Budget submitted was the best balanced program achievable to meet Air Force responsibilities.

During each of the RDT&E FY 1973 program reviews, the following general criteria were applied in evaluating the respective increments of the RDT&E program against each other as they competed for approval and funding:

a. The minimum operating and planned force levels within each mission area were established and the associated RDT&E funding required to meet the IOC was maintained.

b. The minimum level of Air Force in-house capability was established with consideration of maintaining this level. This in-house capability included personnel and associated support costs, plant operating and improvement costs, and the minimum operational test and evaluation capability required.

c. The minimum level was established for RDT&E programs comprising the technology base (Research and Exploratory Development programs).

d. RDT&E programs which involved tri-service commitments, joint governmental agency participation, joint government agreements, and multiple programs complementing each other toward a common schedule and goal received appropriate consideration.

The Air Force RDT&E program is considered fundamentally sound and well balanced. A general reduction of $169,979 million will be detrimental to overall RDT&E objectives. Specific impacts will require a detailed analysis and review of the program; however, a cut of this magnitude will have adverse effects on capabilities to provide the technology to support Air Force responsibility in the development of future weapon systems.

PROGRAM STRUCTURE. The Committee directed that the FY 1973 RDT&E program be immediately restructured in line with the FY 1972 program structure to provide greater visibility for review, control, and analysis purposes.

The Committee indicated agreement with the statements pertaining to program structure in Senate Report 92-962 (pages 107 thru 110). That report stated that the following nine Air Force projects should be established as separate program elements:

Project	Title
N/A	In-House Laboratory Independent Research
670B	Close Air Support Weapon System
2583	30mm Close Air Support Gun System
4697	Improved Aerial Gun System GAU-7/A
1209	Electromagnetic Pulse Simulation Testing
5618	F-15 Protective Systems
5619	F-4/F-105 Protective Systems
N/A	F-4 Wild Weasel
N/A	Expendable Drones

The Senate Committee Report selected the preceding list of projects based on the following criteria:

a. Total research and development cost is estimated to be $50 million or more.

b. Programs identified as line items in the various military procurement appropriations.

c. Programs considered to be of special interest.

In the interests of streamlining management, the Air Force restructured related efforts into single program elements in the FY 1973 Budget Request to achieve a more similar grouping of actual work performed. The attendant reduction in the total number of program elements is consistent with the concepts of decentralization of management and management by exception. Furthermore, the details of individual program elements are not lost in this restructuring but are readily available in those instances which demand a more critical review. In the justification material submitted to Congress, the descriptive summary for each of the new consolidated program elements specified which program elements had been consolidated.

One of the criteria used by the Air Force in restructuring was that smaller related programs should be combined in a single program element. This criterion was based on a judgment that such groupings would facilitate review - both within the Department as the program is formulated and in Congressional Committees as the program is presented for approval. Another criterion used in the Air Force restructuring was that any "Congressional Interest" program would remain as a program element.

Of the projectesdirected to be established as separate program elements (originally in the Senate Report and confirmed in the House Report), only the F-15 Protective System can be identified as meeting the cost criteria cited by the Senate Report. While only Congress can determine what constitutes "special interest", it should be noted that the Air Force provided a separate descriptive summary in the FY 1973 Budget Request for each project listed above. For example, Project 2583, 30mm Close Air Support Gun System, and Project 4697, Improved Aerial Gun System GAU-7/A, have been grouped together under the same program element in FY 1971 (63603F) and in FY 1972 (63606F). Similarly, Projects 5618, F-15 Protective Systems, and 5619, F-4/F-105 Protective Systems, were grouped together in Program Element 64738F, Protective Systems, in FY 1972. To restructure the RDT&E program to reflect the nine listed projects would not provide greater visibility, but would unnecessarily continue to increase the number of program elements.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE AGENCIES

(Thousands of Dollars)

	RDT&E, Defense Agencies, Other	RDT&E, Director Test & Evaluation *	Total
FY 1973 Request, as amended	(487,287)	(32,800)	520,087
House Appropriation Adjustments	-51,774	-5,800	-57,574
House Bill	435,513	27,000	462,513
Restoration Requested	+40,985	+5,800	+46,785
Current DoD Request	(476,498)	(32,800)	509,298

Requested for Reconsideration:

(Thousands of Dollars)

Item	Budget Request As Amended	House Bill	Restoration Requested	Current DoD Request
Rapid Excavation Program, DARPA	3,900	0	+3,900	3,900
Advanced Sensor Development DARPA	13,400	8,400	+5,000	13,400
Dist Info Systems, ARPA	24,200	20,200	+4,000	24,200
Def Com Sys (PE 33127K), DCA	8,192	7,496	+696	8,192
Sci & Tech Intelligence, DIA	2,500	500	+2,000	2,500
RDT&E, NSA	[ ]	[ ]	+4,000	[ ]
OSD/JCS Tech Support - DD T&E	32,800	0	+32,800	32,800
Director of Test & Evaluation*	0	27,000	-27,000	0
General Reductions		-21,389	+21,389	
(DARPA)		(-11,337)	(+11,337)	
(DNA)		(-6,687)	(+6,687)	
(DIA)		(-216)	(+216)	
(DSA)		(-643)	(+643)	
(OSD/JCS)		(-2,506)	(+2,506)	
Earthquake Con, DARPA	900	0	0	0
Anal & Pub Res, DNA	8,804	3,804	0	3,804
IDHS, DIA	1,700	1,200	0	1,200
All Other	[ ]	[ ]	0	[ ]
Total	520,087	462,513	46,785	509,298

*The House Bill included a new appropriation, Director, Test and Evaluation, which is discussed in this section. It is requested that all funds continue to be appropriated under "RDT&E, Defense Agencies," and that a new appropriation not be created.

Classified material which has been deleted is indicated by brackets: [ ]

JUSTIFICATION

Rapid Excavation Program, DARPA

The proposed reduction of $3.9 million will result in cancellation of the ARPA Rapid Excavation Program. The major objective is to develop and test techniques which will reduce by factors of 2-3 the time involved in excavation and construction at depths down to 5,000 feet in hard rock. This capability would present a new, viable, and necessary option for hardened military installations such as weapon systems, command and control facilities, and storage. With current technology this option is not now available largely because of the excessive time to construct large underground facilities. The research program is in direct distinction to those of other Government agencies, namely the Bureau of Mines and the Department of Transportation, which are planned to meet transportation, urban development, mining and mine safety requirements. They are concerned exclusively with excavations at shallower depths (hundreds vs. thousands of feet) which pose quite different problems.

The related Government research programs will not, therefore, provide the technology base needed to offer DoD the option of placing critical military facilities deep underground. This important option is becoming increasingly attractive in an era of strategic arms limitations.

The Rapid Excavation Program was funded initially in FY 1972 and the FY 1973 funding will provide the second year's financing of the program. It was ARPA's intent that during the third year (FY 1974) the funding would decrease in that only the better performers would have their support continued. It is requested therefore that the $3.9 million be restored to allow this program to proceed to an orderly conclusion.

Advanced Sensors, DARPA.

The requested increase for Advanced Sensors in FY 1973 is largely for research directed toward improving the technology of unattended ground sensors. The Service programs referred to in the House Appropriations Committee report are mainly concerned with integrating existing sensors into operational systems.

In FY 1973, the Services have budgeted a total of $8.5 million for advanced development and only $0.8 million for exploratory development on unattended ground sensors. With $6.6 million the Army will perform a system study and analysis leading to creation of the Remote Battlefield Area Surveillance System. The thrust of this program is to integrate current unattended ground sensors into a system designed for Army use. The Navy is using $1.0 million to shrink and repackage an existing sensor for patrol use. With $1.7 million, the Air Force is investigating seismic signatures of various vehicles, an extension of previous work.

In contrast, ARPA sensor programs exploit new science and technology and provide the feasibility estimates upon which future Service programs may be based. ARPA's efforts in the unattended ground sensor area are aimed at learning how to classify targets by type, speed and direction at a low cost, a capability not now available in any unattended ground sensor. Classification would reduce the number of false targets and allow a new information dimension. Tentative target types are tracked vehicles, wheeled vehicles, jet aircraft, propeller driven aircraft, helicopters, and personnel. Note, for example, tanks will be distinguished from most other targets. Also, the ARPA program will explore techniques to minimize the

effects of communications jamming of unattended ground sensors. If met, these goals would make it possible to utilize such techniques in heavily populated areas.

It should be noted that the design of the ARPA sensors program for FY 73 is responsive to the guidance received from the Congress. In its FY 72 report, the House Appropriations Committee pointed out, in the section on the Defense Special Projects Group, that the "Office of the Secretary of Defense has the Advanced Research Projects Agency which is available to perform research and development not included in the programs of the military services". In the report of the Conference Committee on Armed Services, again in the section of the DSPG, it was stated that "...advanced technology in sensors would be conducted, as in the past, by the Advanced Research Projects Agency".

The Advanced Sensors project is primarily concerned with the technology of optical, electromagnetic, and electronic sensors. The FY 73 program includes the following technology elements which would be drastically reduced or completely curtailed by the proposed $5 million deletion:

1. Free radical photographic film, which may be [(deleted)] as sensitive and much less expensive than conventional silver halide films.

2. Highly efficient photocathodes for imaging systems which could make possible vastly reduced weight and five fold increase in range of night vision devices.

3. Pyroelectric arrays for thermal imaging without cryogenic cooling. This work has the potential of offering considerable cost reduction of IR viewers.

4. Microwave radiometry which is promising for all weather navigation, surveillance, and guidance.

In view of the fact that the ARPA program actually comprises a spectrum of activities and is specifically responsive to the expressed concerns of the Congress, it is recommended that the $5 million reduction recommended by the Committee be restored.

Distributed Information Systems, DARPA.

The proposed reduction of $4 million for Distributed Information Systems (DIS) would eliminate a critical new C^3 (Command, Control and Communications) program instead of causing an across-the-board reduction in computer science as the Committee intended. Last spring the FY 1973 DIS program, proposed at a level of $24.2 million, was reorganized. Almost all increases in computer science research were eliminated in order to accommodate, within the budget already proposed, a $4.2 million Advanced Communications System program. This action was in response to the high priority need identified by the new ASD(T) for major advances in the survivability, interconnectivity, security, efficiency, and responsiveness of DoD's total communication capability. The revolutionary new communications system technology planned by ARPA would provide major improvements in all of these problem areas and simultaneously allow substantial cost reduction through consolidation of electronics equipment and more efficient spectrum utilization.

Classified material which has been deleted is indicated by brackets. [ ]

The Advanced Communications System program is based on a fundamental change in the concepts of communications system organization from the channelized circuit switching concepts developed for analog voice telephone and radio almost a century ago. These system concepts have remained even though DoD's critical requirements now are for digital data and digital secure voice. The result is poor channel utilization, separate equipment for each function, and difficulty or impossibility of interconnection. However, these problems disappear completely with a packet (or message) switching system concept. As ARPA has already demonstrated for computer-computer communications, packet switching is feasible and economical. Packet radio systems, for example, would permit many diverse applications (voice, data, navigation, IFF, etc.) to share the same spectrum allocation and by such sharing save a factor of as much as 100 in bandwidth required. However, considerable development remains before an entire packet communications system incorporating tactical radio, satellite interconnection and mobile terminals can be demonstrated.

A FY 73 DIS reduction of $4.0 million would mean cancellation of this research. Considering the high priority that Congress itself has placed on the Department of Defense to develop worldwide communications sufficient to cope with the speed with which international crises develop and climax, we feel strongly that we must pursue this research. Furthermore, the economics of the new technology are so extremely favorable that delay in its introduction will cost, on an annual basis, many times the funds required to complete its development and deployment for operational use.

Defense Communications System, DCA.

The action directed in the House Appropriation Committee report pertaining to DCA's System Engineering Facility (SEF) would destroy the most significant communication system engineering capability created in the last ten years and cause major problems for the Defense Communications System (DCS) of the Department of Defense (DoD). To install the AUTOVON and AUTODIN switches as directed would only permit a study of the past and provide no flexibility for the study of future system designs options. The alternative of terminating SEF would require DCA to revert to contracts for system engineering of the future DCS and significantly delay any improvement or modernization of the Defense Communications System. Termination or utilization elsewhere of the general purpose computer for SEF(referred to as a "simulation switch" in the Committee report) would wipe out the foundation around which the simulation center of SEF is being built. It is only through the acquisition and use of a general purpose computer simulation capability that we can plan for, design, system engineer and analyze a variety of system design options for the future DCS that will provide the performance attributes essential to command and control for the entire spectrum of warfare and overcome the deficiencies identified in the performance of our present system. Finally, a reduction of $696K in the SEF program of the DCA RDT&E request would force reductions in the professional staff of highly qualified engineers carefully assembled over the past several years. The reduced staff would not be able to complete essential system engineering tasks on the time schedule required for sound modernization of the DCS.

Scientific and Technical Intelligence (S&T), DIA.

The purpose of requesting research and development funds for scientific and technical (S&T) intelligence is to enhance DIA's capability

to accomplish its mission to provide the best possible intelligence [(deleted)] through the application of modern science and technology. The specific S&T projects were selected to develop the tools and methodology to begin to accomplish this. While the Service research and development intelligence efforts under the management of DIA are directed toward the solution of specific substantive technical problems, the DIA funds are to be applied to research which transcends the assigned responsibility of any one of the Services and the results will be applicable to all of DoD. The deletion of $1.5 million will prevent needed work on priority efforts on [(deleted)]. The expertise is not available in-house nor have the Services programmed any funds in this area of research. Other priority areas of research which will be neglected are:

a. Development of processing and collection techniques [ ]

b. Performance of system evaluation [(deleted)] in order to identify the probable value that might accrue from feasible collection efforts.

c. Analysis and evaluation of the intelligence producing potential of a number of scientific techniques before committing large sums and effort to operational hardware.

The research requirements outlined above are the mission responsibility of DIA and must be accomplished if priority consumers such as JCS planners, US research and development organizations and operational commands are to be provided the needed S&T intelligence information for effective programming and assessment of US needs. Without these requested funds useful data will not be analyzed properly, collection systems data potentials will not be fully evaluated prior to operational use and most likely the result will be the wasteful uneconomic expenditure of sizeable sums of US funds. Furthermore the DoD consumers will not be provided the essential data within the potential of the collection and analytical capability [(deleted)].

The priority needed for research funds in areas not previously funded as extensively have been recognized and triggered through the sophistication of weapon systems developments, the changing environment in which US intelligence must operate, and potential of scientific breakthroughs or achievements in areas where there is little basic experience of understanding. All of this dictates that the research must be accomplished in these critical priority areas if the US is to maintain its capability and development potential as compared to the USSR and People's Republic of China.

RDT&E, NSA.

NSA has reviewed its current year RDT&E program in light of the planned House reduction of $8.389 million in the Agency's budget request Research, Development, Test and Evaluation budget request.

[(deleted)]

For these two missions so vital to the United States security and national defense, it is absolutely essential that an adequate RDT&E funding level be approved by Congress. Restoration of a minimum of $4 million of the House cut will permit NSA to proceed with most of the

Agency's program authorized by Congress for FY 73 and to have flexibility to satisfy new work or changes in emphasis as requirements are identified. The Agency has already had to initiate work efforts related to the supplemental requirements which, if the House reduction stands, will increase financial pressure on other Agency R&D projects for this year. [(deleted)] Partial restoration of the House reduction is necessary if the Agency is to meet these increased threats in a timely fashion.

TECHNICAL SUPPORT TO OFFICE OF SECRETARY OF DEFENSE AND ORGANIZATION OF THE JOINT CHIEFS OF STAFF, TEST AND EVALUATION

House Action

a. The House Bill would establish the funding for this requested activity as a separate appropriation within the RDT&E title, and reduce the amount appropriated in FY 1973 from the requested $32.8 million by $5.8 million to $27.0 million.

b. The report on the Bill would "direct" the SecDef to reorganize his staff to transfer the newly created test and evaluation office away from DDR&E "to be as independent as is reasonably possible."

Background

In mid 1971, the Secretary of Defense established a Deputy Director (Test and Evaluation), ODDR&E, (DDT&E) to have "across-the-board responsibilities for OSD in test and evaluation matters" (i.e., for both development test and evaluation (DT&E) and operational test and evaluation (OT&E)). SecDef also directed organizational improvements in the Services for conduct of OT&E and the completion of an initial phase of OT&E prior to major production of a new system.

The Budget requested in P.E. 65804D of $32.8 million for FY 1973 was to enable the DDT&E to carry out special functions not budgeted elsewhere which needed accomplishment in FY 1973 to carry out the revitalized T&E program directed by the SecDef.

a. $7.0 million of the funds were to carry out a one-year OSD-financed effort to strengthen the Services' and OSD's OT&E. The Services would pick up the effort in their own budgets for future years.

b. $25.8 million was to permit the accomplishment of phases of nine joint operational test activities judged by SecDef to be essential in FY 1973, as well as two small studies. For such testing ($25.275 million), the Services' budgets would cover the normal costs of the Services' operating personnel and equipment involved. The funds from P.E. 65804D were to cover the extraordinary costs incident to the joint testing (e.g., special instrumentation, surveys, test planning, data analysis and evaluation, special support, and the like).

Impact of the House Action: The House action, if adopted, would have an extremely unfavorable impact on the SecDef's effort to strengthen the timeliness and thoroughness of T&E (and particularly OT&E and Joint Testing) in the acquisition of new systems:

Classified material which has been deleted is indicated by brackets. [ ]

a. The reduction of $5.8 million probably would force the cancellation for FY 1973 of one of the joint operational test activities and the slowing of the remaining eight. The Blue Ribbon Defense Panel (BRDP) was extremely critical of the lack of effective joint testing. A beginning was made in FY 1972 with $3.8 million made available to support four special test activities and one joint test. Planning for the nine joint operational test activities scheduled to continue or start in FY 1973 is well advanced.

b. The reorganization which the House Report "directs" would be most damaging to the most effective accomplishment of T&E in the DoD.

(1) The BRDP was rightfully critical of certain aspects of the T&E earlier accomplished. Prior to and subsequent to the issuance of the BRDP Report, the SecDef analyzed thoroughly what changes should be made. In instructions of Feb-Aug 1971 he directed: DSARC careful review and his approval of test planning and test progress at key milestones for all major acquisition programs; similar control of testing by the Services for lesser programs; completion of adequate OT&E before the major production decision on acquisition programs; and the establishment of the strong test and evaluation office now organized and effectively operating as a major element of the OSD staff.

(2) As to independence, the SecDef, as a result of his analyses, provided that this office and its personnel have no responsibility except the insuring of adequate T&E. It should, and does, review and advise on changes in T&E policy and procedures; monitor closely the T&E of all major acquisition programs and such others as it sees fit; insures the accomplishment of necessary joint T&E and the T&E of foreign systems for possible US adoption; and insures proper OSD planning for and action on maintaining a viable T&E facility base.

(3) Also, the SecDef concluded that it was essential that this T&E office have responsibility for both DT&E and OT&E. Both needed improvement and constant monitoring by a strong T&E, high level office if acquisition programs were to be effectively prosecuted. (In this regard, the House language could be interpreted as meaning the separate T&E office would only be responsible for OT&E.) He concluded that this office should be positioned in ODDR&E so that there could be close supervision and integration of both phases of T&E, and maximum benefit derived throughout the development process. Most importantly, however, he concluded and provided that it advise directly as to T&E adequacy all the ASDs who had responsibility in the acquisition process, the DSARC at each of its meetings, and directly the DepSecDef when he considered DSARC recommended action at key decision points. This is the manner in which the DDT&E and his strong office is now functioning. Though positioned in ODDR&E, its interests and advice have the high degree of independence necessary.

(4) Splitting the office into an OT&E component and a DT&E component, and separating the OT&E component, would drastically weaken its long-term functioning. Alternatively, moving the office in full with its DT&E function to be separate from ODDR&E would lessen its ability to effect the DT&E role, and without benefiting the OT&E function as now accomplished. The current solution was adopted only after most careful consideration by the SecDef as to how to best improve the overall system acquisition process to include securing the necessary improvement in both DT&E and OT&E. It should not be changed unless results do not live up to expectation and some change is necessary. The SecDef does intend to keep the situation under careful observation and will take any necessary future action.

c. A separate appropriation for Test and Evaluation within the RDT&E title would be extremely detrimental and deleterious to the effective prosecution of the OSD-level test and evaluation functions as they have developed since the creation of the Deputy Director for Test and Evaluation in June 1971. Effective with FY 1973, a separate program element, 65804D Test and Evaluation, was established for the Deputy Director for Test and Evaluation who exercises complete control of these resources within the overall Technical Support to the Office of the Secretary of Defense and Organization of the Joint Chiefs of Staff portion of the Defense Agencies RDT&E appropriation. To date this has proven to be a highly effective means of providing the OSD with the financial resources to direct and supervise the improvement of Service OT&E capabilities, the enhancement of the DoD OT&E base, and the performance of joint testing and evaluation. It is untimely and unnecessary to establish a separate appropriation when the present arrangement is working effectively. Such a move would inhibit rather than aid the test and evaluation function. The issue of a separate appropriation is inseparable from the issue of the creation of a test and evaluation office independent of DDR&E.

Recommended Action:

a. That the full amount of $32.8 million be appropriated.

b. That no language be included in the Conference Bill or report which would restrict the SecDef in determining how he organize to meet the OSD T&E needs.

c. That no language be included in the Conference Bill or report which would establish a separate appropriation for the Test and Evaluation function, that the separate appropriation language as proposed by the House Bill be deleted and that the amount appropriated be under OSD/JCS Technical Support, Defense Agencies RDT&E appropriation as originally requested.

GENERAL REDUCTIONS

The House Appropriations Committee made general reductions totalling $21,389,000 in the DARPA, DIA, DNA, DSA, and OSD/JCS Technical Support requests. We strongly urge that these unspecified reductions be restored in order to enable these agencies to continue with orderly RDT&E programs. The following are examples of the impact on selected programs if these funds are not restored:

a) In Defense Research Sciences, DARPA, the Ceramic Gas Turbine Program is a program that could be affected by this cut. This program has as its objective the demonstration of the successful use of ceramics as load-sharing engineering structural members for use, uncooled, in gas turbines at temperatures at least 600°F higher than those attainable in the current metals-base turbine technology. The proposed budget reduction could result in a reduction of $1.3 million in a program which shows so much promise for reducing the cost of power generating equipment, producing higher efficiency engines with reduced pollution, and being able to use low-cost unrefined residual fuels is a regressive step we should not take.

This work is progressing much more rapidly than was anticipated at the start of the program. Successful applications of ceramics to heat exchangers, combustion chambers and stator blades have been made. These successes have in turn required the acceleration of the development of the more critical turbine parts such as the highly-stressed-rotor and the exhaust duct work. If the proposed reduction is effected, work on hot pressing of silicon-nitride and silicon-carbide will have to be cut back sharply; the alternate method of fabrication by chemical-vapor-deposition will have to be suspended; the glass-forming of the exhaust duct work, a new low-cost fabrication technique, will be delayed by at least a year; the three-shift testing and evaluation program will have to be reduced to a single-shift schedule to meet the limitations on the budget of this program.

b) In the area of Strategic Technology, there could be a reduction of $4.0 million in High Energy Laser Device Technology in the area of High Energy Pulsed Devices, DARPA. This program in device technology provides the major DoD thrust in the development of next generation devices which are: (1) more efficient; (2) operate at wavelengths where atmospheric transmission is much better leading to significantly greater effective range; and, (3) generate specially shaped waveforms [(deleted)]. A cut of $4 million in the device area would seriously affect and impede the development of [[deleted]] which offer one of the most promising new approaches for operation in the best available [(deleted)] Navy and Air Force Test Bed programs, the joint programs with DARPA include devices of this sort as cost effective but unproven alternatives to the gas-dynamic laser. A cut in this program element would delay by at least a year or more the availability of this newer technology as a cost effective candidate for the Service's applications.

c) The general reduction in DARPA could result in a $2 million cut in the Ionospheric Modification OTH Program. It has recently been shown for the first time that a confined region of the ionosphere can be modified at will by suitable illumination with high frequency radio waves in such a way as to provide an artifically deflecting layer which can be used to capture or transmit signals which normally would pass through and be lost. This technique, [(deleted)] is now being studied in terms of its

Classified material which has been deleted is indicated by brackets. [ ]

quantitative characteristics for evaluation of its possible application to a range of [{deleted}] problems. A $2.0 million reduction in this program in FY 73 would delay the verification of its utility by at least a year and would require the dispersion of the experimental and theoretical resources, in some instances beyond recall at a future date.

d) In the area of Tactical Technology, DARPA, a potential cut of $1,037,000 in funding would seriously delay the initiation of the Remotely Piloted Vehicle Program (RPV). The RPV technology which can be developed would make it possible to focus on low cost vehicles as supplement to manned aircraft in the presence of heavy air defenses. Very small RPV's, with low radar and optical signatures [{deleted}] and with laser designators can conduct reconnaissance, acquire targets, designate these targets and have manned aircraft deliver the ordnance. It is then possible to decrease substantially our potential aircraft attrition while at the same time to have very high probabilities of killing potential targets and to obtain surveillance during day and night conditions. These RPV's can then be used against multiple tactical targets such as tanks, enemy artillery, command posts, etc.

A cut in the funding for this program would delay the initiation of this important effort for one year.

e) In the area of Nuclear Monitoring Research, DARPA, the proposed funding reduction of $3.0 million in the PRIME ARGUS program would result in the cancellation of the micro analytical analysis effort connected with collection and analysis of [

The reduction would also seriously curtail the nuclear diagnostic research [{deleted}] It is important to know, for instance what asymmetries exist in the nuclear weapons technology between the two countries which would materially affect the strategic balance, particularly if a comprehensive test ban treaty was being contemplated.

f) In the area of Nuclear Stockpile Reliability Test [{deleted}] DNA, the House Committee's reduction would have a substantial impact. This is the initial test in a series devoted to reliability testing of already stockpiled nuclear weapons systems. This first test is a detonation for yield of [{deleted}]

Initial funding was approved by Office, Secretary of Defense, December 17, 1972, allowing $2.0 million in RDT&E and $3.0 million in O&M funds for FY 1973. DNA has reprogrammed additional RDT&E funds to allow execution of [{deleted}] in the third quarter of FY 1974. On August 30, 1972 the Office of Secretary of Defense approved additional FY 1974-1978 funding to carry the series (DISTANT ECLIPSE) through FY 1978. The House Appropriations Committee reduction would cause further slippage of [ ] to FY 1975 and an equivalent delay in the identification of any unsuspected, force-wide lack of reliability in the [{deleted}] system. In the event Congress holds that the RDT&E appropriation is the appropriate account, the addition of $3.0 million is needed since the total requirement for execution of this initial phase is $5.0 million.

g) Funds in DNA would be reduced for Underground Nuclear Tests in Support of TRIDENT. The Defense Nuclear Agency, in hearings of February 29, 1972, informed the Senate Armed Services RDT&E Subcommittee of a shortage

of underground nuclear test funds for support of the TRIDENT test program, although a detailed test schedule had not then been worked out. This was reported to the House Armed Services Committee in June. In May of this year, the TRIDENT test schedule was set at the minimum that could reasonably support a [(deleted)] resulting in a short-fall of $19.5 million in FY 1973 funds for the underground TRIDENT tests. This same program required an additional $13.5 million in FY 1974 and $11.4 million in FY 1975. To partially alleviate the FY 1973 deficiency, DNA has accomplished internal reprogramming at the expense of (1) slipping the reliability test [(deleted)] from late FY 1973 to 3rd quarter FY 1974, (2) reductions in desirable research programs, and (3) reductions in some general support programs for the overall underground nuclear test program. Deletions recommended by the House Appropriations Committee will result in a six to nine months slippage of the already tight underground test schedule in support of the TRIDENT system. The test schedule agreed to by DNA and the Navy is a "success-oriented" test schedule which cannot be further compressed. This results from limitations of facilities at the Nevada Test Site and is essentially independent of other factors.

h) In the area of Advanced Simulator Technology, the DNA program to develop a [(deleted)] X-ray source to supplement underground nuclear tests would be reduced by one-half if the HAC reductions stand. Present X-ray simulator techniques depend on power storage in capacitors, extremely fast switching and conversion of the beam to X-rays. These techniques are far short of adequate for production of [(deleted)] X-ray fluences. Many other techniques are under investigation, but all require extensive development to allow assessment of their relative merits. Any delays in this program will continue our dependence on expensive underground tests and will extend our period of vulnerability to a potential comprehensive nuclear test ban treaty.

i) In the area of Re-entry Materials Hardening Against Rain and Dust, which are known to be a hazard to both strategic offensive and defensive systems, arising from both hostile and benign environments, a program was initiated in fiscal year 1972 to develop heat-shield materials specifically resistant to these effects while at the same time maintaining adequate capability for the conventional heat-shield/ablator requirements. The HAC recommended reduction would result in delaying much of this effort to a later fiscal year.

j) The recommended $643,000 reduction in RDT&E for the Defense Supply Agency will thwart the continued development of the Defense research and technology information system at the Defense Documentation Center (DDC). Congress has continually criticized DoD for potential duplication of effort and lack of visibility of our 20,000 research and technology efforts. The innovative and effective information exchange and retrieval system at DDC is one of the steps DoD has taken to improve visibility and to insure that proposed projects which are unnecessary and duplicatory are stopped before initiation. Strong support for this system was expressed during the House Armed Services Committee hearings. Therefore, the recommended reduction is inconsistent and will also have an adverse impact on the quality and effectiveness of DoD R&D.

k) If the $216,000 general reduction in funds for RDT&E, DIA is not restored, it would limit the effectiveness of the DIA in providing national-level and Department of Defense decisionmakers with necessary intelligence through delay in: (1) development or improvement of methods and techniques in the processing of information into current estimates and long-range threat projections; (2) development of improved means to exploit data collected on foreign weapons systems and related developments; and, (3) developmental efforts to improve automated support to intelligence analysts within the critical areas of current intelligence and strategic warning.

Classified material which has been deleted is indicated by brackets. [ ]

EMERGENCY FUND, DEFENSE

(Thousands of Dollars)

Fiscal Year 1973 Request, as amended	$50,000
House Appropriations Adjustments	- 50,000
House Bill	-0-
Restoration Requested	+ 50,000
Current DoD Request	$50,000

JUSTIFICATION

The Emergency Fund has proved to be an invaluable management tool of the Defense Department in responding suddenly to unforeseen urgent requirements. It provides the capability to capitalize on new, important technological advances which may present key opportunities to achieve critical military needs; it permits quick countermeasure response to previously unforeseen hostile-nation threats, and provides for the rapid exploitation of potential enemy vulnerabilities -- all without penalty to other essential, Congressionally endorsed defense programs.

While today there is no single foreign technological challenge such as was posed in 1961 by the Soviet ICBM threat; there are, however, numerous other serious challenges to our technology-dependent Strategic and Tactical forces. Many of these have been identified and our FY 1973 RDT&E defense planning reflects this awareness, but experience has shown that because of the secretive nature of the Soviet Union, there will be surprises, and there must be uncommitted resources with which to react.

The House Committee action provides no hedge against the occurrence of an unanticipated crisis during the remainder of FY 1973, and also implies that there will be no unexpected technological "breakthroughs" worthy of immediate exploitation. We believe this is an unwise position for FY 1973 and will lead to a precedent which will then also be made applicable to future years.

The Emergency Fund is not a blank check. Its management is subject not only to stringent control from within the Department of Defense, but also from the Office of Management and Budget, and, ultimately, from the Congress itself. Each program request is justified to the appropriate committees of the Congress, regardless of the funding amount. Since the Fund's availability is limited to the fiscal year for which appropriated, any unprogrammed balance is returned to the treasury.

The multi-million transfer authority recommended for inclusion in the FY 1973 Defense program is not a valid substitute for the Emergency Fund. The future availability of resources from other appropriations cannot be assured. On the rare occasion when such resources do become available, it is usually extremely late in the fiscal year and not time coincident with Emergency project needs.

The requested $50 million reflects our rapidly diminishing involvement in Southeast Asia, and the lessening of world tensions through an established dialogue with the leaders of the adversary world, the USSR, and the PRC. There is no single major crisis but there is no guarantee there will not be such a crisis or lesser crises to which U.S. technology must react. The Emergency Fund constitutes an insurance policy and hedge for the Defense Department, the Congress, and the American people -- with a fully redeemable premium if it is not needed.

GENERAL REDUCTION IN RDT&E

Apart from the reduction in the Military Sciences, the House made a 5% general reduction to the services and agencies totaling some $412 million, plus a general cut in Military Sciences and elimination of the Emergency Fund (described elsewhere). The House also made incremental funding cuts and denied the FY 1972 Supplemental requests. The total of all these nonspecific reductions approach $550 million and are in addition to a total of specific reductions of about $350 million. These two actions recommended by the Committee report are not consistent. The report describes the extensive hearings held by the Committees and the 12,000 pages of transcript. We can understand that the Committee as a result of its lengthy hearings would recommend and explain specific reductions, but we feel there is little or no basis for the general reductions.

These general reductions would have a very substantial effect on the RDT&E program. A large portion of Defense efforts cannot accommodate general cuts without costly and inefficient disruptions, with the consequence that the smaller advanced development programs received a disproportionate share of such a reduction. It is these smaller, low visibility programs which offer the potential to provide the basis of our improved future capabilities -- through demostration of the practical feasibility of new technology. The initiative programs and the prototype programs -- about which the Committee report appears ambivalent -- are certain to suffer at the very time when we most urgently need to increase our level of innovation before undertaking larger full-scale development programs.

We urge restoration of the 5% general cut on the basis that no logic has been presented for the cuts, despite the scrutiny in minute detail given to all aspects of the RDT&E budget.

Flat, across-the-board reductions are certainly not justified in a program area which has been examined for so long and to such a depth. We must urge restoration of these general reductions in full.

ADDITIONAL GENERAL REDUCTION IN MILITARY SCIENCES

The House Bill cuts at the very heart of those programs in exploratory and advanced development which can contribute most in reasserting our technological leadership by imposing, in addition to the 5% general reduction, a further 10% cut in military sciences. The combination of these two actions results in a reduction of approximately $75 million in the $500 million Military Sciences program of the three services. We cannot agree with the House Report statements to the effect that such a large cut in military sciences is the best way to force improvements in management of basic research and exploratory development. The particular laboratories cited as examples of inefficiency have recently received extraordinary top level scrutiny and review, and these reviews clearly indicate the opposite.

For FY 1972, the Congress accepted as a valid premise that reduction in general purpose forces must be accompanied by an increased basic technical effort to insure that, over the long term, these smaller forces can defend the U.S. against the superior numbers and increasing technological capability of the forces potentially arrayed against us. For FY 1973, modest increases in the scientific research and engineering exploration base were again proposed, of which the Military Sciences

budget activity is a large part. It is very disturbing that the House Bill would negate the previous congressional decision by proposing for the Military Sciences a percentage reduction three times as large as that proposed for RDT&E as a whole.

The statement in the House Report that military sciences is a "level of effort" area without proper management and supervision is extremely disturbing and indicates that there is a need for an increase in effort on the part of Defense Research managers to communicate the facts to the Congress concerning the overall competency of the management of the technology base.

Individual research projects in every technology area are systematically reviewed by the military services, utilizing formal groups established for just that purpose. These groups employ the services of the very best technical experts available, including consultants, scientists from Defense laboratories, and technical personnel from other government and quasi-government organizations. Detailed reviews entail examinations concerning the potential for satisfying future military requirements as well as technical content. For example, the Navy utilizes its Naval Research Advisory Council which oversees ten Laboratory Advisory Boards, each responsible for reviewing all new proposals and on-going work in a specific technology area.

In a similar way, the Air Force program is reviewed by the USAF Scientific Advisory Board (SAB) and the Scientific Advisory Group (SAG). In addition, laboratory directors use Visiting Committees made up from portions of the SAB and SAG in reviews of selected programs.

The procedure in the Army is similar to that of the Navy and Air Force. The Army Scientific Advisory Panel (ASAP) is utilized to review selected programs. Additionally, the Army's research contract and grant programs are reviewed by the Inter-Army Inter-Command Committee. Individual research proposals are referred to the National Academy of Science which in turn selects individuals to conduct technical reviews.

In addition to the reviews within each military service and specific budget reviews made by the DDR&E staff, most programs are regularly scrutinized by one or more joint or inter-agency technical review body. The following are examples of just a few such mechanisms:

- Advisory Group on Electron Devices (AGED) - provides evaluations of and recommendations concerning each research proposal in electronics. Considers risk of the project, the potential pay-off, and future applications.

- Joint Army, Navy, NASA, Air Force Interagency Propulsion Committee does a comprehensive evaluation of all rocket, missile and space vehicle propulsion technology programs each year, assuring correlation of efforts between all approving government agencies, industry, and universities, and eliminating any potential overlaps or unproductive efforts.

- National Materials Advisory Board (NMAB) - established by the National Academy of Science under contract to DoD and other Federal Agencies. It reviews specific segments of the program in materials, furnishing both industrial and academic expertise and guidance.

- The Commanders of the Army Materiel Command, the Air Force Systems Command and the Chief of Navy Materiel compose a Joint Technical Coordinating Group which oversees subgroups in each major technology area. Their purpose is to review all R&D tasks to avoid duplication and assure that important areas are not overlooked.

- Supporting Research and Technology Panel of the AACB provides critical evaluation and precludes duplication in Federal aeronautical and astronautical programs between DoD and NASA.

- Technology Coordinating Papers. These papers, organized and implemented by DDR&E, are prepared by teams of service and Defense Agency personnel in specific technology areas. These papers, together with Military Department planning documents, help us to screen out duplicatory and marginal work, and to make the expenditure of funds for this effort as efficient and useful as possible.

The screening and coordination of defense research are highly structured and are far more extensive than they are within any other organization in either the public or private sectors. This is a conservative statement.

The Department can appreciate the sense of frustration that must arise in the Congress from considering an area in which it is not possible to demonstrate concrete results in the near-term. But this is the nature of basic research, which is a major element of the military science category. The contributions of basic research over the years -- ranging from nuclear energy to transistors, infrared, masers, lasers, and "smart bombs" -- have been overwhelming. Yet each of these began as rather obscure and esoteric efforts that would have been difficult indeed to relate to a concrete and immediate objective. The period of time from the initiation of fundamental research to its application in a system is extremely long. It is not appropriate to ask what last year's research has provided us. It is more appropriate to ask what the research of the past two decades offers us today. In 1960, it would have been difficult to assess the impact of the laser research conducted in the preceding three years. The basic work leading to the Laser Guided Bomb was performed more than a decade ago and the preliminary efforts leading to this technology (masers) were performed 25 years ago. While cuts in the Military Sciences do not significantly influence this year's programs, they place a heavy mortgage on future systems.

It may appear to some that the Military Sciences program is not changing because of the minor changes from year to year in the overall funding of the program. However, the program consists of 15 sub-elements and this is where the dynamic adjustments are made. For example, if one compares the FY 1966 Air Force research program with the program today, he finds that nuclear physics went from 4 percent of the program to zero, atmospheric sciences increased from 14 percent to 24 percent, materials changed from less than 3 percent to more than 11 percent, while general physics and life sciences, each decreased by almost half. These programs are thus not endlessly supported, but change with changing Service and DoD needs.

Some areas of fundamental research continue to provide valuable inputs to systems developers for decades. For example, work on the propagation characteristics of microwaves in the atmosphere was being

conducted in the late 1930's and is still being done today. These efforts have provided extremely valuable inputs to radar development programs throughout this period and will continue to provide valuable inputs in the future to new applications. Evolutionary work of this sort is absolutely necessary, but it cannot be required to produce revolutionary results.

In support of the DoD assertion that research proposals are indeed scrutinized in detail is the fact that during the past fiscal year, the Army rejected 82 percent of the university research proposals it received and 74 percent of the proposals submitted to the Air Force were rejected.

The House Report implies that the efforts in the DoD materials laboratories are not coordinated and the work could be accomplished in a lesser number of laboratories. Years ago, we recognized the need for intensive coordination of the DoD materials program because of its diverse nature and the fact that almost every development we undertake is dependent on materials technology. The TCP covering the materials technology area was issued over a year ago, with an updated version now being coordinated. An objective review of the program as outlined in this TCP indicates that the programs in the three services are well-coordinated and that virtually no duplicatory work is underway. Copies of the TCP are available for the Committee's review.

We urgently request restoration in full of the general reduction in military sciences.

RESTRUCTURING OF THE DEFENSE RDT&E PROGRAM ELEMENTS

The House Committee recommended a dramatic increase in the number of program elements in order to increase visibility of programs to the Congress. The Defense RDT&E budget already provides visibility which far exceeds that provided in other segments of the Defense budget. The RDT&E appropriation request is less than 10% of the Defense budget, yet it contains over 40% of the total line items in the Department of Defense Programming System. In addition the RDT&E budget back-up material contains a total of 1520 separate projects further sub-dividing these line items. Of these separate projects, 823 major ones are described in depth by 2-page descriptive summary sheets. There is a hazard in this proliferation of line items. Projects that should be grouped together become scattered so that it is difficult to determine the total effort in a particular field. This problem has existed in the past, and we do not believe that the Committee wants a return to that situation. Restructuring along the lines of the House Report would force the Department to a dual accounting system; one which serves the best management interests of the Department, as determined by those who must manage it, and a second set for use by the congressional staffs.

Under the rules directed in the Committee Report the very restricted content of each line item would give rise to many more reprogramming requests than are now submitted. This is not an encouraging prospect for the Department nor, we believe, for the congressional committees. For example, a Navy request to reprogram funds for VSTOL prototyping was submitted in March 1972 and has still not been acted on by three of the four Committees which must approve it.

JUSTIFICATION

The Navy in the past has found it extremely difficult to comply with this type of statutory limitation. In FY 1963 the Navy had to transfer a division of Destroyers from the West Coast to the East Coast to equalize the workload of continental naval shipyards and to assure an equitable apportionment among these shipyards of the overall employment reductions caused by the limitation.

Although alterations and repair work planned for private shipyards in FY 1973 approximates 25 percent, when conversions are added, the private sector will receive almost 35 percent. In addition all new construction is assigned to private shipyards. In FY 1973, the Navy plans to assign 73 percent of the total Navy shipwork program to private shipyards.

In the event that this provision becomes law, it would be necessary for the Navy, in order to attain the 35% objective, to undertake a very extensive rescheduling of shipyard assignments to place additional work in the approximate amount of $110 million in private shipyards during fiscal year 1973. Since it is already mid-September, and considering the advance planning lead time required before an availability can be started in a private shipyard, no significant additional work currently assigned to naval shipyards could be moved before 1 January 1973. A review of the FY 1973 overhaul schedule, with the objective of determining the feasibility of assignment of additional work to the private sector, reveals a maximum of $31 million for which private yard capability definitely exists. However reassignment of any of this work will have a serious impact on fleet operating schedules due to location, start date and duration of overhaul, with the added impact of out of home port assignments and the resultant negative effect on the volunteer force effort. In addition, these reasignments will seriously impact on naval shipyard workload, necessitating additional rescheduling of fleet work. This still requires $79 million of ship types not compatible with private shipyard capabilities. For example only 1 private shipyard can handle a carrier overhaul and only 3 private yards, all of which are fully loaded, can handle submarines. To provide the additional $79 million, all overhaul starts after 1 January 1973, excluding carriers, nuclear submarines and four complex guided missile overhauls (which require 1 year advance planning) would have to be assigned to private shipyards. These reassigned availabilities include 7 guided missile DD's, 4 1200 psi propulsion plant DD's and 2 CVA selected restricted availabilities for which extremely limited private yard capacity exists.

The resulting effect on naval shipyard workload leveling and the necessary reduction in employment levels will create a major management and administrative problem with a requirement to RIF approximately 10,000 shipyard employees will be released in January. This would mean an end FY 1973 employment level for the naval shipyards of 58,000 which is significantly under the low efficient employment level of a 10 shipyard complex with associated increases in unit costs. Since June 1968 naval shipyard employment has already been reduced by 24,700 personnel, a reduction of 27 percent. The reduction in employment will have a major impact in the following areas: Boston, Norfolk, Charleston, San Francisco, Long Beach and Pearl Harbor.

It has been the policy of the Navy, when considering assignments to both naval and private shipyards, to take into account the capacity and capability as well as homeport considerations, operating schedules (including WESPAC combat operations) mobilization requirements (both private and naval) and workload considerations on an annual and long range basis.

As noted in the final section of the reclama statement, we are prepared to consider changes in the element structure with all four interested committees. The FY 1974 structure, and any future changes, will be coordinated with committee staffs to avoid misunderstanding in the future.

National Industrial Equipment Reserve

House Bill

Section 707 of the House Bill omitted requested revised wording which would permit the Department of Defense to reimburse the General Services Administration for expenses of the National Industrial Equipment Reserve.

Department of Defense Position

Requests the inclusion of language in Section 707 as follows:

> "and (1) for reimbursement to the General Services Administration for expenses of the National Industrial Equipment Reserve incurred pursuant to Section 8 of the National Industrial Reserve Act of 1948 (62 Stat. 1225, 50 U.S.C. 459)."

JUSTIFICATION

The National Industrial Equipment Reserve (NIER) was created in 1948 by Public Law 883, 80th Congress to provide additional production capability to supply the needs of the Armed Forces in time of national emergency. It provides a reserve of machine tools and other production equipment beyond those retained in the Department of Defense Reserves for the use of those defense supporting contractors which do not receive direct defense contracts but upon which defense contractors are dependent for vitally needed components such as ball bearings, electric motors and machine tools. The law placed the NIER in the physical custody of the Federal Works Agency (now GSA) under the direction of the Secretary of Defense. Included in the law is authority, not otherwise spelled out with respect to the Department of Defense held reserves, to loan NIER equipment to non-profit vocational training schools and educational institutions. Using this authority 7,724 machines from the NIER which originally cost the Government over $39 million have been loaned to 384 schools in 44 states and are being used for teaching mechanical trades to youth, the handicapped and disadvantaged persons. More than 28,000 persons annually complete such training. Aside from creating a pool of trained manpower available for national defense production, the Government benefits by savings of storage and maintenance costs which are borne by the schools. All items can be recalled by the Government on 30 days notice in event of an emergency. The remaining 3,164 NIER items which are not on loan are in Government warehouses.

Costs of storage, maintenance and administration of the NIER have been funded by GSA since enactment of Public Law 883 in 1948. This year, the Office of Management and Budget deleted the funds from the GSA budget in the belief that they should be provided by Department of Defense. The GSA budget, which has been enacted thus contains no funds for operation of the NIER. The Office of Management and Budget supported Section 707 (1)

of the Department of Defense Appropriations Act which would authorize the use of Department of Defense funds necessary to permit continuance of the NIER, however, the Appropriations Committee took the opposing view that this was not a Department of Defense responsibility. Thus there is no authority for either GSA or Department of Defense to continue the program in FY 1973. These funds are needed to store, preserve and maintain and protect the $41 million tool inventory in Government warehouses; to provide for their inspection and loan to qualified training schools throughout the States and the surveillance of maintenance of those already on such loans. Approval is therefore requested for the Department of Defense to reimburse GSA for continuance of the NIER in FY 1973.

PROFICIENCY FLYING PARTICIPATION

House Bill

The House Bill continues FY 1972 restrictions and adds a provision which would discontinue flight pay for rated officers 0-6 (Colonel) and above while in noncombat assignments. The House Bill does not include language proposed in the President's Budget which would permit proficiency flying by long-term students and members whose assignment to "other essential flight operations" can be anticipated. The DoD proposal, as changed by the House Bill, is shown below:

> SEC. 715. No part of the appropriations in this Act shall be available for any expense of operating aircraft under the jurisdiction of the armed forces for the purpose of proficiency flying, as defined in DoD Directive 1340.4, except in accordance with regulations prescribed by the Secretary of Defense. Such regulations (1) may not require such flying except that required to maintain proficiency in anticipation of a member's assignment to combat operations ~~or to other essential flight operations~~ and (2) such flying may not be permitted in cases of members who have been assigned to a course of instruction of ninety days or more. When any rated member is assigned to duties, the performance of which does not require the maintenance of basic flying skills, all such members, while so assigned, except those of the rank of colonel or equivalent or above (0-6) in non-combat assignments, are entitled to flight pay prescribed under section 301 of title 37, United States Code, if otherwise entitled to flight pay at the time of such assignment.

Department of Defense Position

The Department requests that the language proposed in the President's Budget be included in Section 715.

JUSTIFICATION

Proficiency Flying

The Department agrees with the Congressional intent to deny proficiency flying by those who will probably never return to operational flying while not inhibiting those who will. The House Bill does not, however, provide a reasonable framework for accomplishing this objective. Neither did last year's provisions.

The Department continues to seek Congressional understanding of the serious shortcomings of this provision. Correction of these shortcomings requires perfecting the language of the Bill to convey the full Congressional intent.

The present law -- and the House Bill -- are imperfect because some rated members who will return to "operational flying" are prevented from maintaining their basic flying skills (i.e., through proficiency flying) in the interim. Two classes of rated personnel are affected: (1) additional flyers needed during hostilities, mostly as instructor pilots, to facilitate force expansion; and (2) rated members currently attending long-term courses.

Should war break out, expansion of the pilot training base will again assume an overriding priority. Instructor pilots must be immediately available within the active force to accomplish this expansion. The sole source for the required pilots is a pool of qualified rated members not currently serving in operational billets who have maintained their skills through proficiency flying. It is essential that this critical requirement for a wartime surge capability be understood and provided for under the law. Acceptance of the Department's proposal to include "other essential flight operations" in the language establishing the limits of permissible proficiency flying will correct this apparent incongruity in both the present and proposed legislation.

The prohibition against rated members participating in proficiency flying while attending school is unwise. Only the most talented and highly motivated officers are selected for advanced schooling. Among all flyers not currently serving in flying billets, therefore, this group can most reasonably be expected to return to operational flying. Moreover, the reason for distinguishing in the law between pilots attending school and those in other non-flying assignments is not understood. Students as well as other flyers in non-flying assignments are resources available for rotation into operational flying. If the readiness of rated member students is foreclosed, force readiness and responsiveness will inevitably be degraded. Removal of the prohibition against proficiency flying by students is strongly recommended. This proposal would not restore all students to flying status; only some 700 students, according to Service estimates, would thereby be allowed to participate in proficiency flying.

The Department is in accord with the House Appropriations Committee intent to limit proficiency flying and has acted to comply fully with this intent. On May 4, 1972, proficiency pilot "ceilings" were established for each Service; participation was reduced to approximately 9,000 down from 16,000 in FY 1971. In July of this year, the Department issued a strong Directive which takes account of the Committee's criticisms last year. One of the features of the Directive is close and continuing program review by the Assistant Secretary of Defense (Manpower and Reserve Affairs). The Department believes it has acted as the Congress intended. The Department likewise believes that the proposed House Bill -- and last year's Act -- require the perfecting changes previously proposed and strongly requests Congressional approval.

Flight Pay for Colonels and Generals

The Department of Defense requests deletion of the phrase "except those of the rank of colonel or equivalent or above (O-6) in non-combat assignments" from subsection (2) of the House Bill, and restoration of the fund reductions ($2.2 million). The fund adjustments are covered in the reclama for the individual appropriation accounts.

Since the inception of flight pay in 1913 members have volunteered for rated duty with the expectancy of a permanent rate of compensation. Conversely, the Department of Defense recognized the existence of an implied contract for an aviation career for its aviation personnel. This contract has been acknowledged and reinforced by the Congress since 1954, when in the interest of economizing on funds for the operations and maintenance of proficiency aircraft certain more senior members were excused from flying duties while continuing to receive flight pay. We have operated under this concept for 19 years. To precipitously deviate from this policy would constitute a serious breach of faith and result in an unfavorable ex post facto pay adjustment for the members concerned.

The Department of Defense believes that this breach of faith would seriously affect the morale of rated officers and would lead to a decline in the retention of younger rated personnel. The costs of training new personnel to replace those lost could easily obviate the immediate short term savings envisaged by proposed Section 715. In 1955 the Department of Defense determined that the cost of pilot training exceeded the $75,000 cost of a 30 year lifetime flight pay total. Today, those training costs are three to five times what they were in 1955, and the career total flight pay remains unchanged. For example, a net new requirement to train only nine F-4 pilots would more than exceed the FY 1973 savings ($2.203 million) proposed in Section 715. Potential retention losses may also be paralleled by lowered volunteering rates for aviation duties. Both of these reasons argue for a careful consideration of the subject of flight pay in its entirety. Flight pay, while a very important factor in the manning of the aviation force, is a relatively small item in the overall costs of operating that force.

The Department of Defense understands the Congress' desire to make flight pay more effective, and indeed shares this desire. The existing system of flight pay is not perfect; it was designed in 1949 for conditions that no longer pertain to the aviation force. But the Department of Defense believes that a more useful and effective way to obtain the results desired by both the Congress and the Department of Defense would be to restructure the flight pay program in a way such that the younger, more active fliers receive the highest rates of incentive pay while the senior, less active fliers would receive gradually scaled-down rates on the basis of years of flying service.

The 1971 Quadrennial Review of Military Compensation produced a Study of Flight Pay (Crewmember) and Submarine Duty Pay. This Study was transmitted to the Congress as required by section 1008(b) of title 37, United States Code. It recommends changes to the flight pay structure that would ensure adequate attraction and retention of rated

personnel in a zero-draft environment, and would pay the bulk of a member's lifetime flight pay in those years when he is most actively flying. However, the Study recommended application of a save pay principle to ensure members who had entered into aviation careers in good faith would not suffer a loss of flight pay under the proposed system. The Department of Defense believes that a restructuring of the flight pay system would be highly preferable to an arbitrary denial of pay to officers in the senior grades. In the interest of avoiding a hasty, potentially costly decision, the Department of Defense recommends a carefully considered and coordinated approach to any modification or restructuring of flight pay.

Under the House provision, an officer being promoted from Lieutenant Colonel to Colonel (O-5 to O-6) would face a $64.70 per month reduction in income. His basic pay would increase by $160.80 and quarters allowance by $19.50, for a gross increase of $180.30. The loss of flight pay when crossing that threshold, however, would be $245, for a net loss of $64.70.

The House Committee premise that senior officers have little likelihood of returning to an operational position is not valid. From 1963 to 1971 the Air Force excused rated officers from flying under Congressional authority when they were 45 years or older and had been rated at least 22 years. During the Vietnam buildup, 1,150 excused colonels and 62 excused generals were returned to active flying to meet the expanded requirements. It is significant to note that 2 rated Generals and 7 rated Colonels were killed in action and 82 rated Colonels are in POW/MIA status.

In summary the short term savings to be realized by the denial of flight pay to certain colonels and above does not offset the risk of demoralizing the rated force and jeopardizing the Department of Defense's capability to attract and retain volunteers for aviation careers in a zero-draft environment.

Technical Note

A technical deficiency exists in the draft of proposed Section 715. While the Committee Report states that it is providing funds for the flight pay of colonels and generals in order to allow for an orderly phase-out of such pay by May 1973, the language of Section 715 makes mandatory the denial of flight pay to certain colonels and their equivalent or above on the date of enactment of this Act. Consequently, the Department of Defense could not phase out such pays as stipulated in the Report, but would be required to terminate them abruptly.

PROCUREMENT RESTRICTIONS - SPECIALTY METALS (SECTION 724)

House Bill

Section 724. No part of any appropriation contained in this Act shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated fabric, wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or specialty metals not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Depart-

ment concerned shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, wool grown, reprocessed, reused, or produced in the United States or its possessions, or specialty metals cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: Provided, That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: Provided further, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations: Provided further, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

Department of Defense Position

The Department strongly opposes adding "specialty metals" to the list of items restricted for procurement to United States domestic sources. The Department, while recognizing the need to preserve the United States specialty metals industry to meet defense requirements, is of the opinion that the objective of this proposed legislation can be achieved within existing authorities by the implementation of the Department of Defense policy which would restrict procurements of selected components of critical weapons systems or related essential items to United States domestic sources. Therefore, the Department opposes this legislation as now written.

JUSTIFICATION

The House Appropriations Committee has amended a long standing provision restricting the procurement of foodstuffs and textiles to domestic sources by including "specialty metals" in this same category of restriction. The Committee cited certain hearings on this matter and indicated they were favorably impressed by the evidence presented by representatives of the specialty metals industry. The action of the Committee in effect prohibits the procurement of any article containing any specialty metal not melted in steel manufacturing facilities located within the United States. Exception is permitted where the Secretary of the Department concerned determines that a satisfactory quality and sufficient quantity of such metals cannot be procured as and when needed at United States market prices.

Vice Admiral Eli T. Reich, Deputy Assistant Secretary of Defense (Production Engineering and Materiel Acquisition) appeared before the Subcommittee on General Legislation of the Committee on Armed Services, United States Senate looking into the matter of essentiality of specialty steels to national security. He indicated at that time and it has been reiterated by the Department on other occasions that the availability of domestic produced specialty metals is of great importance to our industrial preparedness and mobilization needs. The Department is of the opinion

that domestic capability must be preserved. It is the Department's view, however, that sufficient authority currently exists to restrict purchases of such "specialty metals" to domestic sources where determined necessary for industrial preparedness and mobilization needs. This authority as implemented in the Armed Services Procurement Regulation stems from the authority vested in the Secretary of Defense under Executive Order 11490, Defense Mobilization Order VII - 7, Clause (16) of Section 2304(a) of Chapter 137, title 10, U.S.C., and the Buy American Act.

Therefore, the Department of Defense sees no need for the legislation, and must oppose the proposed amendment on the following grounds:

- It would be an onerous administrative burden requiring the Department to determine the source of all specialty metals used at any stage in the manufacturing process whether at the prime or subcontract level.

- It may prohibit the purchase of certain items pending a determination of the source of specialty metals used. Domestic sources will have to be sought where foreign sources may be current suppliers. Since specialty metals run the gamut of use in medical instruments to use on sophisticated military systems such as the F-14, Safeguard, and the C-5A, the restriction to domestic sources could cause significant problems in the delivery of defense items. For example, if the prime contractor or its subcontractors for the F-14 have existing sources of supply that utilize foreign source specialty metals, it is conceivable that considerable disruption could occur in the program until domestic sources could be secured.

- It will not aid the specialty metals industry since Defense consumption accounts for less than 5% of the total United States consumption.

- The administration of this legislation will increase Defense cost by an unknown amount.

- It would be permanent legislation, prohibiting the purchase of foreign specialty metals except under prescribed circumstances and hence be an effective bar to use of discretion by Defense officials.

Considering all these matters, the Department of Defense opposes the proposed legislation and is firmly of the belief that such restrictions as are necessary to assure the continuing capability to meet industrial preparedness and mobilization requirements can be effected by existing regulatory authority.

The Department of Defense is of the opinion that the recommendations of the Committee on Armed Services, United States Senate as contained on page 13 of their Report No. 92-962 dated July 14, 1972, will, when implemented, accomplish the desired objective of the proposed legislation. These recommendations are as follows:

"1. The committee strongly urges that the responsible departments and agencies of the executive branch undertake to determine whether this country can afford to lose the specialty steel industry and the currently available skills and technology associated therewith.

"2. That the responsible departments and agencies of the executive branch maintain careful vigilance over the declining trend of the specialty steel industry and to institute corrective action, if necessary.

"3. That the Secretary of Defense examine the desirability of amending the Armed Services Procurement Regulation (ASPR) to provide that domestically produced specialty metals are employed to the maximum extent in the production of equipment under Department of Defense contracts."

TRANSFER AUTHORITY

House Bill

Section 735 of the House Bill provides $750 million in transfer authority, subject to certain terms and conditions.

Department of Defense Position

The Department of Defense requests that $1 billion in transfer authority be provided, in lieu of $750 million, and deletion of the words "or any subdivision thereof" on line 12.

JUSTIFICATION

Defense programs have been sharply curtailed in the past few years. Since FY 1968, military and civil service manpower falls by 1.5 million, roughly one-third, and purchases of goods and services from industry (after adjusting for inflation) have declined by 40%. Meanwhile, the Department is phasing out a war, moving toward an all-volunteer force, and making adjustments related to the arms limitation agreements. These developments have created a great deal of turbulence and unpredictability through the Defense program and budget.

At the same time, we have faced massive pay and price increases, currency revaluation, and other developments which are difficult to predict in detail. The Congress has made large funding reductions in recent years, and has reduced flexibility by changing the basis of availability of procurement and RDT&E funds.

The combined effect of all these developments is an increase in the Department's need for flexibility, while the margins of flexibility provided within the regular appropriations have been greatly diminished. The unpredictability in the current world situation makes it essential that the Department be able to react to changes as necessary to provide for the strongest possible posture within the resources approved by the Congress. A total of $693.7 million in transfer authority was utilized in FY 1972, and it is reasonable to expect that FY 1973 requirements would be greater. It is noted that the $1 billion in transfer authority requested constitutes about 1.3% of the total amount of this Bill.

In light of the foregoing, it is urged that the Senate provide $1 billion in transfer authority, as requested in the budget.

The clause "or any subdivision thereof" was inserted in the House Bill to cover the multiple subdivisions of the O&M appropriations which the House would provide. We recommend elsewhere that this subdivision of appropriations not be adopted by the Senate; if this recommendation is accepted the cited clause would be unnecessary.

FREE WORLD FORCE SUPPORT

House Bill

Sec. 737. (a) Not to exceed $2,500,000,000 of the appropriations available to the Department of Defense during the current fiscal year shall be available for their stated purposes to support (1) Vietnamese and other free world forces in support of Vietnamese forces; (2) local forces in Laos; and for related costs on such terms and conditions as the Secretary of Defense may determine...

Department of Defense Position

It is requested that the amount of $2,500,000,000 cited above be increased to $2,735,000,000.

JUSTIFICATION

The House Bill includes NOA of $2,709.2 million for Free World Force Support. The Department's request of the Senate includes $2,731.6 million for this purpose. The figures are as follows:

	(NOA, $ millions)
Budget request (including all amendments)	$2,924.7
House reductions	-215.5
Free World Force Support NOA in House Bill	$2,709.2
Restoration requested of Senate in this reclama (O&M, Army, Program 10)	+22.4
Free World Force Support NOA requested of Senate	$2,731.6

Accordingly, it is necessary to increase the limitation to $2,735 million, to cover the NOA actually provided. If the O&M, Army reclama ($22.4 million) is denied, the limitation could be set at $2,710 million.

DISTRIBUTION OF ALTERATION, OVERHAUL AND REPAIR WORK TO PRIVATELY OWNED SHIPYARDS (SECTION 743)

House Bill

Sec. 743. Of the funds made available in this Act for the alteration, overhaul, and repair of naval vessels, at least 35 per centum thereof must be made available for such work in privately owned shipyards; provided that if determined by the Secretary of Defense to be inconsistent with the public interest based on urgency of requirement to have such vessels altered, overhauled, or repaired as required above, such work may be done in Navy or private shipyards as he may direct.

Department of Defense Position

The Department requests the elimination of Section 743.

Good business management practices would dictate that the composition of the overhaul schedule and the above listed factors should be the major considerations in determining the amount to be assigned to private shipyards rather than an inflexible percentage.

CONVERSION OF HEATING PLANTS IN EUROPE

House Bill

Sec. 744. None of the funds available to the Department of Defense shall be utilized for the conversion of heating plants from coal to oil at defense facilities in Europe.

Department of Defense Position

Section 744 should be deleted.

JUSTIFICATION

Approximately 85% of the German facilities being used by the Army and Air Force in Germany are heated with small hand-fired boilers installed prior to World War II. Such boilers are obsolete, extremely inefficient and require an unreasonable amount of manpower inasmuch as these units must be manned 24 hours a day, seven days a week. Units of this type have not been installed in the U.S. since World War II and air pollution abatement regulations now prohibit the use of hand-fired units in the U.S. Prior to World War II when coal was inexpensive and labor costs were low, hand-fired boilers were economical. Today, however, hand-fired coal boilers are very expensive to operate. Although the cost of fuel oil has increased, the comparative advantage has been affected by the recent revaluation of the dollar, wage increases for local national and third country national coal handling personnel in Germany and the increased coal and shipping costs for U.S. coal shipped to Germany. As a result, the cost of producing one million BTU is still approximately three times more costly with coal than with oil.

In 1969, an Army study determined that conversion of anthracite-fired units in Germany would result in over all savings of about $23,000,000 with a concurrent annual gold flow reduction of $2 to $3 million. In an effort to achieve these important savings, the Army began to convert these boilers. As the result of the interest expressed by the Committee, the Commander-in-Chief, U.S. Army Europe was advised in August 1971 that the general plan to convert anthracite boilers would not continue. In his July 27, 1972, letter to Chairman Mahon, Secretary Rush stated that he had been assured that this guidance had been followed.

The DoD has agreed to continue to use all existing anthracite-fired boilers and to make reasonable repairs to these units. Nevertheless, it must be recognized that most of these boilers are over 30 years in age and with labor scarce in Germany, it has been necessary to use inexperienced third country nationals and even G.I. labor for firemen. Their performance often contributed to the breakdown of the heating plants with the resultant cold barracks and troop discomfort. The DoD earnestly requests modification of

the proposed sections to permit replacement of uneconomically repairable boilers with oil-fired packaged units which provide a very significant cost reduction as well as a goldflow savings by elimination of anthracite transportation in Europe, anthracite handling and firing labor on base and labor for ash removal.

Defense Management and Compliance with Congressional Intent

The House Report raises many points regarding Defense management; the form, timing, and content of material transmitted to the Congress; and the matter of compliance with congressional intent. To the extent that these points bear on specific appropriations and legal provisions, they have been addressed in the preceding sections of this statement. Some general comments are also necessary.

The Department is deeply concerned with the general thrust of the House Bill and Report which would proliferate the restrictions and controls upon the conduct of Defense programs. These House actions fall under several general headings:

- Increasing the number of appropriations--in practical effect, the major O&M appropriations would be increased from 5 to 47, and an additional RDT&E appropriation would be created for the Director of Test and Evaluation.

- By specifying that amounts are available only for certain programs, the shipbuilding appropriation is subdivided three ways while OPN and RDT&E, Navy are each divided into two pieces.

- While the foregoing actions would greatly increase the need for transfer authority, the House sharply reduced this authority: $750 million was provided for FY 1972; $1 billion was requested for FY 1973; and the House Bill would provide $750 million.

- The Emergency Fund was eliminated.

- In addition, the House Report is studded with specific statements regarding amounts to be applied to specific items and programs; conditions to be met prior to proceeding; comments as to organization, staffing, grade structure, and compensation policy; types of weapons to be employed; and similar material.

This network of inter-related restrictive actions have been set forth, it is necessary to emphasize, at a time when it is especially difficult to forecast requirements with absolute precision. We are phasing out a war, engaged in arms limitation talks and moving to an all-volunteer force while attempting to restructure and rebalance after the massive manpower and purchase cutbacks of the past few years. We have had to accommodate to massive pay and price increases. Under the circumstances, it is inevitable that there will be changes in various subdivisions of the budget, which are impossible to predict, and accommodation to these causes changes in additional areas.

At the same time, we have faced extensive delays in Congressional action and have been operating under continuing resolutions about half the time. We have delayed many programs awaiting Congressional approval, and this fact itself has been used as a reason for budget

cuts in many instances. Our ability to react to a dynamic situation has thus been restricted in terms of time and resources as well.

The Department has made mistakes, and there is certainly room for improvement in many areas. We ask only that criticisms give appropriate weight to all the circumstances involved, and that proposed changes be considered carefully in light of these circumstances, taking account of our experience as well.

The steps which the Department proposes in the major areas covered by the House Bill and Report are summarized in the following paragraphs.

FY 1973 appropriation structure. As noted earlier in this statement, we urge that O&M appropriations be provided for FY 1973 as in FY 1972 and earlier years; that a single appropriation be provided for "RDT&E, Defense Agencies"; and that the floors in three Navy appropriations be removed. We are prepared to discuss problems and desirable changes in these areas with both Appropriations Committees; changes could be reflected in the FY 1974 budget submission, or could be incorporated during the course of congressional consideration of the FY 1974 bill. We must urge that such changes not be incorporated in the 1973 bill. There simply has not been adequate time to consider such massive adjustments. In the O&M area, the House Bill would return us to a fragmented appropriation structure similar to that which pertained 20 years and more ago. The problems inherent in such a structure were of major concern to the Hoover Commission, and as a matter of fact, legislation was enacted (and is still on the books) prescribing many of the principles which govern the present structure. Moreover, it does not appear to us that the changes proposed by the House would solve the specific problems cited as a basis for change. Until these and many other factors can be considered, we believe that sweeping changes are unwarranted. As indicated, we are prepared to discuss these changes, as well as the further O&M changes proposed in the House Report for FY 1974.

FY 1974 procurement and RDT&E changes. The House Report raised a number of points that would bear on the FY 1974 appropriation structure, including changes in the Navy procurement area, RDT&E program elements, and criticisms of the way boundaries are drawn between procurement, RDT&E, and O&M. We believe that specific improvements along the lines advocated by the House could be effected rather promptly in some areas, while other changes would require, at the least, a good deal more analysis than can be brought to bear in the next few days. Once again, we are prepared to discuss these changes with the Approprations Committees and, in matters of interest to them, the Armed Services Committees. We ask that the Senate not take any steps which would tend to foreclose the thorough consideration of these matters.

Selected Acquisition Report (SAR). The House Report contains a number of specifics with respect to the timing, content, and certain groundrules for the SAR. As to timing, we have been late--but not as late as one might infer from the House Report. We will take steps to correct this. Regarding the other matters, we will initiate contacts with the four Committees involved to effect changes in the SAR on a basis that is, insofar as possible, mutually agreeable.

Transfer authority. For reasons detailed earlier, we must urge the provision of $1 billion in transfer authority for FY 1973, and the restoration of the Emergency Fund at $50 million.

SUBCOMMITTEE RECESS

Senator YOUNG. The subcommittee will recess subject to call of the Chair.

Admiral DE POIX. Thank you, Mr. Chairman.

(Whereupon, at 12 o'clock noon. Wednesday, September 13, the subcommittee was recessed to reconvene at the call of the Chair.)

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1973

TUESDAY, SEPTEMBER 19, 1972

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2:20 p.m., in room S–126, the Capitol, Hon. John L. McClellan (chairman) presiding.

Present: Senators McClellan, Pastore, Young, Smith, Hruska, Case, and Cotton.

DEPARTMENT OF DEFENSE

The subcommittee heard the classified testimony of Adm. Thomas H. Moorer, Chairman, Joint Chiefs of Staff.

(Whereupon, the hearings were concluded and the subcommittee was recessed to reconvene at the call of the Chair.)

Space Technology (Program 749)

(The following information was subsequently submitted on September 27, 1972, for inclusion in the record in connection with the appeals from the action of the House.)

Department of Defense

research, development, test, and evaluation, navy

Space Technology (Program 749).—Of the $33,375 thousand originally requested, the committee deleted $10 million which had been added as a formal amendment. This funding provided the bulk of a $12.8 million FY 1973 effort which had been initiated to support an urgently needed development of a near term tactical ocean surveillance capability. This capability is required in response to the anti-shipping missile threat which Soviet surface ships pose to U.S. tactical commanders. The urgent need still exists. A total of $10.8 million FY 1973 funding is the minimum required to continue an orderly program to synthesize and efficiently test a series of breadboard systems using existing hardware. The reduced FY 1973 funding will require Navy to redirect some FY 1974 funds at a later date. If this level of funding is not provided a 9 to 12 month break in the program will occur due to not having a suitable testbed platform available.

The essence of the program is that the large instantaneous field of view which can be achieved by [deleted] existing aircraft [deleted] will be coupled with sensors optimized for ocean surveillance and real time surface processing and display. The desired product would be real time information which will greatly increase the tactical efficiency of naval forces as well as significantly improve fleet survivability in the antishipping missile environment.

It is requested that $8 million of the $10 million be restored to this program.

Letter From Senator John Stennis on Authorization

(Following the conclusion of the hearings, the following letter was received from Hon. John C. Stennis, chairman, Senate Armed Services Committee:)

United States Senate
COMMITTEE ON ARMED SERVICES
WASHINGTON, D.C. 20510

September 22, 1972

Dear Mr. Chairman:

The full Committee on Armed Services yesterday conducted a hearing on a portion of the Southeast Asia Supplemental Budget Request totaling $614.9 million. This is the amount approved in the House version of the Defense Appropriations bill which was not authorized as a part of the fiscal year 1973 Military Procurement legislation. A list is attached of these items, all of which were considered by the Committee.

I wish to advise the Defense Appropriations Subcommittee that the Armed Services Committee recommends approval of all of these items with the exception of the $32 million for the procurement of sixty A-37B aircraft. All of these sixty aircraft, to be produced in 1974 and 1975, would be assigned to use in South Vietnam. The A-37 is not used as a part of the inventory of the active United States Air Force.

Under the circumstances the urgency of this request as a part of a supplemental request does not seem apparent at this time and could be considered next year in fiscal year 1974 as a part of the regular procurement request. The emergency nature of this request does not appear to apply with respect to this item. The total being recommended to you therefore is $582.9 million.

In addition, testimony before the Committee indicated that the items already identified by the House Appropriations Committee for the use of the Free World Forces for fiscal year 1973 would total $2.735 billion in lieu of the $2.5 billion in total authorization for the Free World Forces as contained in the Military Procurement Authorization legislation for fiscal year 1973. The Committee recognizes the need for this increased figure in view of the intensified activity in Vietnam since last April and therefore recommends approval of the House figure.

In order to carry out the recommendations of our Committee, I would like to recommend that the Appropriations Committee adopt as a separate title in the Defense Appropriations bill certain language which will provide for the authorization of these additional sums for procurement together with increased authorizations for Free World Forces in the amount of $2,735 billion. I am attaching a copy of appropriate language for this purpose.

Sincerely,

John C. Stennis

John C. Stennis

83-239 O - 72 - pt. 5 - 37

H. R. 16593 page 51, after line 11, insert the following: Title VIII AUTHORIZATION FOR APPROPRIATION. Section 801. In addition to any other funds authorized to be appropriated during the fiscal year 1973 for the use of the armed forces of the United States for procurement, there is hereby authorized to be appropriated during the fiscal year 1973 for the use of the armed forces of the United States for procurement of aircraft, missiles, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft:

For the Navy and Marine Corps ,$134,400,000;

For the Air Force ,$335,500,000.

MISSILES

For missiles:

For the Army ,$ 4,300,000;

For the Navy ,$65,300,000;

For the Air Force ,$39,800,000.

OTHER WEAPONS

For other weapons:

For the Army ,$ 3,600,000.

Section 802 subsection (a)(1) of section 401 of Public Law 89-367 as amended by section 601 (b) of H.R. 15495 as enacted by the Congress (Public Law 92), is hereby amended by deleting "$2,500,000,000" and inserting "$2,735,000,000" in lieu thereof.

SEA Items Funded by House But Not Authorized
(In Millions of Dollars)

	Authorized		House Appropriations		Difference	
	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.
Army						
TOW Antitank Weapon	-	-	-	4.3		4.3
Tracked Combat Vehicle and Other Weapons (Items not Specified)	-	-	-	3.6		3.6
Total Army						7.9
Navy and Marine Corps						
Aircraft						
A-6E	12	96.6	21	146.5	9	49.9
A-7E	24	90.3	48	155.7	24	65.4
Replenishment Spares		-		11.0		11.0
Initial Spares		-		8.1		8.1
Missiles						
SHRIKE		.7		27.0		26.3
Standard ARM		.8		39.8		39.0
Total Navy						199.7
Air Force						
Aircraft						
F-4E	-	-	48	190.2	48	190.2
C-130 Transport	12	49.8	20	90.0	8	40.2
UH-1 Helicopter	120	35.9	180	53.3	60	17.4
HH-53 Helicopter	-	-	6	20.8	6	20.8
UH-1 Modification	-	-		1.9		1.9
F-RF-4 Modification	-	-		3.3		3.3
RHAW/ECM Modification	-	-		14.9		14.9
Aircraft Spares	-	-		38.1		38.1
Command Ground Equipment	-	-		3.7		3.7
Other Production Charges	-	-		5.0		5.0
Missiles						
Standard ARM	-	-		39.8		39.8
Total Air Force						375.3
						582.9

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